

## BOARD OF DIRECTORS

G Mangilal Surana	-	Chairman
Dr. R.N.Sreenath	-	Director
M V Jeshwanth Rao	-	Director
Nirmal Kumar Jain	-	Director
D Venkatasubbiah	-	Director
Narender Surana	-	Director
Devendra Surana	-	Director
Sanjay Kumar Sanghi	-	Wholetime Director

### CHIEF FINANCIAL OFFICER

Arihant Rakecha

### COMPANY SECRETARY

Pavani Akilla

### BANKERS

State Bank of India  
Corporation Bank  
Development Credit Bank Limited  
HDFC Bank Limited

### 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.

### REGISTRARS & TRANSFER AGENTS

KARVY COMPUTERSHARE PRIVATE LIMITED.  
Plot No. 17-24,  
Vittalrao Nagar,  
Madhapur, Hyderabad- 500 081  
Phone # +91-40-44655000  
Fax # +91-40-23420814  
Email ID : einward.ris@karvy.com

### REGISTERED OFFICE

2nd Floor, Surya Towers,  
Sardar Patel Road,  
Secunderabad - 500 003.  
India - 500 003  
Tel:+ 91 40 27845119, 27841198, 44665700  
Fax: + 91 40 27818868  
E-mail: surana@surana.com  
Investors: cs@surana.com, investorservices\_stl@surana.com  
Website: www.surana.com, www.suranatele.com

### STATUTORY COMMITTEES

#### AUDIT COMMITTEE

Nirmal Kumar Jain	-	Chairman
G Mangilal Surana	-	Member
Dr. R N Sreenath	-	Member
M V Jeshwanth Rao	-	Member

#### SHAREHOLDERS' GRIEVANCE COMMITTEE

G Mangilal Surana	-	Chairman
Narender Surana	-	Member
Devendra Surana	-	Member

#### REMUNERATION COMMITTEE

Shri Nirmal Kumar Jain	-	Chairman
Dr. R N Sreenath	-	Member
Shri M V Jeswanth Rao	-	Member

### WORKS

#### Power Cable

Plot No. 215/A, Phase II,  
I.D.A., Cherlapally  
Hyderabad - 500 051.

#### Aluminum Wire Rods

Plot No. 215/D, Phase II,  
I.D.A., Cherlapally  
Hyderabad - 500 051

#### Optic Fibre Plant

Plot No.214  
Phase II, IDA Cherlapally  
Chatkesar (M)  
Ranga Reddy District

#### JFTC

Plot No. 13, 14 & 15  
Pilerne Industrial Estate,  
Panaji, Goa - 403 001.

#### Non-Conventional Energy (Wind)

Kapatgudda, Gadag District,  
Karnataka, India



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## **ECS, ATTENDANCE SLIP AND PROXY FORM**



## NOTICE OF 21st ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 21st Annual General Meeting of the members of **SURANA TELECOM AND POWER LIMITED**, will be held on Friday the 24th day of September, 2010 at 11.30 a.m. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended 31st March, 2010 along with the Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2010.
3. To appoint a Director in place of Dr R.N. Sreenath, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Sekhar & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** Shri Sanjay Kumar Sanghi, who was appointed as an Additional Director at the meeting of Board of Directors held on 07.08.2010 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a member proposing the candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation .

**RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309, 310 and Schedule

XIII and other applicable provisions of the Companies Act, 1956, Shri Sanjay Kumar Sanghi be and is hereby appointed as Wholtime Director of the Company and shall be designated as 'Director- Operations' for a period of 3 years w.e.f 07.08.2010 upto 06.08.2013 on a remuneration of Rs. 50,000/- per month .

**RESOLVED FURTHER THAT** Shri Sanjay Kumar Sanghi, shall also be entitled for reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company as per the service rules of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion deem necessary to give effect to this resolution."

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

**"RESOLVED THAT** Shri Nirmal Kumar Jain, who was appointed as an Additional and independent Director of the Company by the Board of Directors at their meeting held on 07.08.2010 and who holds office upto the date of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature of Shri Nirmal Kumar Jain for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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

**"RESOLVED THAT** Shri D.Venkatasubbiah, who was appointed as an Additional and independent Director of the Company by the



Board of Directors on 07.08.2010 and who holds office upto the date of ensuing Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature of Shri D.Venkatasubbiah for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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

"**RESOLVED THAT** Shri M.V. Jeshwanth Rao, who was appointed as an Additional and independent Director of the Company by the Board of Directors on 24.10.2009 and who holds office upto the date of ensuing Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature of Shri M.V.Jeshwanth Rao for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals as may be required, the appointment of Shri Manish Surana as Executive Director of the Company for a period from 24.10.2009 to 07.08.2010 on a remuneration of Rs. 1,00,000/- per month in addition to reimbursement of actual expenses be and is hereby ratified."

**RESOLVED FURTHER THAT** in addition to salary, the commission paid 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 to Shri Manish Surana be and is hereby ratified.

**RESOLVED FURTHER THAT** reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company as per the service rules of the Company paid to Shri Manish Surana, be and is hereby ratified.

**RESOLVED FURTHER THAT** Shri Devendra Surana, Director be and is hereby authorised to file e-form 32 and other relevant forms with Registrar of Companies, A.P. by applying his digital signature thereto and do all such acts, deeds and things as may be necessary to give effect to this resolution."

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

"**RESOLVED THAT** pursuant to Section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and hereby accorded to the Board of Directors of the Company for borrowing from time to time, as they may think fit, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, the total amount so borrowed shall not exceed twice the networth of the Company."

By Order of the Board  
for **SURANA TELECOM AND POWER LIMITED**

Place : Secunderabad  
Date : 07.08.2010

**PAVANI AKILLA**  
**COMPANY SECRETARY**



## 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 21.09.2010 to 24.09.2010 (both days inclusive).
3. Dividend on shares @ 10% 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 21.09.2010 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 Department of Company 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. In view of the above:
  - i. 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.
  - ii. 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.

5. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, Dividends for the financial year ended 31st March, 2003 and thereafter, which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund established by the Central Government 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
2003-04	28.09.2004	01.11.2011
2004-05	01.07.2005	30.06.2012
2005-06	07.08.2006	06.09.2013
2006-07	27.09.2007	26.09.2014
2007-08	17.09.2008	16.09.2015
2008-09	29.09.2009	28.09.2016

Members who have not encashed the Dividend Warrant(s) so far for the Financial Year ended 31st March, 2004 or any subsequent financial years 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.

6. The Company's Equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and The 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.
7. 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.



8. The relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Businesses set out above is annexed herewith.
9. 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.
10. 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
11. Please note that, any queries pertaining to Accounts related aspects, in order to give proper clarification should reach the Company Secretary at Registered Office of the Company at least 48 hours before Annual General Meeting.

By Order of the Board  
for **SURANA TELECOM AND POWER LIMITED**

Place : Secunderabad                      **PAVANI AKILLA**  
Date : 07.08.2010                      COMPANY SECRETARY

## EXPLANATORY STATEMENT

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

### ITEM NO. 5 :

Shri Sanjay Kumar Sanghi was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 07.08.2010 and holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956 . The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri Sanjay Kumar Sanghi, as Whole time Director, liable for retirement by rotation, from a member together with the requisite deposit.

Shri Sanjay Kumar Sanghi holds Bachelor Degree in Commerce and has experience of over 20 years in sales and Marketing and Administration. The particulars of Shri Sanjay Kumar Sanghi are detailed in the Report on Corporate Governance, which is herewith annexed.

The Board is of the view that the vast knowledge and experience of Shri Sanjay Kumar Sanghi 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 of the Company are concerned or interested in the resolution

### ITEM NO. 6:

Shri Nirmal Kumar Jain, was appointed as an Additional and Independent Director of the Company by the Board of Directors at their meeting held on 07.08.2010 and holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri Nirmal Kumar Jain as Director, liable for retirement by rotation, from a member together with the requisite deposit. The particulars of Shri Nirmal Kumar Jain are detailed in the report on Corporate Governance, which is herewith annexed.

The Board is of the view that the vast knowledge and experience of Shri Nirmal Kumar Jain 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 of the Company are concerned or interested in the resolution

### ITEM NO. 7:

Shri D.Venkatasubbiah, was appointed as an Additional and Independent Director of the Company by the Board of Directors at their meeting held on 07.08.2010 and





holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri D.Venkatasubbiah as Director, liable for retirement by rotation, from a member together with the requisite deposit. The particulars of Shri D.Venkatasubbiah are detailed in the report on Corporate Governance, which is herewith annexed.

The Board is of the view that the vast knowledge and experience of Shri D.Venkatasubbiah 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 of the Company are concerned or interested in the resolution

#### **ITEM NO. 8:**

Shri M.V. Jeshwanth Rao, was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 24.10.2010 and holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri M.V. Jeshwanth Rao, as Director, liable for retirement by rotation, from a member together with the requisite deposit. The particulars of Shri M.V. Jeshwanth Rao are detailed in the report on Corporate Governance, which is herewith annexed.

The Board is of the view that the vast knowledge and experience of Shri M.V. Jeshwanth Rao 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 of the Company are concerned or interested in the resolution

#### **ITEM NO. 9:**

Shri Manish Surana was appointed as Executive Director of the Company as per the provisions of Section 198, 269, 309 and Schedule XIII for a period

of 5 years w.e.f 24.10.2009 to 23.10.2014 on a remuneration of Rs.1, 00,000/- p.m.

Pursuant to the Scheme of arrangement, the Board of Directors at their meeting held on 07.08.2010 unanimously resolved to reconstitute the Board in such a manner that there would be an optimum combination of professional and expert Board to suit the business requirements of the company according to its Business Plan for the forthcoming years. Accordingly Shri Manish Surana resigned w.e.f 08.08.2010. The appointment of Shri Manish Surana requires the approval of members as Shri Manish Surana served on the Board of the Company as Executive Director w.e.f 24.10.2009 to 07.08.2010 on a remuneration as mentioned in the resolution. Hence the resolution is set forth for members' approval.

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

None of the directors of the Company other than Shri G.M. Surana, Shri Narender Surana and Shri Devendra Surana are concerned or interested in the resolution

#### **ITEM NO. 10:**

Under Section 293(1) (d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in General Meeting, borrow money, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. Having regard to the need for borrowing in future for expansion/modernisation, it is proposed to increase the borrowing limits of the Board of Directors under section 293(1) (d) of the Companies Act, 1956, not exceeding two times the networth of the Company. The Resolution is of an enabling nature.

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

None of the directors of the Company are concerned or interested in the resolution.

By Order of the Board  
for **SURANA TELECOM AND POWER LIMITED**

Place : Secunderabad  
Date : 07.08.2010

**PAVANI AKILLA**  
**COMPANY SECRETARY**



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2010.

### SCHEME OF ARRANGEMENT

During the year under review, the 'Solar Division' of the Company has been demerged with the Company and merged with M/s Surana Ventures Limited. The Scheme of arrangement was sanctioned by the Hon'ble High Court of A.P. vide its order dated 28.06.2010. The Scheme became effective on 28.07.2010 and the appointed date of the Scheme is 01.10.2009. The Scheme of arrangement was for the purpose of re-organising the Company for greater focus in the various activities of the Company, accelerate growth, improve profitability, ensure better operational management and focus on accelerated growth of individual units so as to ensure higher returns to the shareholders, creditors, employees and is also in general public interest.

Consequent upon the demerger of the 'Solar Division', the shareholders of the Company shall be allotted equity shares of M/s Surana Ventures Limited in the ratio of 3 equity shares of Rs.10/- each of M/s Surana Ventures Limited for every 4 equity shares of Rs. 5/- each held by them in the Company. The share swap ratio has been determined based on the valuations done by M/s. CNGSN & Associates, independent Chartered Accountants, M/s. Sekhar & Co, Statutory Auditors of the Company and the fairness opinion issued by M/s Fortune Financial Services (India) Limited, a SEBI authorised Merchant Banker

### FINANCIAL RESULTS

The assets and liabilities of the 'Solar Division' and its operating results have not been incorporated in the Company's books with effect from 01.10.2009 (Appointed Date). As the results for the financial year 2009-10 does not include the figures of erstwhile 'Solar Division' from appointed date, therefore to that extent are not comparable with the figures for 2008-09. The financial performance of the Company for the year ended 31.03.2010 is summarized below.

(Rs. in Lakhs)

	Standalone Results		Consolidated Results	
	2010	2009	2010	2009
Sales and other Income	<b>5121.71</b>	9534.05	<b>5121.71</b>	9534.05
Profit before Depreciation and Interest	<b>558.05</b>	638.06	<b>558.05</b>	638.06
<b>DEDUCT:</b>				
Depreciation	<b>241.26</b>	223.56	<b>241.26</b>	223.56
Interest	<b>185.88</b>	99.62	<b>185.88</b>	99.62
Profit for the year	<b>131.36</b>	314.88	<b>130.91</b>	314.88
Provision for Taxation : Income Tax	<b>18.00</b>	32.00	<b>18.00</b>	32.00
Fringe Benefit Tax	-	4.80	-	4.80
Deferred Tax	<b>(3.98)</b>	2.49	<b>(3.98)</b>	2.49
Profit after Tax	<b>114.93</b>	282.00	<b>114.48</b>	282.00
Share in net assets of companies no longer consolidated	-	-	<b>38.66</b>	-
Share in net assets of Associates	-	-	-	(38.66)
Surplus brought forward from previous year	<b>2401.75</b>	2402.30	<b>2363.09</b>	2402.30
Balance available for appropriation	<b>2,516.68</b>	2,684.30	<b>2,516.23</b>	2,645.64
<b>APPROPRIATION:</b>				
Dividend	<b>104.02</b>	156.03	<b>104.02</b>	156.03
Tax on Dividend	<b>17.27</b>	26.52	<b>17.27</b>	26.51
Transfer to General Reserves	<b>2000.00</b>	100.00	<b>200.00</b>	100.00
Balance c/f to Balance Sheet	<b>2195.38</b>	2401.75	<b>2194.93</b>	2363.10
<b>TOTAL</b>	<b>4316.67</b>	2684.30	<b>2516.22</b>	2645.64





## **OPERATIONS:**

The year under review was a transformational year for the Company. In the light of demerger of its Solar Division, the Company has to refocus and reorganize its operations to ensure growth and profitability. In view of the same it proposes to strengthen its business in Power Cables, Aluminium CC Rods and Telephone Cables and to venture into new areas of growth and profitability

## **TRANSFER OF COMPANY'S PROPERTY**

The Company has entered into Memorandum of Understanding for transfer/surrender of vacant land admeasuring approx. 16,000 Sq.Mts out of 31,726 Sq.Mts bearing Plot Nos.12 & 16 from Plot bearing Nos. 12,13, 14, 15 & 16 in the property known as 'Pilerne Industrial Estate' bearing Survey No.85 of Marra Village within the village Panchayat limits of Pilerne, Marra Taluq Bardez, District North-Goa. The Company shall also enter into tripartite deed of lease with Goa Industrial Development Corporation enabling the Corporation to transfer the property to the said Company.

## **DIVIDEND**

Your Directors are pleased to recommend a Dividend @ 10% amounting to Rs 1.04 crores for the year ended 31st March 2010. This will entitle an out flow of Rs 1.21 crores including dividend tax

## **RESERVES**

During the year the Company has transferred an amount of Rs 2.00 crore to General Reserves Account.

## **FIXED DEPOSITS**

The Company had not accepted any deposits and consequently no deposits had matured/become due for re-payment as on 31st March, 2010.

## **JOINT VENTURE COMPANY**

During the year under review, the Company entered into a Joint Venture Agreement with M/s EC

Distribution Limited (ECDL), Bangladesh to form a special purpose vehicle/JV by name "Radiant Alliance Limited" for the purpose of establishing and operating a Solar PV Module manufacturing plant in Bangladesh with an installed capacity of 10 MW.

## **DIRECTORS**

In view of restructuring of the Company pursuant to the Scheme of arrangement as approved by the Hon'ble High Court of Andhra Pradesh vide its order dated 28.06.2010, the Board of Directors unanimously resolved to reconstitute the Board in such a manner that there would be an optimum combination of professional and expert Board to suit the business requirements of the Company according to its Business Plan for the forthcoming years.

Shri M V Jeshwanth Rao was appointed as Additional Director on 24.10.2009. Shri Nirmal Kumar Jain and Shri D.Venkatasubbiah were appointed as Additional Directors of the Company on 07.08.2010. Shri Sanjay Kumar Sanghi, has been inducted into the Board of the Company as Wholtime Director and designated as Director-Operations of the Company on 07.08.2010. He has rich experience of over 20 years in the fields of administration, sales and marketing which would enhance the Company's growth and profitability.

The brief profile of the Directors seeking reappointment and appointment at the ensuing Annual General Meeting is being annexed to the Corporate Governance Report.

Shri O. Swaminatha Reddy, Shri R.Surender Reddy, Shri S.R.Vijayakar and Shri S.Balasubramanian have resigned w.e.f 08.08.2010. Shri Narender Surana, Managing Director of the Company has resigned from the office of Managing Director with effect from 08.08.2010 and continues to be the Director of the Company. Shri Manish Surana was appointed as Executive Director on the Board of the Company at their meeting held on 24.10.2009 for a period of 3 years. He resigned as Director w.e.f 08.08.2010.



The composition of Board w.e.f 08.08.2010 is as follows:

Sl. No.	Name of the Director	Designation
1.	Shri G.M.Surana	Non-executive Director
2.	Shri Narender Surana	Executive Director
3.	Shri Devendra Surana	Executive Director
4.	Shri Sanjay Kumar Sanghi	Director-Operations
5.	Dr. R.N. Sreenath	Independent Director
6.	Shri M V Jeshwanth Rao	Independent Director
7.	Shri Nirmal Kumar Jain	Independent Director
8.	Shri D.Venkatasubbiah	Independent Director

The Board wishes to place on record its appreciation for the contributions made by Shri O. Swaminatha Reddy, Shri R. Surrender Reddy, Shri S.R. Vijayakar, Shri Manish Surana and Shri S. Balasubramanian during their tenure on the Board of the Company.

## AUDITORS

M/s. Sekhar & Company, Chartered Accountants, Auditors of the Company retires at the ensuing Annual General Meeting and 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.

## 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.

Ms. Vinita Surana, relative of Shri Narender Surana, Director of the Company who was promoted to "G.M. Finance" on 26.10.2008 with a remuneration of Rs.40,000/- per month resigned from office w.e.f 08.08.2010.

## INSURANCE

The Properties and Assets of your Company are adequately insured.

## ISO 9001-2000 CERTIFICATION

Your Company continues to hold ISO 9001-2000 Certification by meeting all the requirements of Certification from time to time.

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

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, 2010, 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 or Loss 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, 2010 on a 'going concern' basis.

## Auditors Observations:

The observation reported in para 4(e)(1) regarding the provision for loss of goods, your company filed



suit against the parties for recovery of the amount of US \$ 5,73,700 with Hon'ble High Court of Mumbai consequent to which the High Court directed the parties to furnish Bank Guarantee to the Court for an amount of Rs. 3,33,90,180/-

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement, forms part of this Report and is annexed hereto.

## **CORPORATE GOVERNANCE**

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges.

A separate report on Corporate Governance is annexed herewith, as a part of the Annual Report along with the Auditor's Certificate on its compliance.

## **CONSERVATION OF ENERGY, FOREIGN EXCHANGE ETC**

Information on Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of

particulars in the Report of the Board of Directors) Rules, 1998, are provided in the Annexure forming part of this Report.

## **APPRECIATION**

Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry, despite increased competition from several existing and new players.

## **ACKNOWLEDGEMENTS**

The Board desires to place on record its sincere appreciation for the support and co-operation that the Company received from the suppliers, customers, strategic partners, Bankers, Auditors, Registrar and Transfer Agents and all others associated with the Company. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be the Company's endeavor to build and nurture strong links with trade based on mutuality, respect and co-operation with each other.

For and on behalf of the Board of Directors

Place: Secunderabad

Date : 07.08.2010

**G. Mangilal Surana**

Chairman



**ANNEXURE - I TO THE DIRECTORS' REPORT**

**I. INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.**

**FORM - A**

**A. CONSERVATION OF ENERGY :**

- (i) Proper energy conservation measures have been taken up by the Company.
- (ii) The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy.
- (iii) There is no impact of the measures at (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- (iv) Disclosure under Form A is not applicable to the Company.

**B. TECHNOLOGY ABSORPTION :**

Efforts made in technology absorption as per FORM B

**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:	To Manufacture smallest size PIJF Cables for supply to Private Operators for Broad Band Network, developing Quad Cable for Railways and Cable Assembly to Automobile Sector.
2.	Benefits derived as a result of the above R & D for the Company:	In the depressed market, looking for new areas like Automobile, Railway Signalling etc., for different varieties of Cable requirements therein
3.	Future plan of action:	Manufacture and supply of CPE(Customer Premises Equipment) and related Technical Support Services to the Telecom sector.
4.	Expenditure on R & D:	As no significant amount has been spent, the same is not being shown separately.

**B) Technology absorption, adaptation and innovation :**

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

Total Foreign Exchange earned and used :

**Earned : Rs. 7.16 lakhs**

**Used : Rs. 2669.05 lakhs**

**C) Foreign Exchange Earnings and Outgo :**

Activities relating to exports and initiatives taken to increase export products, services and export plans:

for and on behalf of the Board of Directors

Place : Secunderabad  
Date : 07.08.2010

**G. Mangilal 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, 2010 consists of:

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

#### b) Attendance Record for 2009-10:

Sl. No	Name of Director	Category	Meetings attended	Attendance at last AGM on 17.09.2009	Remarks
1	G Mangilal Surana	Non-executive	8	Present	-
2	O Swaminatha Reddy	Independent, Non-executive	7	Present	Resigned w.e.f 08.08.2010
3	R Surender Reddy	Independent, Non-executive	7	Present	Resigned w.e.f 08.08.2010
4	S R Vijayakar	Independent Non-executive	8	Present	Resigned w.e.f 08.08.2010
5	Dr R.N. Sreenath	Independent Non-executive	8	Present	-
6	M.V. Jeswanth Rao	Independent Non-executive	1	-	Appointed as Additional Director on 24.10.2009
7	Narender Surana	Executive	8	Present	-
8	Devendra Surana	Executive	8	Present	-
9	S.Balasubramanian	Executive	7	Present	Resigned w.e.f 08.08.2010
10	Manish Surana	Executive	1	-	Appointed as Additional and Executive Director on 24.10.2009 and resigned w.e.f 08.08.2010



**c) Number of other Directorships, Committee Membership(s) & Chairmanship(s) as on 31st March, 2010:**

Sl. No.	Name of the Director	Other Directorships	Other Committee Membership	Other Committee Chairmanship
1	G Mangilal Surana	13	1	1
2	O Swaminatha Reddy	13	0	4
3	R Surender Reddy	9	3	4
4	S R Vijayakar	2	1	None
5	Dr R.N. Sreenath	5	1	None
6	Narender Surana	27	1	None
7	Devendra Surana	30	2	None
8	S.Balasubramanian	2	None	1
9	Manish Surana	18	None	None
10	M V Jeswanth Rao	None	None	None

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

A total of 8 Board Meetings were held during the year as against the minimum requirement of 4 meetings. The maximum gap between any two Board Meetings was not more than four months at any time.

The dates on which the Board meetings were held are:

20.05.2009	26.06.2009	28.07.2009	29.09.2009
13.10.2009	24.10.2009	25.11.2009	29.01.2010

**e) Pecuniary relationship or transactions of Non-Executive Director:**

Apart from receiving Directors Remuneration, Non-Executive 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 the Director.

**f) Reconstitution of the Board:**

In view of restructuring of the Company pursuant to the Scheme of arrangement as approved by the Hon'ble High Court of Andhra Pradesh vide its order dated 28.06.2010, the Board of Directors at their meeting held on 07.08.2010 unanimously resolved to reconstitute the Board in such a manner that there would be an optimum combination of professional and expert Board to suit the business requirements of the company according to its Business Plan for the forthcoming years

Shri M V Jeshwanth Rao was appointed as Additional Director on 24.10.2009 and Shri D.Venkata Subbiah and Shri Nirmal Kumar Jain were appointed as Additional Directors of the Company on 07.08.2010. Shri Sanjay Kumar Sanghi, has been inducted into the Board of the Company as Whole time Director and designated as Director-Operations of the Company on 07.08.2010. He has rich experience of over 20 years in the fields of administration, sales and marketing which would enhance the Company's growth and profitability.

The brief profile of the directors seeking reappointment and appointment at the ensuing Annual General Meeting is being annexed to the Corporate Governance Report.

Shri O. Swaminatha Reddy, Shri R.Surender Reddy, Shri S.R.Vijayakar and Shri S.Balasubramanian have resigned w.e.f 08.08.2010. Shri Narender Surana, Managing Director of the Company has





resigned from the office of Managing Director with effect from 08.08.2010 and continues to be the Director of the Company. Shri Manish Surana was appointed as Executive Director on the Board of the Company at their meeting held on 24.10.2009 for a period of 5 years. He resigned as Director w.e.f 08.08.2010.

The composition of Board w.e.f 08.08.2010 shall be as follows:

S.No.	Name of the Director	Designation
1.	Shri G. Mangilal Surana	Non-executive Director
2.	Shri Narendra Surana	Executive Director
3.	Shri Devendra Surana	Executive Director
4.	Shri Sanjay Kumar Sanghi	Director-Operations
5.	Dr.R.N. Sreenath	Independent Director
6.	Shri M V Jeshwanth Rao	Independent Director
7.	Shri Nirmal Kumar Jain	Independent Director

### 3. Audit Committee:

#### a) Composition, Name of Members and Chairperson:

As on 31.03.2010, the Company's Audit Committee comprises of the following Directors all of whom are Non-Executive, the majority being Independent Directors:

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

Pavani Akilla, Company Secretary, is acting as Secretary to the Audit Committee.

#### b) 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 three Non-Executive and 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.

**c) Meetings and attendance :**

During the year, the Audit Committee Meetings were held on the following dates:

26.06.2009	28.07.2009	24.10.2009	29.01.2010
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## Attendance Record - 2009-2010

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

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.

### d) Reconstitution of Audit Committee:

Due to resignations of Shri O. Swaminatha Reddy, Shri R. Surrender Reddy, Shri S.R. Vijayakar from the office of Directorships with effect from 08.08.2010 and the acceptance of their resignations by the Board at their meeting held on 07.08.2010, the Board has reconstituted the Audit Committee on 07.08.2010 as follows:

S.No.	Name of the Director	Designation
1	Shri Nirmal Kumar Jain	Chairman
2	Shri G.M.Surana	Member
3	Shri R. N. Sreenath	Member
4	Shri M V Jeshwanth Rao	Member

## 4. Remuneration Committee:

The Company has constituted Remuneration Committee during the financial year 2009-2010.

### a) 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/Wholetime Directors. The remuneration policy of the Company is directed towards motivating and retaining the senior officers of the Company by rewarding performance

### b) 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 during the year on 24.10.2009 and all the directors attended the meeting.

### c) Reconstitution of Remuneration Committee

Due to resignations of Shri O. Swaminatha Reddy, Shri R. Surrender Reddy and Shri S.R. Vijayakar from the office of Directorships with effect from 08.08.2010 and the acceptance of their resignations by the Board at their meeting held on 07.08.2010, the Board has reconstituted the Remuneration Committee on 07.08.2010 as follows:

S.No	Name of the Director	Designation
1	Shri Nirmal Kumar Jain	Chairman
2	Shri R. N. Sreenath	Member
3	Shri Jeshwanth Rao	Member



## d) Remuneration to Non-executive Directors

The Company pays sitting fees to all the Non-executive Directors at the rate of Rs.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 2009-10 are as follows:

Sl. No.	Name of Director	Commission	Sitting Fees paid (Rs.)
1	Shri G Mangilal Surana	-	36,000
2	Shri O Swaminatha Reddy	-	33,000
3	Shri R Surender Reddy	-	33,000
4	Shri S R Vijayakar	-	36,000
5	Dr. R.N. Sreenath	-	24,000
6	M.V Jeswanth Rao	-	3,000
<b>TOTAL</b>			<b>1,65,000</b>

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

## e) Remuneration to Executive Directors

Name of Director	Salary	HRA	Commission	Total
Shri S. Balasubramanian	1,68,000	80,640	36,000	2,84,640
Manish Surana	1,00,000	-	-	5,00,000
<b>TOTAL</b>				<b>7,84,640</b>

## 5. Shareholders Grievance Committee:

The Shareholders Grievance Committee constituted by the Board of Directors and comprising of Shri G.M.Surana (Chairman), Shri Narendra 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 Board has designated Smt. Pavani Akilla, Company Secretary, as the Compliance Officer.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 40. There are no outstanding complaints as on 31st March 2010.

The Committee has received 10257 Shares for Transfers out of which 7507 were approved and balance were rejected. The committee received 502 Shares for Transmission and all the transmission of Shares were approved and there are no rejections. The committee has also received 42650 shares requesting for conversion of physical shares into Dematerialisation, out of which 40600 Shares were approved and balance 2050 were rejected. There were no transfers or transmissions or de-mat requests pending as on 31st March 2010.

## 6. General Body Meetings:

A. Location and time for last 3 years General Meetings were:

Year	Locations	Date	Time
2008-2009 (AGM)	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016	29th September, 2009	10.30 A.M
2007-2008 (AGM)	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	17th September, 2008	11.30 A.M
2006-2007 (EGM)	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	13th October, 2007	12:00 Noon
2006-2007 AGM	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	27th September, 2007	12.00 Noon
2005-2006 AGM	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	7th August, 2006	11.30 A.M



## B. Special Resolutions passed in last 3 Annual General Meetings

- In the AGM held on 27th September, 2007 the Company has passed special resolutions for the following items.
  - i) Change of name of the Company from 'Surana Telecom Limited' to 'Surana Telecom and Power Limited'
  - ii) Re-appointment of Shri Narender Surana, Managing Director for period of 5 years from 18.01.2007 to 17.01.2012
  - iii) Revision in salary of Smt Sunita Surana, Public Relations(Manager).
- In the AGM held on 17th September, 2008 the Company has passed special resolution for the following item.
  - i) Re-appointment of Shri S. Balasubramanian as Wholetime director for a period of 3 years w.e.f 30.01.2008 to 29.01.2011
- In the AGM held on 29th September, 2009, the Company has passed the special resolution for the following item:-
  - i) Revision in salary of Ms. Vinita Surana, from Rs.9,500/- to Rs.40,000/- per month and also promotion from Web Designer to G.M Finance

## 7. 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) Postal Ballot  
During the year there were no ordinary or special resolutions passed by the members through Postal Ballot

## 8. 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 "Andhra Prabha" - Telugu
Website where the results and other official news releases are displayed	<a href="http://www.surana.com">http://www.surana.com</a>
The presentations made to institutional investors or to the analysts.	nil



## 9. The Management Discussion and Analysis Report:

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

## 10. General Shareholders Information:

Annual General Meeting	:	Date	:	24.09.2010
		Time	:	11.30 a.m
		Venue	:	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet Hyderabad- 500 016
Financial Calendar	:	April 1st to March 31st		
Date of Book Closure	:	21.09.2010 to 24.09.2010		
Dividend Payment Date	:	29.09.2010		
Listing on Stock Exchanges	:	1. The Bombay Stock Exchange Ltd., Mumbai 2. National Stock Exchange of India Limited, Mumbai		
Stock Code	:	517530 on BSE SURANAT&P on NSE		
ISIN Number for NSDL & CDSL	:	INE 130B01023		

### Market Price Data

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr '09	25.10	18.20	24.45	18.45
May'09	31.90	17.50	31.90	19.25
Jun'09	36.30	24.50	36.00	24.70
Jul'09	33.50	21.30	33.35	22.00
Aug'09	32.80	26.00	32.40	25.20
Sep'09	42.60	30.15	49.65	30.00
Oct'09	47.80	36.40	48.00	37.70
Nov'09	42.95	35.05	42.50	35.15
Dec'09	40.00	37.10	39.80	36.75
Jan'10	42.00	37.60	42.00	37.50
Feb'10	41.20	35.10	41.40	36.60
Mar'10	43.10	38.00	41.50	38.00

### 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

Email ID : einward.ris@karvy.com

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





## 11. 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 COMPUTER SHARE PRIVATE LIMITED, as 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.

## 12. Shareholding Pattern as on 31st March, 2010:

Category	Total Shares	% To Equity
Promoters	10459880	50.277
Resident Individuals	6101521	29.33
Promoters Bodies Corporate	1896507	9.12
Bodies Corporates	1613454	7.75
Indian Financial Institutions	317952	1.53
Non Resident Indians	151623	0.73
H U F	104900	0.50
Overseas Corporate Bodies	58500	0.28
Mutual Funds	14200	0.07
Clearing Members	9927	0.05
Banks	73136	0.35
Foreign Institutional Investors	2800	0.01
<b>TOTAL</b>	<b>20804400</b>	<b>100.00</b>



### 13. Distribution of Share holding as on 31st March 2010:

Category (Amount)			No. of Cases	% of Cases
1	-	5000	9797	92.63
5001	-	10000	386	3.65
10001	-	20000	197	1.86
20001	-	30000	75	0.71
30001	-	40000	21	0.20
40001	-	50000	28	0.26
50001	-	100000	23	0.22
100001	&	Above	50	0.47
<b>TOTAL</b>			<b>10577</b>	<b>100.00</b>

### 14. Dematerialisation 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.

### 15. Share Dematerialisation Records:

19687871 shares representing 94.63% of the total equity capital were held in dematerialised form with the National Securities Depository Limited and Central Depository Services Limited as on 31st March, 2010.

#### 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.

### 16. Secretarial Audit:

Practicing Company Secretary Smt Rakhi Agarwal 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.

### 17. Plant Locations:

<b>Power Cable</b> Plot No. 215/A, Phase II, I.D.A., Cherlapally Hyderabad - 500 051.	<b>Aluminum Wire Rods</b> Plot No. 215/D, Phase II, I.D.A., Cherlapally Hyderabad - 500 051
<b>Optic Fibre Plant</b> Plot No.214 Phase II, IDA Cherlapally Ghatkesar (M) Ranga Reddy District	<b>JFTC</b> Plot No. 13, 14 & 15 Pilerne Industrial Estate, Panaji, Goa - 403 001
<b>Non- Conventional Energy (Wind)</b> Kapatgudda, Gadag District, Karnataka	



## 18. 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.	<b>KARVY COMPUTERSHARE PVT. LTD.</b> 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500081 Phone # +91-40-44655000 Fax # +91-40-23420814 E.mail : einward.ris@karvy.com Website : www.karvy.com
2.	Investor Correspondence/Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	<b>PAVANI AKILLA</b> <b>Company Secretary</b> M/s.Surana Telecom and Power Limited 2nd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003. Ph Nos. 27845119/44665700 E-mail : cs@surana.com investorservices_stl@surana.com Website : www.surana.com www.suranatele.com

## 19. 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 : 091-022-24994200  
Fax : 091-022-24972977/24976351  
Email : info@nsdl.co.in.

Central Depository Services (India) Ltd  
Phiroze Jeejeebhoy Towers,  
28th Floor,  
Dalal Street,  
Mumbai - 400 023  
Tel : 091-022-22723333/3224  
Fax : 091-022-22723199/2272  
Email : investors@cdslindia.com

## 20. 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.

## 21. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, and in continuation with your Company's efforts 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'.

Smt. Pavani Akilla, Company Secretary has been appointed as the Compliance Officer for this purpose. 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.



**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:-**

<b>Name of Director</b>	<b>Dr. R.N. SREENATH</b>
<b>Expertise in specific functional areas</b>	<p>Dr R.N. Sreenath, has over 42 years of experience in Semiconductor technology and Solar Photovoltaic Technology</p> <p>He has expertise in the following areas</p> <ol style="list-style-type: none"> <li>1. Capability to set up any discrete semiconductor project and successful productionisation.</li> <li>2. Capability to set up Solar Photovoltaic project and successful productionisation.</li> <li>3. Capability for Commercial exploitation of any of the Semiconductor and Solar Photovoltaic projects &amp; products</li> </ol>
<b>Date of Birth</b>	18.03.1941
<b>Qualification</b>	M.Sc. Ph.D (I.I.S.C.) Field of Specialization Semiconductor & Solar Photo voltaic Technology
<b>List of Other Companies in which Directorship is held as on 31st March, 2010.</b>	<p>DIRECTOR:</p> <ol style="list-style-type: none"> <li>1. Bhagyanagar India Limited</li> <li>2. Surana Ventures Limited</li> <li>3. Udhaya Semiconductors Limited</li> <li>4. USL Photovaltaics Private Limited</li> <li>5. Maharishi Solar Technology Private Limited</li> </ol>
<b>Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2010</b>	Surana Ventures Limited



**Particulars of directors who were appointed as the directors retiring by rotation by the Board of the Company.**

Name of Director	Sanjay Kumar Sanghi	D.Venkatasubbiah	Nirmal Kumar Jain	M V Jeswanth Rao
<b>Expertise in specific functional areas</b>	<p>April'1980-July'2005: Joined the Travel Industry in 1980 as Managing Partner in M/s. Satellite Travels (IATA, TAAI)</p> <p>Sep' 2005-Dec' 2008 Joined Global IT Software Export and Placement Services Company as General Manager (India &amp; Malaysia Operations) Managing Sales &amp; Marketing, General Admin and facilities, Executing Agreements, legal documents execution and finalizations with Corporate important correspondence, Meetings etc.</p> <p>Jan '2008-Jan'2010: Joined Oman Air, Kuwait Airways (both online in Hyderabad) as Regional Manager (A.P) managing Sales and Marketing and complete operations of the Airlines.</p> <p>Feb'2010- Joined Surana Group as Vice President (Sales and Marketing)</p>	<p>Held the post of Deputy Director General of Telecom Engg. Center, (TEC).</p> <p>He has wide experience in R&amp;D work and engineering of Radio Relay systems covering VHF, UHF and Microwave Bands. He was also awarded the North East Telecom Award (1990) and Satellite Project Circle Award(1991) for meritorious services and outstanding contribution to Telecommunications. He has provided more than a decade of untiring service to Telecom Industry and service providers for basic telephony along with value added services covering Cellular Mobile, Radio Paging and Public Mobile Radio Trunking.</p>	<p>Fellow member of ICAI</p> <p>Chartered Accountant by profession practicing since 1988 and is associated as partner with two firms viz., Nirmal K. Jain &amp; Associates (Chartered Accountants) &amp; Guduri &amp; Jain (Chartered Accountants)</p>	<p>1957-1959: Worked with BURMA SHELL (Oil storage and Distribution Company of India) as Superintendent</p> <p>1960-1980: Worked as Regional Marketing Manager for south India with Headquarters at Chennai in Bakelite Hylam Limited.</p> <p>1981-1985 : Worked in M/s Novopan Industries Limited, as a General Manager Marketing</p> <p>1986-1999: Marketing Advisor for Manne Metals, K. V. Engineering Enterprises Limited.</p> <p>2000-2005: Director of Mutha Metal Products Private Limited</p> <p>2005 till date: Marketing advisor for several companies in telecom industry.</p>
<b>Date of Birth</b>	12.05.1960	01.07.1942	01.07.1960	15.12.1932
<b>Qualification</b>	B.com, Management Course in USA(Travel and Tourism)	B.E	Chartered Accountant	M.A
<b>List of Other Companies in which Directorship is held as on 31st March, 2010.</b>	Not Applicable	1. Aishwarya Telecom Ltd. 2. Bhagyanagar India Ltd.	Not Applicable	Not Applicable
<b>Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2010</b>	Not Applicable	Not Applicable	Not Applicable	Not Applicable



**AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE**

To the Members of  
Surana Telecom and Power Limited  
Secunderabad.

We have examined the compliance of conditions of Corporate Governance by Surana Telecom and Power Limited for the year ended 31.03.2010, 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 : 07.08.2010

**G. Ganesh**  
Partner  
Membership No. 211704

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**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 2009-10.

Place : Secunderabad  
Date : 07.08.2010

**Narender Surana**  
Managing Director





## MANAGEMENT DISCUSSION & ANALYSIS

Surana Telecom And Power Ltd was incorporated as a Private Limited Company on 14.08.1989 as Surana Petro Products Pvt. Ltd and was engaged in the business of manufacturing of Petro Products such as Petroleum Jelly and Telecom products such as Joining Kits. Thereafter, the Company was converted into a Public Limited Company on 09.07.1993. In 1994, the Company ventured into the Telecom sector with the production of Optic Fibre Cables and consequently, name of the Company was changed to Surana Telecom Ltd on 05.08.1994. In 2007, the Company diversified into the power sector with the manufacturing of low tension and high tension power cables and setting up of 1.25 MW wind power generation plant. In order to reflect the diversity, the name of the Company was again changed to "Surana Telecom and Power Limited" on 11.10.2007.

In 2008, taking cue from the increasing recognition for non conventional energy and anticipating demand primarily in the field of Solar Photovoltaic, the company ventured into manufacturing of Solar Modules and other Solar photovoltaic products .

In 2009, considering the size of the Company and significant growth in its business operations, for greater focus in the various activities of the Company and to ensure accelerated growth and improved profitability, it was felt advantageous to re-organise the Company by vesting the Solar Undertaking of the Company to M/s Surana Ventures Limited, a JV Company under the same group. The re-organisation is essentially to ensure better operational management and focus on accelerated growth of individual units, which will ensure higher returns to the shareholders, creditors, employees and is also in general public interest. Accordingly a Scheme of arrangement was entered by the Company with M/s Surana Ventures Limited which was approved by the Board and the members at their meetings held on 26.11.2009 and 12.04.2010 respectively. The said Scheme of arrangement was sanctioned by Hon'ble High Court of A.P. on 28.06.2010

In the financial year 2010-11 the company's revenues would be approximately between Rs 50-75 crore from power cables and aluminium business. Now, the

Company has full manufacturing facilities of aluminium rods and reached a turnover of Rs 3 crore a month

### **1. TELECOM EQUIPMENT: OPTIC FIBRE CABLES, JELLY FILLED TELEPHONE CABLES, JOINING KITS, CDMA MOBILE HANDSETS**

#### **1.1. Introduction:**

The Company has a sophisticated plant equipped with state-of-the-art equipment which helps to produce 6000 route Km of pair 612,245 fibre optic cables and accessories such as branch closures, optical fibre termination boxes and tool kits. The Company also has a manufacturing facility at Goa where it manufactures cable from the range of 5 pairs to 800 pairs with a total production capacity of 5.0 million CKM. The latest technology and testing facilities have led to the units being recognized and approved by the BSNL, MTNL, Indian Railways (IR) and Airtel. . In 2007, the Company ventured into supply of interface converters that delivers speed broad band through Ethernet to E1 Conversion.

The Company also manufactures international quality CDMA mobile handsets. It has assembling & marketing tie up with LG Electronics of Korea & Huawei.

#### **1.2 Industry Analysis:**

The Indian market for copper telecom cable viz. Jelly Filled Telephone Cable (JFTC) has been passing through a very difficult time in the last few years with increase in wireless services. Presently, the market for JFTC is primarily driven by last mile connectivity besides repair & maintenance activities of the existing telecommunication networks owned predominantly by the two state owned companies viz. Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited

The market for telecom cables showcased negative growth in 2009-10 and stood at an



estimated Rs. 1060 crore, recording a dip of approximately 18.4 percent from Rs. 1300 crore in 2008-09. But there would be an increase in demand for the OFC as BSNL is floating a tender for laying nation wide OFC network and the Indian Railways planning to roll out 15000 route Km through the Public Private Partnership.

## 1.3 Business Outlook:

During the current financial year 2010-2011, the company expects to improve its JFTC turnover as it is placed well in some of cable sizes in recently concluded tender floated by BSNL.

## 2. POWER CABLES:

### 2.1 Introduction:

To cope with the situation of declining Telecom Cables demand, and in view of the high demand for the Power Cables in the market and availability of required resources coupled with optimal utilization of existing facilities, the Company restructured a part of its plant to manufacture power cables in the year 2007.

### 2.2 Industry Analysis:

The Indian power cable industry has about 50 producers approximately in the organized sector, claiming more than two-thirds share in the market. Cable industry also showed an overall growth of 12% mainly due to 14.54% growth in power cable segment. There is an improvement in building wire with the improvement in demand from the construction sector. Moreover, the global renewable energy industry is very well suitable for boost up the cable industry. The upcoming challenges would be offshore installations with special tower cables in the renewable energy sector. Cable industry also showed an overall growth of 12% mainly due to 14.54% growth in power cable segment.

### 2.3 Business Outlook

In the field of Power cables the Company is growing moderately. The Company has ventured into the production of house wiring power cables. Trial runs for the production of the

same had been successfully completed. The company is now, primarily focusing on supply to the local markets. In the year 2009-2010, the revenue from this sector was Rs.1604.39 against revenue of Rs.1231.33 in the year 2008-2009 indicating a growth rate of 30% approximately

## 3. Aluminium CC Rods:

### 3.1 Introduction

As a part of backward integration to the power cables, the company has setup Aluminium propezi plant to manufacture aluminium rods of 7.9 to 9.6 diameter EC grade rods & alloy aluminium rods.

### 3.2 Industry Analysis

Because of overall slowdown in economy, the growth of aluminium usage is not very impressive. But scope for growth of aluminium usage in India is very high. Last year, the country produced 6.3 lakh tonne of aluminium, which is only 2.3 per cent of the world's production.

### 3.3 Business Outlook

After meeting the Company's own demand for consumption in power cables, the company proposes to sell surplus production in the local markets. A growth of about 10-15% is expected, in this line of business.

## 4. WIND POWER GENERATION:

### 4.1 Introduction

The Company has set up a wind power project with an installed capacity of 1.25 MW at Kapatguda, Karnataka. The Annual generation for the financial year 2009-2010 was 19,19, 500 units.

### 4.2 Industry Analysis

As the Indian economy continues to surge ahead, its power sector has been expanding concurrently to support the growth rate. The demand for power is growing exponentially and the scope for the growth of this sector is immense.



The Indian wind energy sector has an installed capacity of 15,521.11 MW as on March 31, 2010. Total investments in the conventional energy sector stood at US\$ 694 million in 2009-10 as compared to US\$ 129 million in 2008-09. The Ministry of Power and Central Electricity Authority (CEA) have projected a total investment of US\$ 4.3 billion for renovation and modernisation, as well as extending the life span of various old power plants during 11th and 12th Five-Year Plans. Of this, US\$ 1.5 billion is planned for the 11th Plan and US\$ 3 billion for the 12th Plan. This would be over and above the investment of US\$ 213.7 billion proposed for the capacity addition of 78,700 MW in the 11th Plan (2007-12) and US\$ 235.1 billion to add over 94,431 MW in the 12th Plan.

As per the Economic Survey 2009-10, the Eleventh Five Year Plan envisaged an additional capacity of 78,700 MW of which 19.9 per cent was hydro, 75.8 per cent thermal and the rest was nuclear. As of December 31, 2009, 43,282 MW was under construction.

India has launched its ambitious solar energy mission which aims to generate 20,000 MW of solar power by 2022. The government has initiated several proactive steps to open the sector for the private players and realize the full potential of the country in the power sector.

#### **4.3 Business Outlook:**

The company expects to generate approximately 23,03,400, units during the current financial year 2010-11.

#### **5. 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 Luharuka & 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.

#### **6. FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:**

The assets and liabilities of the 'Solar Division' and its operating results have not been incorporated in the Company's books with effect from 01.10.2009 (Appointed Date). As the Results for the financial year 2009-10 does not include the figures of erstwhile 'Solar Division' from appointed date, therefore to that extent are not comparable with the figures for 2008-09. The financial performance of the Company for the year ended 31.03.2010 is summarized below

##### **6.1 Financial Performance:**

###### ***Capital Structure:***

The Equity Share Capital of the Company as on 31st March 2010 is Rs.10,40,22,000/- comprising of 2,08,04,400 Equity Shares of Rs.5/- each fully paid.

###### ***Reserves and Surplus:***

The Reserves and Surplus of the Company for the current year is Rs 5838.01 lakhs and in the previous year was Rs. 7194.38 lakhs.

###### ***Fixed Assets:***

During the year, the Company has added Fixed Assets amounting to Rs 1159.88 lakhs making the gross fixed assets as on 31.03.10 to Rs.7385.79 lakhs.



## ***Inventories:***

Inventories, as on 31st March, 2010, amounted to Rs.734.20 lakhs and in the previous year is Rs. 1988.69 lakhs.

## ***Sundry Debtors:***

Sundry Debtors amounted to Rs.713.28 lakhs as on 31st March, 2010 and Rs. 2028.30 lakhs in the previous year.

## ***Cash and Bank Balances:***

Cash and Bank balances with Scheduled Banks, as on 31st March, 2010, amounted to Rs. 126.92 lakhs which includes amounts deposited with banks as Security and margin Money Deposit and accrued interest.

## ***Loans and Advances:***

'Loans and Advances' as on 31st March, 2010, amounted to Rs 1769.46 lakhs

## ***Current Liabilities:***

'Current Liabilities' as on 31st March, 2010, amounted to Rs.202.21 lakhs

Note: a) Sundry Creditors' represent the amount payable to vendors for supply of goods.

b) Advances received from Customers' denote monies received for the delivery of future services.

## **6.2. Operational Performance:**

### ***Turnover:***

During the year 2009-2010, the gross turnover of the Company was Rs.5041.84 lakhs and Rs.9771.93 lakhs in the previous year.

Other Income as on 31st March, 2010 is Rs.357.00 lakhs and Rs.504.75 lakhs in the previous year.

### ***Depreciation :***

The Company has provided a sum of Rs.4126.24 lakhs towards depreciation for the year and Rs.3813.18 in the previous year.

## ***Net Profit:***

The Net Profit of the Company after tax is Rs 114.93 lakhs and Rs.282.00 in the previous year.

## ***Earnings Per Share:***

Basic Earnings Per Share for the year ended 31.03.2010 is Rs. 0.55 Ps for Face Value of Rs.5/- and Rs.1.36 per share for the year ended 31.03.2009.

## **7. 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 2010, the Company has a total strength of 98 employees.

## **8. 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 Telecom and Power Limited

1. We have audited the attached Balance Sheet of Surana Telecom And Power Limited as at March 31, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts as disclosures in the financial statements. An audit also 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 Companies (Auditor's Report) Order, 2003 (as amended) (henceforth 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, (henceforth 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 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 as far as appears from our examination of those books. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- c. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
- d. On the basis of the written representation received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Act.
- e. Without qualifying our opinion, we draw your attention of shareholders and stakeholders to the following :
  1. Note 20B of Schedule 12 : Sundry Debtors and other Balances: Advances to suppliers under Schedule - 11 " Loans & Advances" include Rs.214.35 Lakhs Paid to M/s. United International Shipping Agent (T) Ltd, towards Cost of copper Cathode. However, copper was stolen and replaced with worthless material on the sea-way. The company has lodged claim with Insurance Company which is under process. As the Management is confident of recovering the entire amount from the Insurance Company/ Shipping Agent, no provision for loss of goods has been made in the books of account.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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
  1. In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2010;
  2. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  3. In the 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)  
M.No:211704

Place : Secunderabad  
Date : 7th August, 2010



## Annexure referred to in paragraph [3] of our report of even date

### Re: Surana Telecom and Power Limited

1. a. The Company has maintained adequate records showing full particulars, including quantitative details of fixed assets.
- b. All fixed assets have not been physically verified during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- c. In our opinion, there have been no significant disposals of fixed assets during the year which affect the going concern assumption. The transfer of substantial assets as per the scheme arrangement of de-merger under sections 391 to 394 of the Act does not effect the going concern concept of the company as per the information and explanations given to us.
2. a. The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business
- c. The company is maintaining proper records of inventory. The discrepancies notices on verification between the physical stocks and the book records were not material.
3. a. The Company has granted loans to companies which are wholly owned subsidiaries, associates covered in the register maintained under section 301 of the Act. It involves 1 wholly owned subsidiary, 1 associate company. The Maximum amount of Loan involved is Rs.590.43 Lakhs and year end balance is Rs.590.43 Lakhs.
- b. In our opinion and according to the information and explanation given to us, the rate of interest, where applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
- c. The principal and interest wherever due are as per the respect of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the act.
- d. As on 31st March 2010 there are no overdue amounts in excess of Rs.1 Lakh in respect of loans granted to companies, firms or other parties listed in the register maintained under section 301 of Companies Act, 1956.
- e. The company has taken loans from 1 company covered in the register maintained under section 301 of the Act. The Maximum amount of Loan involved is Rs.1200.00 Lakhs and year end balance is Rs.214.99 Lakhs
- f. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prime facie prejudicial to the interest of the company.
- g. The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest
4. In our opinion and according to the information and explanations given to us, there exists adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
5. a. According to the information and explanations given to us, by the management, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act, have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance to contracts or arrangements entered in the register maintained under section 301 of the Act, and exceeding rupees five lakhs in respect of any party the maintenance of Cost during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted deposits which fall under section 58A and 58AA of the Act and the rules made there under from the public, hence we have not reported on the relevant reporting requirements of the Order.
7. An outside firm of Chartered Accountants has carried out the Internal Audit of the Company. In our opinion the system of Internal Audit is commensurate to nature and size of the company and the nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the





Central Government for the maintenance of Cost records maintained under section 209(1) (d) of the Act, and are of the opinion that prima facie the prescribed accounts and records are maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it.

Further, since Central Government has till date not prescribed the amount of Cess payable under section 441A of the Act, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- b. According to the information and explanations given to us and the records of the company produced before us and examined by us, there are no dues of wealth tax, service tax, excise duty and Cess, which have not been deposited on account of any dispute. The particulars of sales tax, & Customs duty as at 31st March 2010, which has not been deposited on account of dispute are as follows.

Name of the Statute	Nature of Dues	Amount under Dispute yet to be deposited	Accounting Year to which Amount relates	Forum where dispute is contested
Andhra Pradesh General Sales Tax Act (APGST)	APGST	Rs.10.80 lakhs	1995-96	Sales Tax Appellate Tribunal Hyderabad
APGST	APGST	Rs.1.15 lakhs	2001-02	ADC Sec-bad
Central Excise and Customs Duty	Levy of Duty on certain Products	Rs.293.95	2004-05	Supreme Court of India

10. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. We are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Order are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities debentures and other investments. Accordingly the provisions of the clause 4(xiv) of the Order are not applicable to the company.
15. According to the information and explanations given to us, the company has not given guarantees for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are prima-facie prejudicial to the interest of the company.
16. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
18. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not made any public issue of securities during the period under review hence we are not required to comment on reporting requirement of the order.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information, Representations and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

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

**G. Ganesh**  
(Partner)  
M.No:211704

Place : Secunderabad  
Date : 7th August, 2010



## Balance Sheet as at 31st March, 2010

(Amount in Rupees)

	Sch.No	As at 31.03.2010	As at 31.03.2009
<b>Sources of Funds</b>			
Share Capital	1	104,022,000	104,022,000
Reserves and Surplus	2	583,801,060	719,438,815
Share-Holders Funds		687,823,060	823,460,815
33,95,600 optional, fully convertible warrants		-	14,716,360
<b>Loan Funds</b>			
Secured loans	3	3,490,675	83,101,978
Unsecured loans	4	80,960,894	67,303,493
Net Deferred Tax Liability	14	7,456,080	7,854,080
<b>TOTAL</b>		<b>779,730,709</b>	<b>996,436,726</b>
<b>Application of Funds</b>			
<b>Fixed Assets (At cost)</b>			
Gross Block	5	739,331,901	777,556,321
Less Depreciation		412,624,989	381,318,995
Net Block		326,706,912	396,237,326
Capital Work-In-Progress		-	65,752,665
Investments (At cost)	6	130,391,068	132,293,224
<b>Current Assets, Loans and advances</b>			
Inventories	7	73,420,592	198,869,207
Sundry debtors	8	71,328,172	202,830,895
Cash & Bank Balances	9	12,692,244	43,684,692
Loans & Advances	10	176,946,639	98,060,344
Other Current Assets	11	20,896,231	101,051,549
		355,283,878	644,496,687
<b>Less Current Liabilities &amp; Provision</b>			
Current Liabilities	12	20,221,139	223,788,096
Provisions	13	12,430,010	18,555,080
		32,651,149	242,343,176
<b>Net Current Assets</b>		<b>322,632,729</b>	<b>402,153,511</b>
<b>TOTAL</b>		<b>779,730,709</b>	<b>996,436,726</b>
Notes to Accounts	20		

The Schedules referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

for **Sekhar & Co**

Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : 07.08.2010

**Arihant Rakhecha**  
Chief Financial Officer

**Pavani Akilla**  
Company Secretary





## Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rupees)

	Sch.No	For the year ended 31.03.2010	For the year ended 31.03.2009
<b>Income</b>			
Gross Sales	15	504,184,926	977,193,361
Less: Excise duty		27,713,783	74,262,266
Net Income from Operations		476,471,143	902,931,095
Other Income	16	35,700,588	50,474,549
<b>Total Income</b>		<b>512,171,731</b>	<b>953,405,644</b>
<b>Expenditure</b>			
Materials	17	338,780,964	732,487,771
Expenses	18	117,541,175	157,111,374
Interest & Financial Charges	19	18,587,509	9,961,961
Depreciation		24,125,643	22,356,099
<b>Total Expenditure</b>		<b>499,035,291</b>	<b>921,917,205</b>
Profit for the year		13,136,440	31,488,439
Prior Period Adjustment		(241,288)	640,188
<b>Profit before Taxation</b>		<b>12,895,152</b>	<b>32,128,627</b>
Provision for Taxation			
i) Income Tax		1,800,000	3,200,000
ii) Deferred Tax		(398,000)	248,680
iii) Fringe Benefit tax		-	480,000
<b>Profit after Taxation</b>		<b>11,493,152</b>	<b>28,199,947</b>
Balance B/F from Previous year		240,175,177	240,230,310
Amount Available for appropriation		251,668,329	268,430,257
Proposed Dividend		10,402,200	15,603,300
Tax on Dividend		1,727,810	2,651,780
Transfer to General Reserve		20,000,000	10,000,000
Surplus Carried to Balance Sheet		<b>219,538,319</b>	<b>240,175,177</b>

The Schedules referred to above form an integral part of the Profit & Loss Account  
This is the Profit & Loss Account referred  
to in our report of even date

**for Sekhar & Co**

Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : 07.08.2010

**Arihant Rakhecha**  
Chief Financial Officer

**Pavani Akilla**  
Company Secretary



## Cash Flow Statement for the year ended 31st March, 2010

(Amount in Rupees)

	2009-10	2008-09
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax as per annexed profit and loss account	12,895,152	32,128,627
<b>Adjustments for :</b>		
Depreciation	24,125,643	22,356,099
Amortisation of lease Rents	951,552	951,552
(Profit)/Loss on sale of investments	364,519	(23,279)
Sundry Balances written off	11,301,842	5,542,329
Sundry Balances Written Back	(6,838,874)	(3,906,643)
Profit on Sale of Assets	(59,655)	(2,064,504)
Interest Paid	18,587,509	9,961,961
Interest & Dividend Received	(23,353,002)	(38,389,688)
Operating Profit before working Capital Changes	<u>37,974,686</u>	<u>26,556,454</u>
<b>(Less)/Add Adjustments for Working Capital Changes</b>		
Inventories	(69,070,895)	(62,943,199)
Loans and Advances	(31,352,348)	11,642,441
Other Current Assets	80,155,318	89,734,902
Receivables	191,076,705	(57,842,614)
Trade Payables and other Liabilities	(50,235,196)	86,183,489
Advance from Customers	(6,716,648)	2,119,203
<b>Cash Generated from Operations</b>	<u>151,831,622</u>	<u>95,450,676</u>
<b>Adjustments for :</b>		
Direct Taxes Paid for the Current Year (net)	(8,681,682)	(21,776,560)
Taxes of earlier years	(8,681,682)	(21,776,560)
<b>Net Cash (used in)/from operating Activities (A)</b>	<u>143,149,940</u>	<u>73,674,116</u>
<b>B. Cash Flow From Investing Activities</b>		
Dividend Received	1,193,327	3,355,733
Lease Rent received	-	-
Interest Received	22,159,675	35,033,955
Sale of Fixed Assets	115,000	3,949,591
Changes refund received from Capital Advance	12,500,000	-
Purchase of Fixed assets	(115,988,378)	(45,449,294)
Purchase of Investments	-	(190,723,613)
Sale of Investments	1,537,637	102,428,365
Capital Work in Progress	-	20,095,866
<b>Net Cash (used in)/from Investing Activities (B)</b>	<u>(78,482,739)</u>	<u>(71,309,397)</u>



## Cash Flow Statement (Contd.)

(Amount in Rupees)

	2009-10	2008-09
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from Issue of Share Capital	-	(44,450,690)
Proceeds from Long term Borrowings	<b>13,657,401</b>	342,523
Increase/(Decrease) in Secured Loans	<b>(61,111,303)</b>	76,395,261
Dividend Paid including Dividend tax	<b>(17,281,429)</b>	(26,829,056)
Interest Paid on Borrowings	<b>(18,587,509)</b>	(9,961,961)
<b>Net Cash (used in)/from Financing Activities (C)</b>	<b><u>(83,322,840)</u></b>	<u>(4,503,923)</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b><u>(18,655,639)</u></b>	<u>(2,139,204)</u>
Cash and Cash Equivalents Opening Balance	<b>43,684,692</b>	45,823,896
Cash Balance of Solar Division Transferred	<b>(12,336,808)</b>	
Cash and Cash Equivalents Closing Balance	<b><u>12,692,245</u></b>	<u>43,684,692</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b><u>(30,992,447)</u></b>	<u>(2,139,204)</u>

- Notes: 1. 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.
2. Previous Year Figures have been regrouped wherever necessary to conform to the current year's Classification.
3. Cash and Cash equivalents aggregating to Rs.118.82 Lakhs (Rs.321.04 Lakhs) are not readily available for free use by the Company. It comprises of unpaid dividend Rs.34.20 Lakhs (Rs.24.46 Lakhs). Balance in Margin Accounts Rs.83.72 Lakhs (Rs.294.29)
4. Notes to Accounts (Schedule 19) form an integral part of Cash Flow Statement.

In terms of our report of even date  
for **Sekhar & Co**

Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : 07.08.2010

**Arihant Rakhecha**  
Chief Financial Officer

**Pavani Akilla**  
Company Secretary



## Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE - 1 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
3,00,00,000 Equity shares of Rs 5 each	<b>150,000,000</b>	150,000,000
	<b>150,000,000</b>	150,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
20,804,400 (Previous year 20,804,400) Equity shares of Rs. 5 each fully paid.	<b>104,022,000</b>	104,022,000
- Includes 36,80,140 Bonus Shares allotted in earlier years		
- Net of 18,00,000 shares bought back during 2008-09		
<b>SCHEDULE - 2 RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Balance as per last account	<b>336,185,200</b>	350,000,000
Add:		
Transferred from Capital Redemption Reserve	<b>9,000,000</b>	15,000,000
Forfeiture of Convertible Share Warrants	<b>14,716,360</b>	-
Transferred from Profit & Loss Account	<b>20,000,000</b>	10,000,000
Less:		
Excess of Assets over liabilities transferred to Surana Ventures Limited on demerger	<b>(120,330,593)</b>	-
Premium paid on buyback of shares	<b>-</b>	(38,814,800)
Balance at the year end	<b>259,570,967</b>	336,185,200
<b>Share Premium Reserve</b>		
Balance as per last account	-	5,635,890
Less: Premium on shares bought back adjusted	-	(5,635,890)
Balance at the year end	-	-
<b>Capital Redemption Reserve</b>		
Balance as per last account	<b>9,000,000</b>	15,000,000
Less:		
Transferred back to General Reserve	<b>(9,000,000)</b>	(15,000,000)
Add:		
Creation of Reserve for the face value of shares bought back	-	9,000,000
<b>Balance at the year end</b>	<b>-</b>	9,000,000
Revaluation Reserve		
Balance at the beginning of the year	<b>130,578,438</b>	144,294,788
Less:		
Adjustment on account of transfer of land to Surana Ventures Limited on demerger	<b>(17,450,513)</b>	-
Adjusted against depreciation	<b>(11,936,151)</b>	(13,716,350)
Balance at the year end	<b>101,191,774</b>	130,578,438
<b>Central Subsidy</b>	<b>3,500,000</b>	3,500,000
<b>Profit &amp; Loss Account</b>	<b>219,538,319</b>	240,175,177
	<b>583,801,060</b>	719,438,815
<b>SCHEDULE - 3 SECURED LOANS</b>		
From Banks		
Cash Credit	<b>3,490,675</b>	83,101,978
<b>TOTAL</b>	<b>3,490,675</b>	83,101,978
<b>SCHEDULE - 4 UN SECURED LOANS</b>		
Deferred Sales Tax	<b>59,460,966</b>	67,303,493
Loan from Body Corporate	<b>21,499,928</b>	-
	<b>80,960,894</b>	67,303,493
Due within a year	<b>10,561,544</b>	6,005,422



Schedules Forming Part of the Balance Sheet

Schedule: 5 Fixed Assets

(Amount in Rupees)

Particulars	Gross Block			Depreciation			Net Block			
	Cost as on 01.04.2009	Additions during the year	Adjustments during the year	Cost as on 31.03.2010	Depreciation upto 01.04.09	For the Year	Adjustments during the year	Upto 31.03.2010	As on 31.03.2009	As on 31.03.2010
1. LAND -FREE HOLD	65,407,009	415,800	30,177,910	35,644,899	-	-	-	-	65,407,009	35,644,899
2. LEASE LAND	24,818,096	752,665	951,552	24,619,209	405,513	-	-	405,513	24,412,583	24,213,696
3. BUILDINGS	111,843,304	564,100	6,083,915	106,323,489	42,694,363	6,765,809	2,706,968	46,753,204	69,148,941	59,570,285
4. PLANT AND MACHINERY	546,176,000	9,365,069	20,518,030	535,023,039	321,793,447	26,182,897	1,897,128	346,079,216	224,382,554	188,943,823
5. PLANT AND MACHINERY- Wind Power	-	94,584,200	94,584,200	-	-	-	-	-	-	-
6. OFFICE EQUIPMENT	4,388,747	250,666	174,694	4,464,719	2,541,900	253,027	14,931	2,779,996	1,846,847	1,684,723
7. OFFICE EQUIPMENT -Leased	12,756,256	479,365	-	13,235,621	4,900,135	1,126,126	-	6,026,261	7,856,121	7,208,360
8. FURNITURE AND FIXTURES	3,376,823	8,000,000	-	11,376,823	2,414,194	1,066,839	-	3,481,033	962,629	7,895,790
9. VEHICLES	5,520,346	1,333,641	1,402,373	5,451,614	3,816,474	450,516	82,647	4,184,342	1,703,872	1,267,271
10. COMPUTERS	3,269,740	242,872	320,124	3,192,488	2,752,969	216,579	54,124	2,915,424	516,771	277,064
<b>TOTAL</b>	777,556,321	115,988,378	154,212,798	739,331,901	381,318,995	36,061,793	4,755,799	412,624,989	396,237,326	326,706,912
Previous Year	738,252,728	45,449,303	6,145,710	777,556,321	348,555,618	36,072,449	3,309,072	381,318,995	396,237,326	396,237,326

Note: Deletion/adjustment of Rs 91.06 lakhs in Free-hold land include de-capitalisation amounting to Rs 91.06 lakhs as it was capitalised based on the allotment letter of APIIC. The said land has been allotted and conveyed to Bhagyanagar Ventures Limited.



## Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009	
	Nos	Amount	Nos	Amount
<b>SCHEDULE - 6 INVESTMENTS (Non-Trade, At Cost)</b>				
<b>Name of the Scrip</b>				
<b>Unquoted</b>				
<b>1) In Government Securities</b>				
National Savings Certificates	-	4,500		4,500
Total Investments in Government Securities		4,500		4,500
<b>2) Investment in Shares (Unquoted)</b>				
<b>a) In Subsidiary Companies</b>				
Globecom Infotech Private Limited (Equity Shares of Rs 10 each Fully paid-up) Partly Paid up @ Rs 2/- each)	5,000	100,000	5,000	100,000
<b>b) In Associate Companies</b>				
Surana Ventures Limited (Equity Shares of Rs 10 each Fully paid-up)	4,410,000	44,100,000	7,350,000	73,500,000
Green Energy Systems Pvt Ltd (Equity Shares of Rs 10 each Fully paid-up)	-	-	4,000	40,000
<b>c) In companies under the same management</b>				
Bhagyanagar Securities Private Limited (Equity Shares of Rs 10 each Fully paid-up)	150,000	18,000,000	150,000	18,000,000
<b>SUB-TOTAL</b>		<b>62,200,000</b>		<b>91,640,000</b>
<b>Investment in Shares (Quoted)</b>				
<b>a) In companies under the same management</b>				
Bhagyanagar India Limited (Equity Shares of Rs 10 each Fully paid-up)	2,280,831	35,068,207	2,280,831	35,068,207
<b>b) In other companies</b>				
Allahabad Bank (Equity Shares of Rs 10 each Fully paid-up)	-	-	300	20,211
Bajaj Hindustan Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	2,000	90,880
Binani Cements Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	5,856
BOC India Limited (Equity Shares of Rs 10 each Fully paid-up)	200	45,510	200	45,510
Dolphin Medical Services Limited (Equity Shares of Rs 10 each Fully paid-up)	50,000	600,000	50,000	600,000



## Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

		As at 31.03.2010		As at 31.03.2009
	Nos	Amount	Nos	Amount
Development Credited Bank Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,000	17,880
Edelweiss Capital Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	100	24,527
GMR Industries Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>300</b>	<b>25,482</b>	300	25,482
Goldstone Technologies Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	5,145
GVK Power & Infrastructure Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,500	33,133
Hexaware Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	300	7,839
Himachal Futuristics Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,000	8,930
Indswift Laboratories Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>100</b>	<b>14,700</b>	100	14,700
JK Cement Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	6,606
Kingfisher Airlines Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	6,286
KNR Constructions Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,034	168,868
Kolte-Patil Developers Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	4,006
Megasoft Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>17,315</b>	<b>2,407,415</b>	21,315	2,963,561
MIC Electronics Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	500	8,265
MID-Day Multimedia Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	300	3,468
Mahindra Lifespace Developers Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>45</b>	<b>23,307</b>	45	23,307
Mahanagar Telephone Nigam Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>610</b>	<b>85,368</b>	610	85,368



Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009	
	Nos	Amount	Nos	Amount
Prithvi Information Solutions Limited (Equity Shares of Rs 10 each Fully paid-up)	6	301	1,006	50,550
Paramount Communications Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,000	13,220
Reliance Industrial Infrastructure Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	50	16,562
Rolta India Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	10,968
Satyam Computer Services Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	500	22,690
Sree Shakti Paper Mills Limited (Equity Shares of Rs 10 each Fully paid-up)	10,000	300,000	10,000	300,000
State Bank of India (Equity Shares of Rs 10 each Fully paid-up)	-	-	30	30,938
Talbros Automotive Components Limited (Equity Shares of Rs 10 each Fully paid-up)	2,107	214,915	2,107	214,915
Vaibhav Gems Limited (Equity Shares of Rs 10 each Fully paid-up)	100	1,363	100	1,363
Viceroy Hotels Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,500	38,820
XL Telecom and Energy Limited (Formerly XL Telecom Limited) (Equity Shares of Rs 10 each Fully paid-up)	-	-	11,700	710,663
<b>Sub-Total</b>		<b>38,786,568</b>		<b>40,648,724</b>
<b>Total Investments in Equity Shares</b>		<b>100,986,568</b>		<b>132,288,724</b>
<b>Investment in Debentures</b>				
Surana Ventures Limited (12% non-convertible debentures of Rs 10 each allotted as per scheme of demerger -See Notes)	2,940,000	29,400,000	-	-
<b>Total Investment in Govt Securities, Shares and Debentures</b>		<b>130,391,068</b>		<b>132,293,224</b>
<b>Aggregate Market Value of Quoted Investments</b>		<b>57,478,908</b>		<b>37,531,560</b>





## Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	<b>As at 31.03.2010</b>	<b>As at 31.03.2009</b>
<b>SCHEDULE - 7 INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Raw Materials (At Cost or market value whichever is lower)	<b>36,204,463</b>	125,360,939
Work in process (At cost or net realisable value whichever is lower)	<b>22,051,950</b>	47,232,732
Finished Goods (At cost or net realisable value whichever is lower)	<b>15,164,179</b>	26,275,536
	<b>73,420,592</b>	198,869,207
<b>SCHEDULE - 8 SUNDRY DEBTORS</b>		
(Unsecured and Considered Good)		
Debts outstanding for More than six months	<b>35,339,874</b>	48,511,400
Others	<b>35,988,298</b>	154,319,495
	<b>71,328,172</b>	202,830,895
<b>SCHEDULE - 9 CASH AND BANK BALANCES</b>		
Cash and cheques in hand	<b>296,701</b>	124,771
Balance with scheduled Banks		
- In current account	<b>512,767</b>	1,237,939
- In Dividend account	<b>3,420,324</b>	2,446,673
- In Fixed Deposit account	-	10,218,000
- In deposit account - Kept under lien with banks towards margin money and other facilities	<b>8,372,945</b>	29,428,886
- Accrued interest on Fixed Deposits	<b>89,507</b>	228,423
	<b>12,692,244</b>	43,684,692
<b>SCHEDULE - 10 LOANS &amp; ADVANCES</b>		
(Unsecured and Considered good)		
Loans & Advances	<b>16,270,807</b>	12,248,923
Balances with Statutory Authorities	<b>18,819,248</b>	17,623,270
Advance to Subsidiary company	<b>40,092,740</b>	77,910
Advance to Associate Companies	<b>18,950,818</b>	576,734
Advance tax (Net of Provisions)	<b>35,663,337</b>	28,781,655
Taxes paid under protest	<b>8,061,586</b>	3,580,332
Deposits	<b>10,246,796</b>	20,888,676
Advances to Suppliers	<b>28,841,307</b>	14,282,844
	<b>176,946,639</b>	98,060,344
<b>SCHEDULE - 11 OTHER CURRENT ASSETS</b>		
(Secured and Considered Good)		
Loans against pledge of Securities	<b>20,896,231</b>	101,051,549
	<b>20,896,231</b>	101,051,549



## Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE - 12 CURRENT LIABILITIES</b>		
Sundry Creditors - Micro and small enterprises	-	-
Sundry Creditors - Others	7,954,397	115,154,102
Lease deposits	2,114,395	32,721,531
Other Liabilities	4,998,157	60,107,993
Book overdraft with Banks	-	4,907,283
Unclaimed Dividends	3,420,324	2,446,673
Advances from customers	1,733,866	8,450,514
	<u>20,221,139</u>	<u>223,788,096</u>
<b>SCHEDULE - 13 PROVISION</b>		
Proposed Dividend	10,402,200	15,603,300
Tax on Dividend	1,727,810	2,651,780
Bonus	300,000	300,000
<b>TOTAL</b>	<u>12,430,010</u>	<u>18,555,080</u>
<b>SCHEDULE - 14 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liability as at beginning of the year	7,854,080	7,605,400
Deferred Tax Liability/(Asset) for the year	(398,000)	248,680
Net deferred tax Liability as at close of the year	<u>7,456,080</u>	<u>7,854,080</u>

## Schedules Forming Part of the Profit &amp; Loss Account

(Amount in Rupees)

	Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE - 15 INCOME FROM OPERATIONS</b>		
Jelly Filled Telephone Cables	108,839,121	343,691,361
Jointing Kits	10,346,342	4,089,652
Export of Software	-	2,412,000
Telecom accessories	16,756,586	126,047,268
Income from Infrastructure leasing	9,562,955	35,232,667
Electric Power Cable/Components	165,985,397	133,154,454
Optical Fibre/Cables	54,932,930	194,688,014
Sale of Solar energy Products	117,046,696	85,712,760
Sale of Wind Power	6,823,395	6,921,934
Scrap & Misc Sales	17,608,015	13,796,656
Traded Goods	-	31,446,595
Gross Sales	507,901,437	977,193,361
Less: Inter Unit Sales	3,716,511	-
	<u>504,184,926</u>	<u>977,193,361</u>
Less: Excise Duty	27,713,783	74,262,266
Net Sales	<u>476,471,143</u>	<u>902,931,095</u>



## Schedules Forming Part of the Profit & Loss Account

(Amount in Rupees)

	<b>Year ended 31.03.2010</b>	<b>Year ended 31.03.2009</b>
<b>SCHEDULE - 16 OTHER INCOME</b>		
Interest on Loans, Deposits & others (Gross)	22,159,675	35,033,955
Commission on consignment Sales	-	310,093
Profit on sale of Sundry Fixed Assets	59,655	2,064,504
Profit on sale of Investments	-	23,279
AMC Charges - CDMA	3,681,775	5,647,646
Dividend	1,193,327	3,355,733
Sundry balances written back	6,838,874	3,906,643
Miscellaneous Income	207,166	132,696
Gain on foreign exchange fluctuation (net of Losses)	1,560,116	-
<b>TOTAL</b>	<b>35,700,588</b>	<b>50,474,549</b>
<b>SCHEDULE - 17 MATERIALS</b>		
<b>A. RAW MATERIALS CONSUMED</b>		
<b>a) Opening Stock</b>		
Raw Materials	125,360,939	65,453,309
<b>b) Add: Purchases including incidental expenses</b>		
	386,993,011	804,337,466
<b>SUB-TOTAL</b>	<b>512,353,950</b>	<b>869,790,775</b>
<b>c) Less:</b>		
Closing Stock	36,204,463	125,360,939
Sale of material	-	26,165,706
Inter-Unit sales	3,716,511	-
Stock transfer on account of demerger of Solar division	149,512,836	-
<b>SUB-TOTAL</b>	<b>189,433,810</b>	<b>151,526,645</b>
<b>Raw materials Consumed (A)</b>	<b>322,920,140</b>	<b>718,264,130</b>
<b>Purchases - Traded Goods (B)</b>	<b>-</b>	<b>17,259,210</b>
<b>INCREASE/DECREASE IN STOCK</b>		
<b>Opening Stock</b>		
Work in Progress	47,232,732	33,653,048
Finished Goods	26,275,536	34,321,651
Traded Goods	-	2,498,000
<b>SUB-TOTAL</b>	<b>73,508,268</b>	<b>70,472,699</b>
<b>Less:</b>		
Closing stock - Work in Progress	22,051,950	47,232,732
Closing stock - Finished Goods	15,164,179	26,275,536
Stock transfer on account of demerger of Solar division-		
Work in Progress	16,311,025	-
Finished Goods	4,120,290	-
<b>SUB-TOTAL</b>	<b>57,647,444</b>	<b>73,508,268</b>
<b>Net (Increase)/Decrease in Stocks (C)</b>	<b>15,860,824</b>	<b>(3,035,569)</b>
<b>TOTAL</b>	<b>338,780,964</b>	<b>732,487,771</b>
(A) + (B) + (C)		



## Schedules Forming Part of the Profit & Loss Account (Amount in Rupees)

	Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE - 18 EXPENSES</b>		
Salary,Wages & Allowances	17,871,950	15,686,602
Contribution to PF and other funds	1,358,831	1,413,657
Staff Welfare expenses	1,086,456	609,699
Processing & Conversion.Charges	-	1,020,134
Stores Consumed	3,972,786	8,616,619
Power & Fuel	9,153,503	18,298,156
Packing & Forwarding	15,140,001	24,664,722
Watch & Ward	1,197,837	1,317,060
Printing & Stationery	1,213,306	1,058,006
Post.Tel.& Telephone	3,020,393	2,874,793
Insurance	507,298	1,152,573
Lease and other Rents	12,419,382	22,520,587
Legal & Licence fees	921,417	917,061
Rates & Taxes	1,709,050	992,999
Repairs to		
i) Building	1,162,906	1,105,880
ii) Machinery	3,892,183	9,354,633
iii) CDMA Phones	-	3,614,840
iv) Others	1,010,188	760,767
Remuneration to Directors	264,234	284,640
Auditors remuneration		
i) Audit fees	80,000	121,330
ii) Tax audit fees	20,000	33,090
Office maintenance Expenses	473,476	191,135
Software development Charges	-	293,100
Commission on Sales	2,482,032	3,322,410
Testing Charges	1,658,547	886,998
Advertisement & Business Promotion	1,086,163	1,504,878
Professional Charges	1,480,776	2,039,759
Foreign Exchange Fluctuation loss	-	1,635,745
Vehicles maintenance & Fuel charges	476,798	495,973
Travelling & Conveyance	6,061,061	4,692,030
Sitting fees	165,000	93,000
Sundry Balances Written off	11,301,842	5,542,329
Lease Premium amortised	951,552	951,552
Loss on sale of Investments	364,519	-
Service Tax	707,805	724,194
Sales Tax	12,170,456	15,476,924
Entry Tax	21,640	112,707
Other Expenses	2,137,787	2,730,792
<b>TOTAL</b>	<b>117,541,175</b>	<b>157,111,374</b>
<b>SCHEDULE - 19 INTEREST AND FINANCIAL CHARGES</b>		
Interest on Cash Credit & others	10,602,149	2,379,575
Financial Charges	7,985,360	7,582,386
<b>TOTAL</b>	<b>18,587,509</b>	<b>9,961,961</b>



## **20. Significant Accounting Policies and Notes on Accounts Forming Part of Balance Sheet and Profit & Loss Account**

### **20A. Significant Accounting Policies**

#### **i. Basis of Preparation of Financial Statements.**

The financial statements are prepared under the Historical cost convention with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

#### **ii. Use of Estimates.**

The Preparation of Financial Statements requires estimates and assumptions to be made that effect the reported amount of assts 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 amortised over the lease period and the annual lease rentals are charged to Profit and Loss Account in the year it accrues.

#### **v. 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.

#### **vi. 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.

#### **vii. Investments**

Current investments are carried at the lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. 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.

#### **viii. 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 realizable value whichever is lower. Cost includes Direct Material, Labour cost and appropriate overheads.



**ix. Foreign Currency Transactions.**

Transactions in foreign currency are recorded at the exchange rate, prevailing on the date of transaction or at the exchange rates under the related forward exchange contracts. Profit/Loss on outstanding Foreign Currency contracts have been accounted for at the exchange rates, prevailing at the year end rates as per FEDAI/RBI.

**x. 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 best management estimates on actual entitlement of eligible employees at the end of the year.

**xi. 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.

**xii. Turnover**

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

**xiii. Revenue Recognition in Case of Real Estate Transactions**

Revenue in case of real estate transactions is made on the basis of concluded on contracts for sales and purchases.

**xiv. 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.

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.

**xv. 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.

**xvi. Excise and Customs Duty**

Excise and Customs Duty are accounted on accrual basis. CENVAT credit is accounted by crediting the amount to cost of purchases on receipt of goods and is utilized on dispatch of material by debiting excise duty account.



**xvii. 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.

**xviii. Sundry Debtors, Loans and Advances**

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

**xix. 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.

## 20B. Notes on Accounts

### 1. De-merger of Solar Division with Surana Ventures Limited

- The Scheme of arrangement under sections 391 to 394 of the Companies Act, 1956 (the Scheme) to transfer Solar Business on going concern basis to its Associate Company Surana Ventures Limited (SVL) w.e.f 1st October,2009, the appointed date, has become effective on 28th July2010 on getting requisite approvals and completion of necessary formalities.
- In terms of the Scheme, the shareholders of the company will receive 3 (three) equity shares of SVL of the face value of Rs 10/- each, credited as fully paid up, for every 4 (four) fully paid up equity shares held by the company on the record date which is fixed for 19 th August, 2010.
- Consequent to vesting of the Solar Business of the Company in terms of the scheme, the Financial Statements of the Company for the year ended 31 st March, 2010, do not include the operations of the Solar Business for the period of six months from I st October, 2009 to 31 st March, 2010, and are therefore strictly not comparable with the figures of the previous years ended 31 st March, 2009.
- All the assets and liabilities of the Solar Business of the Company, on the appointed date, have been transferred to SVL. The excess of the assets over liabilities amounting to Rs 1203.31 lakhs relating to the Solar Business transferred as on 1 st October, 2009 has been adjusted in terms of the scheme against the General Reserve of the Company

Brief financials of the de-merged undertaking are as under:

(Rs in Lakhs)

Particulars	Solar division	
	01.04.2009 to 30.09.2009	31st March, 2009
Total Revenue	1189.96	857.14
Total Expenses	852.67	887.94
Total Assets	2212.16	1221.16
Total liabilities	1008.85	452.59



The details of Fixed Assets transferred to SVL consequent to vesting of Solar Business of the company are as under:

(Rs in Lakhs)

Particulars	Solar Business	
	Gross Block of Fixed Assets	Accumulated Depreciation
Land - Free hold	32.05	-
Land - wind Power	4.16	-
Factory Building	60.84	28.81
Plant & Machinery-Wind Power	945.84	0.14
Plant & Machinery- Others	205.18	32.52
Office Equipments	1.75	0.25
Computers	3.20	1.14
Vehicles	12.64	
<b>Total</b>	<b>1265.66</b>	<b>62.86</b>

## 2. Secured Loans

Cash Credit from Banks is secured by hypothecation of stocks, Debtors and first charge on pari-passu basis on specific fixed assets of the company respectively and personal guarantee of the Directors.

## 3. Deferred Taxes

Deferred Tax adjustments recognized in the financial statements are as under:

Deferred Tax Assets/Liability	As at 31-03-2009 Rs. in Lakhs	Liability Arising during the Year	As at 31-03-2010 Rs. Lakhs
Depreciation-Timing difference	78.54	(3.98)	74.56
<b>Net Deferred tax Liability</b>	<b>78.54</b>	<b>(3.98)</b>	<b>74.56</b>

## 4. Depreciation on Revalued Assets.

Particulars	(Rs in lakhs)
Depreciation for the year as per Schedule V - Fixed Assets annexed to financial Statements (Excluding amortization of Lease Premium on land)	360.62
Less: Withdrawn from Revaluation Reserve	119.36
<b>Depreciation as per Profit and Loss Account</b>	<b>241.26</b>

## 5. Capital work -in Progress

Particulars	(Rs in lakhs)
Opening Balance as on 01.04.2009	Rs 657.53
Less: Refund received against capital advances	Rs 125.00
Less: Amount Transferred to Advances	Rs 125.00
Less: Amount Transferred to Subsidiary Company (Globecom Infotech Private Ltd)	Rs 407.53
<b>Closing Balance as on 31.03.2010</b>	<b>Rs NIL</b>





An advance of Rs 250 lakhs was given for acquiring land in TADA SEZ. As the company has Started receiving refund of the same, it has been transferred to advances and shown as " Loans & advances under schedule 10 of the Balance Sheet.

## 6. Contingent Liability

Estimated amount of contingent liability which is not acknowledged as debts and claims against the Company and not provided are as follows.

(Rs. in lakhs)

Particulars	2009-10	2008-09
Unexpired Letters of Credit Und	1104.48	1227.49
Counter Guarantees given to the Bankers	999.56	1851.43
Sales Tax matters under appeal	11.95	82.45
Excise/Customs matter under appeal	293.84	370.10

## 7. Prior Period Adjustments

(Rs. in lakhs)

Particulars	2009-10		2008-09	
	Debit	Credit	Debit	Credit
Bonus			0.41	
Excise duty of earlier years			0.64	
Expenses of Previous years reversed		0.97		9.55
Interest on Loan			0.30	
Previous year expenses paid	3.38		1.70	
Refund of amount received from Debtors			0.10	
<b>TOTAL</b>	<b>3.38</b>	<b>0.97</b>	<b>3.15</b>	<b>9.55</b>

## 8. Related Party Disclosure

### A: Relationship

Entities in which directors are interested	Associate companies	Subsidiary Company	Key Management Personnel	Relatives of key management personnel
Bhagyanagar India Limited	Surana Ventures Limited	Globecom Infotech Pvt Ltd	G.M. Surana	Sunita Surana
Bhagyanagar Infrastructure Limited			Narender Surana	Vinita Surana
Bhagyanagar Properties Pvt. Limited			Devendra Surana	
Green Energy Systems Pvt. Ltd.			Manish Surana	
Scientia Infocom India Pvt. Limited				



Entities in which directors are interested	Associate companies	Subsidiary Company	Key Management Personnel	Relatives of key management personnel
Bhagyanagar Telecom Limited				
Bhagyanagar Metals Limited				
Bhagyanagar Energy & Telecom Pvt. Limited				
Bhagyanagar Entertainment Limited				
Bhagyanagar Ventures Pvt. Ltd				
Metropolitan Ventures India Limited				
GMS Realtors Private Ltd				
Innova Technologies Pvt.Limited				
Advantage Real Estate India Private Limited				
Tranquil Avenues India Private Limited				
Celestial Avenues Private Limited				
Majestic Logistics Private Limited				
Value Infrastructure and Properties Pvt Ltd				
Every Time Foods Industries Pvt Limited				
Surana Technopark Private Limited				
Surana Infocom Pvt.Limited				
Innova Biotech India Pvt Limited				
Innova Infrastructure Pvt Limited				
Epicentre Entertainment Pvt Limited				
Royal Skyscrapers India Pvt Limited				
Sitetonic Websolutions Pvt Limited				
Surana Biochemicals Pvt Limited				
Andhra Electro Galvanising works				



**B. Related Party Transactions:**

**(Rs in lakhs)**

Particulars	2009-10	2008-09
<b>Sales</b>		
Sales to Bhagyanagar India Limited	<b>51.50</b>	423.21
Sales to Bhagyanagar Energy & Telecom Private Limited	<b>162.98</b>	-
Sales to Surana ventures Limited	<b>113.19</b>	-
<b>Purchases</b>		
Purchase from Bhagyanagar India Limited	<b>190.55</b>	692.61
Purchase from Bhagyanagar Energy and Telecom Private Limited	<b>53.49</b>	15.34
Purchase from Surana Ventures Limited	<b>44.34</b>	12.23
<b>Job Work</b>		
Job work received from Bhagyanagar India Limited	<b>12.41</b>	46.92
Job work charges paid to Bhagyanagar India Ltd	<b>5.44</b>	7.28
Job work charges paid to Bhagyanagar Energy and Telecom Private Limited	<b>33.00</b>	-
<b>Interest Paid</b>		
Interest paid to Bhagyanagar India Ltd	<b>57.76</b>	-
Interest paid to Surana Infocom Pvt Ltd	<b>24.35</b>	-
Interest paid to Value Infrastructure & Properties Pvt Ltd	<b>7.43</b>	-
<b>Unsecured Loans</b>		
Loan taken from Bhagyanagar India Ltd	<b>215.00</b>	-
<b>Investments (Shares)</b>		
Investment in Surana Ventures Limited	-	695.00
Investment in Green Energy Systems Pvt Ltd. (formerly Surana Green Energy Ventures Pvt Ltd)	-	0.40
Investment in Globecom Infotech Pvt. Ltd	-	1.00
<b>Advances</b>		
Advance to Surana Ventures Limited	<b>189.50</b>	5.77
Advance to Globecom Infotech Pvt Ltd (Subsidiary Company)	<b>400.92</b>	0.77
<b>Remuneration</b>		
Remuneration to relatives of Key Managerial personnel		
Ms. Sunita Surana	<b>3.00</b>	3.00
Ms. Vinita Surana	<b>4.80</b>	2.66



## Earnings per share

(Rs in lakhs)

Particulars	2009-10	2008-09
Net Profit after tax	<b>114.93</b>	282.00
Net Profit available for Equity Share-holders	<b>114.93</b>	282.00
Number of Equity Shares- Basic	<b>208.04</b>	208.04
Add: effect of potential equity shares on conversion of warrants	-	33.96
Number of Equity Shares - Dilutive	<b>208.04</b>	242.00
Nominal Value of Each equity share	<b>5.00</b>	5.00
Basic Earnings Per Share	<b>0.55</b>	1.36
Diluted Earning Per Share (on Conversion of warrants)	<b>0.55</b>	1.17

### 9. Fixed Assets - Impairment.

In view of the management, there is no impairment of the assets of the company and the management is fully confident of realizing the book value of the assets in cash or in kind. Hence, no provision for the same has been made in the books of accounts

### 10. Investments- Subsidiaries:

Brief details of subsidiaries are given below

(Rs in lakhs)

Name of the Subsidiary Company	Paid-up Capital	Co's Interest	Equity Investment	Advances	Maximum Amount Outstanding during the year
Globecom Infotech Pvt Ltd	1.00	100%	1.00	400.92	400.92

### 11. Investments - Associates:

Brief details of the Associates are given below:

(Rs in lakhs)

Name of the Subsidiary Company	Paid-up Capital	Co's Interest	Equity Investment	Advances	Maximum Amount Outstanding during the year
Surana Ventures Ltd	2460.33* (1500.00)	17.92% (49.00%)	441.00 (735.00)	189.50	189.50

\* Including Rs 1560.33 lakhs kept as Share Suspense Account as the shares are yet to be allotted.

# Figures in bracket represent the figures of Previous years.

# In accordance with scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh, Hyderabad. The equity investment amounting to Rs 294 lakhs made by the company has been converted into 29,40,000 debentures. These are 12% non convertible secured debentures, redeemable in 18 months, of face Value of Rs 10/- each.



## 12. Sundry Debtors & Other Balances

In case of balances in Sundry Debtors, Loans and Advances, Other Current Assets and Sundry Creditors, letter- seeking confirmation of year-end balances are sent to the concerned parties. The Balances are subject to confirmation and reconciliation.

Advance to suppliers under Schedule -11 of "Loans & advances" include Rs 214.35 lakhs paid to M/s United International Shipping Agent (T) Ltd, Tanzania, towards cost of copper cathode. However, copper was stolen and replaced with worthless material on the sea-way. The Company has lodged a claim with Insurance Company which is under Process. As the Management is confident of recovering the entire amount from the Insurance Company/Shipping Agent, no provision for loss of goods has been made in the books of accounts.

Company does not owe any sum to Micro & Small enterprises as at the end of the accounting year on account of principal and interest under the Micro, Small and Medium Enterprises Development Act, 2006 as per the information and records available with the company about their industrial status which has been relied upon by the auditors.

## 13. 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. The gratuity liability and the net periodic gratuity cost is actually determined after considering discount 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 summaries the components of Net Benefit expenses recognized in the Profit & Loss Account and amount recognized in the Balance Sheet for the respective Plans.

### a) Expenses recognized in the Profit & Loss Account

Particulars	Gratuity
Current service Cost	1,87,515
Interest Cost	77,881
Expected Return on Planned Assets	(1,02,038)
Net actuarial loss/(gain) recognized in the year	1,15,068
<b>Total Expenses recognized in Profit &amp; Loss account</b>	<b>2,78,426</b>

### b) Change in present value of obligation during the year ended 31st March, 2010

Particulars	Gratuity
Present Value of obligation as at beginning of the year	9,73,517
Interest cost	77,881
Current Service Cost	1,87,515
Benefits Paid	(3,22,934)
Actuarial loss (Gain) on obligation	1,15,068
Present Value of obligations as at end of the year	10,31,047



**c) Change in fair value of Plan Assets during the year ended 31st March, 2010**

	<b>Gratuity</b>
Fair Value of Plan Assets as at the beginning of the year	12,32,062
Expected return on plan assets	1,02,038
Contributions	60,623
Benefits paid	(322934)
Actuarial gain/(loss) on plan assets	-
Fair Value of plan assets at the end of the year	10,71,789

**d) Balance Sheet Movements**

	<b>Gratuity</b>
Present Value of obligation as at the end of the year	10,31,047
Fair value of plan assets as at the end of the year	10,71,789
Funded Status	40,742
Net asset/(liability) recognized in Balance Sheet	(40,742)

**E) Actuarial Gain/loss recognized**

	<b>Gratuity</b>
Actuarial (gain)/Loss on obligations	(1,15,068)
Actuarial (gain)/Loss for the year -plan assets	Nil
Actuarial (gain)/Loss on obligations	1,15,068
Actuarial (gain)/Loss recognized in the year	1,15,068

The Net assets in respect of Gratuity Plan is not recognized as it is lying in irrecoverable trust fund with Life Insurance Corporation of India, approved by the Income Tax Authorities

**14. Additional information pursuant to provision of paragraph 3,4C and 4D of Part VI of the Companies Act 1956.**

**A). Capacity and Production**

<b>Particulars</b>	<b>Unit</b>	<b>Installed Capacity</b>		<b>Production</b>	
		<b>2009-10</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2008-09</b>
Jelly Filled Telephone Cables	LCKM	<b>26.75</b>	26.75	<b>0.4059</b>	2.6551
Jelly Filled Telephone Quad Cables	KM	<b>7200</b>	7200	-	220.318
Optical Fibre Cable	RKM	<b>6000</b>	6000	<b>1785.94</b>	6113.41
Optical Fibre	FKM	<b>250000</b>	250000	<b>1833.42</b>	233.45
Jointing Kits	Nos (lakhs)	<b>4.9</b>	4.9	<b>0.010</b>	0.011
Wind Power	Megawatt	<b>1.25</b>	1.25	<b>0.201</b>	0.232
Power Cable	KM	<b>7200</b>	7200	<b>318.40</b>	870.80
Alluminium Rod	MT's	<b>12000</b>	12000	<b>1289.44</b>	218.42
Solar Modules	Megawatt	<b>40</b>	40	<b>1.046</b>	0.808



## B) Turnover

Particulars	Unit	2009-10 Quantity	2008-09 Quantity	2009-10 Value (Rs in lakhs)	2008-09 Value (Rs in lakhs)
Jointing Kits	No/set	<b>10107</b>	6546	<b>103.47</b>	40.90
Jelly Filled Telephone Cables	Lckm	<b>3.429</b>	2.693	<b>1088.39</b>	2965.22
Jelly Filled Telephone quad/UTP Cable	Kms	<b>54.34</b>	220.318	<b>167.56</b>	471.70
Optical Fibre Cable	RKm	<b>1823.943</b>	6166.51	<b>543.85</b>	1945.44
Optical Fibre (OF)	FKm	-	-	<b>5.47</b>	1.44
Power Cable	Km	<b>260.05</b>	836.640	<b>218.51</b>	1331.54
Copper Wire Rod (Traded)		-	54.37	-	178.06
Scrap Sale & Others		-	-	<b>176.08</b>	274.36
Solar Cells/Modules		-	-	<b>1170.47</b>	857.13
Telecom accessories		-	-	-	1260.47
Software Exports		-	-	-	24.12
Wind Power Sale	M.Watt	<b>0.201</b>	0.232	<b>68.23</b>	69.22
Infrastructure Leasing		-	-	<b>95.63</b>	352.33
Aluminum wire Rod/Ingots	MT's	<b>1294.20</b>	-	<b>1441.35</b>	--
<b>TOTAL</b>				<b>5079.01</b>	9771.93
<b>Less: Stock Transfer</b>				<b>37.16</b>	--
<b>Gross Sales</b>				<b>5041.85</b>	9771.93

## C) Purchase of Traded Goods

Particulars	Unit	2009-10 Quantity	2008-09 Quantity	2009-10 Value (Rs Lakhs)	2008-09 Value (Rs Lakhs)
Copper	Kgs	-	47431	-	167.51
Others		-	3064	-	5.08
<b>TOTAL</b>		-	-	-	172.59



## D) Opening and Closing Stock of Finished Goods

Particulars	Opening Stock				Closing Stock			
	2009-10 Quantity	2008-09 Quantity	2009-10 (Value Rs in Lakhs)	2008-09 (Value Rs in Lakhs)	2009-10 Quantity	2008-09 Quantity	2009-10 (Value Rs in Lakhs)	2008-09 (Value Rs in Lakhs)
Jointing Kits (Nos/set)	<b>0.386</b>	0.44	<b>4.77</b>	4.81	<b>0.367</b>	0.386	<b>9.18</b>	4.77
Jelly Filled Telephone Cables (Lac Nos)	<b>0.1481</b>	0.186	<b>133.29</b>	215.06	-	0.1481	-	133.29
CDMA Phone (Nos)	-	-	-	23.66	-	-	-	--
Optical Fibre Cable (Kms)	<b>37.996</b>	91.088	<b>9.72</b>	23.99	-	37.996	-	9.72
Traded Goods	-	-	-	24.98	-	-	-	-
Power Cables (kms)	<b>34.16</b>	-	<b>58.43</b>	1.80	<b>92.513</b>	34.16	<b>127.60</b>	58.43
Alluminium Rod (M.T)	-	57.724	-	73.88	<b>13.732</b>	-	<b>14.86</b>	-
Solar Modules (Watt.)	<b>0.045</b>	-	<b>56.55</b>	-	-	0.045	-	56.55
<b>TOTAL</b>			262.76	<b>368.18</b>			<b>151.64</b>	262.76

## E) Raw Material Consumed

Particulars	Unit	Quantity	Quantity	Value (Rs in Lakhs)	Value (Rs in Lakhs)
		2009-10	2008-09	2009-10	2008-09
Copper	Kgs	<b>72579</b>	702480	<b>177.46</b>	2031.87
Polythene Granules	Kgs	<b>564668</b>	1629719	<b>361.42</b>	1145.24
Alluminium Foils	Kgs	-	106757	-	137.62
G S Tape	Kgs	<b>141139</b>	495108	<b>56.31</b>	255.38
Optical Fibre	Kms	<b>56515</b>	209523	<b>185.95</b>	454.45
Resin Synthetic	Kgs	-	-	-	-
Solar Cells, Glasses & others		-	-	<b>884.99</b>	1046.67
Others		-	-	<b>448.78</b>	1557.00
Alluminium Scrap	Kgs	<b>1685575</b>	609852	<b>1114.29</b>	554.41
Total (for Value only)				<b>3229.20</b>	7182.64





**F) Value of Imported & Indigenous Raw Material and Components Consumed** (Rs in lakhs)

Particulars	2009-10		2008-09	
	Value	Percentage	Value	Percentage
Imported	<b>2122.96</b>	<b>65.74</b>	3599.22	50.11
Indigenous	<b>1106.24</b>	<b>34.26</b>	3583.42	49.89
<b>TOTAL</b>	<b>3229.20</b>	<b>100%</b>	7182.64	100%

**G) Expenditure in Foreign Currency**

Particulars	2009-10 Value (Rs in Lakhs)	2008-09 Value (Rs. In lakhs)
Raw Material	<b>2647.68</b>	4418.63
Expenditure in Foreign Currency (Traveling)	<b>21.37</b>	11.27
Expenditure in Foreign Currency (Capital Items)	-	45.37
<b>TOTAL</b>	<b>2669.05</b>	4475.27

**H) Earnings in Foreign Currency**

Particulars	2009-10 Value (Rs in lakhs)	2008-09 Value (Rs. in lakhs)
Software Exports	-	24.12
Others	<b>7.16</b>	-
<b>TOTAL</b>	<b>7.16</b>	24.12

**15. SEGMENTAL REPORTING**

In accordance with the Accounting Standard -17 "Segment Reporting" Issued by the Institute of Chartered Accountants of India, is given below.

Particulars	Telecom Products	Power (Cable & others)	Power (wind)	Power (Solar)	Others	Total
RVENUE (Net of Excise)	1825.99	1604.39	68.23	1170.47	95.63	4764.71
<b>Total Revenue</b>	<b>1825.99</b>	<b>1604.39</b>	<b>68.23</b>	<b>1170.47</b>	<b>95.63</b>	<b>4764.71</b>
RESULTS	6.11	(0.25)	31.95	331.28	(77.36)	291.73
Segment Results						
Unallocable Income/Expenses						(23.10)
Operating Profit						314.83
Interest Expenses						185.88
Income Taxes						14.02
Profit from Ordinary Activities						
<b>Net Profit</b>						<b>114.93</b>



# Annual Report 2009 - 2010

Other Information							
Segment Assets	3306.95	796.71	560.40	--	1180.06	5844.12	2201.86
Unallocable Assets							
<b>Total Assets</b>						<b>8045.98</b>	
Segment Liabilities	44.60	50.63	30.87	--	21.69	147.79	393.85
Unallocable Liabilities							
<b>Total Liabilities</b>						541.64	
Capital Expenditure	38.62	12.19	--	--	90.43	141.24	--
Unallocable Capital Expenditure							
<b>Total Capital Expenditure</b>	<b>38.62</b>	<b>12.19</b>	<b>--</b>	<b>--</b>	<b>90.43</b>	<b>141.24</b>	
Depreciation	215.30	55.14	33.55	12.63	43.98	360.61	
Unallocable depreciation							
<b>Total Depreciation</b>	<b>215.30</b>	<b>55.14</b>	<b>33.55</b>	<b>12.63</b>	<b>43.98</b>	<b>360.61</b>	
Non Cash expenses -other than Depreciation							122.54
Unallocable non cash expenses							

## Reconciliation of reportable segments with financial statements.

(Rs in Lakhs)

Particulars	Revenues		Results/ Net Profit		Assets		Liabilities	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Total reportable segments	<b>4764.71</b>	9151.50	<b>291.73</b>	227.27	<b>5844.12</b>	9278.91	<b>147.79</b>	1651.80
Corporate Un-allocable (net)	<b>357.00</b>	382.56	<b>23.10</b>	193.64	<b>2201.86</b>	3030.34	<b>393.85</b>	771.63
Interest expenses	-	-	<b>185.88</b>	99.62	-	-	-	-
Taxes	-	-	<b>14.02</b>	39.29	-	-	-	-
As per financial statements	<b>5121.71</b>	9534.06	<b>114.93</b>	282.00	8045.98	12309.25	541.64	2423.43

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

This is the Notes referred  
To in our report of even date

### for Sekhar & Co

Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : 07.08.2010

**Arihant Rakhecha**  
Chief Financial Officer

**Pavani Akilla**  
Company Secretary



**CONSOLIDATED FINANCIAL STATEMENTS**

**Surana Telecom and Power Limited and its Subsidiary Company**

**AUDITORS REPORT**

**To the Board of Directors of  
Surana Telecom And Power Limited**

1. We have audited the attached Consolidated Balance Sheet of Surana Telecom And Power Limited and its Subsidiaries (The Group) as at 31st March, 2010 and the related Profit and Loss Account and Consolidated Cash Flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. This Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted the audit in accordance with the Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on 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. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard - 21 - Consolidated Financial Statements, Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27 - Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India.

4. Without qualifying our opinion, we draw your attention of Shareholders and stakeholders to the following in the consolidated Financial Statements:

Note 21B of Schedule 13 : Sundry Debtors and other Balances : Advances to suppliers under Schedule - 11 "Loans & Advances" include Rs.214.35 Lakhs Paid to M/s.United International Shipping Agent (T) Ltd, towards Cost of copper Cathode. However, copper was stolen and replaced with worthless material on the sea-way. The company has lodged claim with Insurance Company which is under process. As the Management is confident of recovering the entire amount from the Insurance Company/ Shipping Agent, no provision for loss of goods has been made in the books of account.

5. Based on our audit, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
  1. In the case of consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2010.
  2. In the case of consolidated Profit and Loss Account, of the profit for the year ended on that date; and
  3. In the case of Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

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

Place: Secunderabad  
Date : 7th August, 2010

**G. Ganesh**  
(Partner)  
M.No:211704



Consolidated Balance Sheet as at 31st March, 2010

(Amount in Rupees)

	Sch.No	As at 31.03.2010	As at 31.03.2009
<b>Sources of Funds</b>			
Share Capital	1	104,022,000	104,022,000
Reserves and Surplus	2	583,755,876	715,573,159
Share-Holders Funds		687,777,876	819,595,159
33,95,600 optional, fully convertible warrants		-	14,716,360
<b>Loan Funds</b>			
Secured loans	3	3,490,675	83,101,978
Unsecured loans	4	80,960,894	67,303,493
Net Deferred Tax Liability	14	7,456,080	7,854,080
<b>TOTAL</b>		<b>779,685,525</b>	<b>992,571,070</b>
<b>Application of Funds</b>			
<b>Fixed Assets (At cost)</b>			
Gross Block	5	739,331,901	777,556,321
Less Depreciation		412,624,989	381,318,995
Net Block		326,706,912	396,237,326
Capital Work-In-Progress		40,000,000	65,752,665
Investments (At cost)	6	130,291,068	128,327,568
<b>Current Assets, Loans and advances</b>			
Inventories	7	73,420,592	198,869,207
Sundry debtors	8	71,328,172	202,830,895
Cash & Bank Balances	9	12,700,230	43,684,692
Loans & Advances	10	136,853,899	97,982,434
Other Current Assets	11	20,896,231	101,051,549
		315,199,124	644,418,777
<b>Less Current Liabilities &amp; Provision</b>			
Current Liabilities	12	20,223,897	223,790,596
Provisions	13	12,430,010	18,555,080
		32,653,907	242,345,676
<b>Net Current Assets</b>		<b>282,545,217</b>	<b>402,073,101</b>
Miscellaneous Expenses	15		
(to the extent of not adjusted or written off)			
a) Preliminary expenses		142,328	177,910
b) Preoperative expenses		-	2,500
<b>TOTAL</b>		<b>779,685,525</b>	<b>992,571,070</b>
<b>Notes to Accounts</b>	21		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet

This is the Consolidated Balance Sheet referred

to in our report of even date

for **Sekhar & Co**

Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : 07.08.2010

**Arihant Rakhecha**  
Chief Financial Officer

**Pavani Akilla**  
Company Secretary



## Consolidated Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rupees)

	Sch.No	For the year ended 31.03.2010	For the year ended 31.03.2009
<b>Income</b>			
Gross Sales	16	504,184,926	977,193,361
Less: Excise duty		27,713,783	74,262,266
Net Income from Operations		476,471,143	902,931,095
Other Income	17	35,700,588	50,474,549
<b>Total Income</b>		<b>512,171,731</b>	<b>953,405,644</b>
<b>Expenditure</b>			
Materials	18	338,780,964	732,487,771
Expenses	19	117,586,079	157,111,374
Interest & Financial Charges	20	18,587,789	9,961,961
Depreciation		24,125,643	22,356,099
<b>Total Expenditure</b>		<b>499,080,475</b>	<b>921,917,205</b>
Profit for the year		13,091,256	31,488,439
Prior Period Adjustment		(241,288)	640,188
Profit before Taxation		12,849,968	32,128,627
<b>Provision for Taxation</b>			
i) Income Tax		1,800,000	3,200,000
ii) Deferred Tax		(398,000)	248,680
iii) Fringe Benefit tax		-	480,000
<b>Profit after Taxation</b>		<b>11,447,968</b>	<b>28,199,947</b>
Add: Share in net assets of companies no longer consolidated		3,865,656	
Less: Share in net assets of Associates		-	(3,865,656)
Balance B/F from Previous year		236,309,521	240,230,310
Amount Available for appropriation		251,623,145	264,564,601
Proposed Dividend		10,402,200	15,603,300
Tax on Dividend		1,727,810	2,651,780
Transfer to General Reserve		20,000,000	10,000,000
Surplus Carried to Balance Sheet		<b>219,493,135</b>	<b>236,309,521</b>

The Schedules referred to above form an integral part of the Consolidated Profit & Loss Account  
This is the Consolidated Profit & Loss Account referred  
to in our report of even date

**for Sekhar & Co**

Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : 07.08.2010

**Arihant Rakhecha**  
Chief Financial Officer

**Pavani Akilla**  
Company Secretary



## Consolidated Cash Flow Statement for the year ended 31st March, 2010

(Amount in Rupees)

	2009-10	2008-09
<b>A. Cash Flow From Operating Activities</b>		
Net Profit before tax as per annexed profit and loss account	12,849,968	32,128,627
<b>Adjustments for :</b>		
Depreciation	24,125,643	22,356,099
Amortisation of lease Rents	951,552	951,552
Preliminary & Pre operative expenses	38,082	(180,410)
(Profit)/Loss on sale of investments	364,519	(23,279)
Sundry Balances written off	11,301,842	5,542,329
Sundry Balances Written Back	(6,838,874)	(3,906,643)
Profit on Sale of Assets	(59,655)	(2,064,504)
Interest Paid	18,587,509	9,961,961
Interest & Dividend Received	(23,353,002)	(38,389,688)
Operating Profit before working Capital Changes	37,967,584	26,376,044
<b>(Less)/Add Adjustments for Working Capital Changes</b>		
Inventories	(69,070,895)	(62,943,199)
Loans and Advances	(31,352,348)	11,642,441
Other Current Assets	80,155,318	89,734,902
Receivables	191,076,705	(57,842,614)
Trade Payables and other Liabilities	(50,234,938)	86,263,899
Advance from Customers	(6,716,648)	2,119,203
<b>Cash Generated from Operations</b>	<b>151,824,778</b>	<b>95,350,676</b>
<b>Adjustments for :</b>		
Direct Taxes Paid for the Current Year (net)	(8,681,682)	(21,776,560)
Taxes of earlier years		-
	<b>(8,681,682)</b>	<b>(21,776,560)</b>
<b>Net Cash (used in)/from operating Activities (A)</b>	<b>143,143,096</b>	<b>73,574,116</b>
<b>B. Cash Flow From Investing Activities</b>		
Dividend Received	1,193,327	3,355,733
Lease Rent received	-	-
Interest Received	22,159,675	35,033,955
Sale of Fixed Assets	115,000	3,949,591
Changes refund received from Capital Advance	12,500,000	-
Purchase of Fixed assets	(115,988,378)	(45,449,294)
Purchase of Investments		(190,723,613)
Sale of Investments	1,537,637	102,428,365
Capital Work in Progress	(40,000,000)	20,095,866
<b>Net Cash (used in)/from Investing Activities (B)</b>	<b>(118,482,739)</b>	<b>(71,309,397)</b>



## Consolidated Cash Flow Statement (Contd.)

(Amount in Rupees)

	2009-10	2008-09
<b>C. Cash Flow From Financing Activities</b>		
<b>Proceeds from Issue of Share Capital</b>	-	(44,350,690)
Proceeds from Long term Borrowings	<b>53,672,231</b>	342,523
Increase/(Decrease) in Secured Loans	<b>(61,111,304)</b>	76,395,261
Dividend Paid including Dividend tax	<b>(17,281,429)</b>	(26,829,056)
Interest Paid on Borrowings	<b>(18,587,509)</b>	(9,961,961)
<b>Net Cash (used in)/from Financing Activities (C)</b>	<b>(43,308,011)</b>	(4,403,923)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	<b>(18,647,654)</b>	(2,139,204)
Cash and Cash Equivalents Opening Balance	<b>43,684,692</b>	45,823,896
Cash Balance of Solar Division Transferred	<b>(12,336,808)</b>	-
Cash and Cash Equivalents Closing Balance	<b>12,700,230</b>	43,684,692
Net Increase/(Decrease) in Cash and Cash Equivalents	<b>(30,984,462)</b>	(2,139,204)

Notes:

1. 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 .
2. Previous Year Figures have been regrouped wherever necessary to conform to the current year's Classification.
3. Cash and Cash equivalents aggregating to Rs.118.82 Lakhs (Rs.321.04 Lakhs) are not readily available for free use by the Company.It comprises of unpaid dividend Rs.34.20 Lakhs(Rs.24.46 Lakhs).Balance in Margin Accounts Rs.83.72 Lakhs (Rs.294.29)
4. Notes to Accounts(Schedule 19) form an integral part of Cash Flow Statement.

In terms of our report of even date  
**for Sekhar & Co**

Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : 07.08.2010

**Arihant Rakhecha**  
Chief Financial Officer

**Pavani Akilla**  
Company Secretary



## Schedules Forming Part of the Consolidated Balance Sheet (Amount in Rupees)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE - 1 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
3,00,00,000 Equity shares of Rs 5 each	<b>150,000,000</b>	150,000,000
	<b>150,000,000</b>	150,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
20,804,400 (Previous year 20,804,400) Equity shares of Rs. 5 each fully paid	<b>104,022,000</b>	104,022,000
- Includes 36,80,140 Bonus Shares allotted in earlier years		
- Net of 18,00,000 shares bought back during 2008-09		
<b>SCHEDULE - 2 RESERVES AND SURPLUS</b>		
<b>General Reserve</b>		
Balance as per last account	<b>336,185,200</b>	350,000,000
Add:		
Transferred from Capital Redemption Reserve	<b>9,000,000</b>	15,000,000
Forfeiture of Convertible Share Warrants	<b>14,716,360</b>	-
Transferred from Profit & Loss Account	<b>20,000,000</b>	10,000,000
Less:		
Excess of Assets over liabilities transferred to Surana Ventures Limited on demerger	<b>(120,330,593)</b>	-
Premium paid on buyback of shares	<b>-</b>	(38,814,800)
<b>Balance at the year end</b>	<b>259,570,967</b>	336,185,200
Share Premium Reserve		
<b>Balance as per last account</b>		5,635,890
Less: Premium on shares bought back adjusted		(5,635,890)
<b>Balance at the year end</b>	<b>-</b>	-
<b>Capital Redemption Reserve</b>		
Balance as per last account	<b>9,000,000</b>	15,000,000
Less:		
Transferred back to General Reserve	<b>(9,000,000)</b>	(15,000,000)
Add:		
Creation of Reserve for the face value of shares bought back	<b>-</b>	9,000,000
<b>Balance at the year end</b>	<b>-</b>	9,000,000
Revaluation Reserve		
Balance at the beginning of the year	<b>130,578,438</b>	144,294,788
Less:		
Adjustment on account of transfer of land to Surana Ventures Limited on demerger	<b>(17,450,513)</b>	-
Adjusted against depreciation	<b>(11,936,151)</b>	(13,716,350)
Balance at the year end	<b>101,191,774</b>	130,578,438
<b>Central Subsidy</b>	<b>3,500,000</b>	3,500,000
<b>Profit &amp; Loss Account</b>	<b>219,493,135</b>	236,309,521
	<b>583,755,876</b>	715,573,159
<b>SCHEDULE - 3 SECURED LOANS</b>		
From Banks		
Cash Credit	<b>3,490,675</b>	83,101,978
<b>TOTAL</b>	<b>3,490,675</b>	83,101,978
<b>SCHEDULE - 4 UN SECURED LOANS</b>		
Deferred Sales Tax	<b>59,460,966</b>	67,303,493
Loan from Body Corporate	<b>21,499,928</b>	-
	<b>80,960,894</b>	67,303,493
Due within a year	<b>10,561,544</b>	6,005,422





## Schedules Forming Part of the Consolidated Balance Sheet

### Schedule: 5 Fixed Assets

(Amount in Rupees)

Particulars	Gross Block			Depreciation			Net Block			
	Cost as on 01.04.2009	Additions during the year	Adjustments during the year	Cost as on 31.03.2010	Depreciation upto 01.04.09	For the Year	Adjustments during the year	Upto 31.03.2010	As on 31.03.2010	As on 31.03.2009
1. LAND -FREE HOLD	65,407,009	415,800	30,177,910	35,644,899	-	-	-	-	35,644,899	65,407,009
2. LEASE LAND	24,818,096	752,665	951,552	24,619,209	405,513	-	-	405,513	24,213,696	24,412,583
3. BUILDINGS	111,843,304	564,100	6,083,915	106,323,489	42,694,363	6,765,809	2,706,968	46,753,204	59,570,285	69,148,941
4. PLANT AND MACHINERY	546,176,000	9,365,069	20,518,030	535,023,039	321,793,447	26,182,897	1,897,128	346,075,216	188,943,823	224,382,554
5. PLANT AND MACHINERY- Wind Power	-	94,584,200	94,584,200	-	-	-	-	-	-	-
6. OFFICE EQUIPMENT	4,388,747	250,666	174,694	4,464,719	2,541,900	253,027	14,931	2,779,996	1,684,723	1,846,847
7. OFFICE EQUIPMENT -Leased	12,756,256	479,365	-	13,235,621	4,900,135	1,126,126	-	6,026,261	7,209,360	7,856,121
8. FURNITURE AND FIXTURES	3,376,823	8,000,000	-	11,376,823	2,414,194	1,066,839	-	3,481,033	7,895,790	962,629
9. VEHICLES	5,520,346	1,333,641	1,402,273	5,451,614	3,816,474	450,516	82,647	4,184,342	1,267,271	1,703,872
10. COMPUTERS	3,269,740	242,872	320,124	3,192,488	2,752,969	216,579	54,124	2,915,424	277,064	516,771
TOTAL	777,556,321	115,988,378	154,212,798	739,331,901	381,318,995	36,061,793	4,755,799	412,624,989	326,706,912	396,237,326
Previous Year	738,252,728	45,449,303	6,145,710	777,556,321	348,555,618	36,072,449	3,309,072	381,318,995	396,237,326	

Note: Deletion/adjustment of Rs 91.06 lakhs in Free-hold land include de-capitalisation amounting to Rs 91.06 lakhs as it was capitalised based on the allotment letter of APIIC. The said land has been allotted and conveyed to Bhagyanagar Ventures Limited.



## Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

Name of the Scrip	As at 31.03.2010		As at 31.03.2009	
	Nos	Amount	Nos	Amount
<b>SCHEDULE - 6 INVESTMENTS (Non-Trade, At Cost)</b>				
<b>Unquoted</b>				
<b>1) In Government Securities</b>				
National Savings Certificates		4,500		4,500
Total Investments in Government Securities		<u>4,500</u>		<u>4,500</u>
<b>2) Investment in Shares (Unquoted)</b>				
<b>a) In Associate Companies</b>				
Surana Ventures Limited (Equity Shares of Rs 10 each Fully paid-up)	4,410,000	44,100,000	7,350,000	69,649,331
Green Energy Systems Pvt Ltd (Equity Shares of Rs 10 each Fully paid-up)	-	-	4,000	25,013
<b>b) In companies under the same management</b>				
Bhagyanagar Securities Private Limited (Equity Shares of Rs 10 each Fully paid-up)	150,000	18,000,000	150,000	18,000,000
<b>Sub-Total</b>		<u>62,100,000</u>		<u>87,674,344</u>
<b>Investment in Shares(Quoted)</b>				
<b>a) In companies under the same management</b>				
Bhagyanagar India Limited (Equity Shares of Rs 10 each Fully paid-up)	2,280,831	35,068,207	2,280,831	35,068,207
<b>b) In other companies</b>				
Allahabad Bank (Equity Shares of Rs 10 each Fully paid-up)	-	-	300	20,211
Bajaj Hindustan Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	2,000	90,880
Binani Cements Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	5,856
BOC India Limited (Equity Shares of Rs 10 each Fully paid-up)	200	45,510	200	45,510
Dolphin Medical Services Limited (Equity Shares of Rs 10 each Fully paid-up)	50,000	600,000	50,000	600,000
Development Credited Bank Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,000	17,880



## Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

		As at 31.03.2010		As at 31.03.2009
	Nos	Amount	Nos	Amount
Edelweiss Capital Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	100	24,527
GMR Industries Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>300</b>	<b>25,482</b>	300	25,482
Goldstone Technologies Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	5,145
GVK Power & Infrastructure Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,500	33,133
Hexaware Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	300	7,839
Himachal Futuristics Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,000	8,930
Indswift Laboratories Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>100</b>	<b>14,700</b>	100	14,700
JK Cement Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	6,606
Kingfisher Airlines Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	6,286
KNR Constructions Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,034	168,868
Kolte-Patil Developers Limited - (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	4,006
Megasoft Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>17,315</b>	<b>2,407,415</b>	21,315	2,963,561
MIC Electronics Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	500	8,265
MID-Day Multimedia Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	300	3,468
Mahindra Lifespace Developers Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>45</b>	<b>23,307</b>	45	23,307
Mahanagar Telephone Nigam Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>610</b>	<b>85,368</b>	610	85,368
Prithvi Information Solutions Limited (Equity Shares of Rs 10 each Fully paid-up)	<b>6</b>	<b>301</b>	1,006	50,550



Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009	
	Nos	Amount	Nos	Amount
Paramount Communications Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,000	13,220
Reliance Industrial Infrastructure Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	50	16,562
Rolta India Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	200	10,968
Satyam Computer Services Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	500	22,690
Sree Shakti Paper Mills Limited (Equity Shares of Rs 10 each Fully paid-up)	10,000	300,000	10,000	300,000
State Bank of India (Equity Shares of Rs 10 each Fully paid-up)	-	-	30	30,938
Talbros Automotive Components Limited (Equity Shares of Rs 10 each Fully paid-up)	2,107	214,915	2,107	214,915
Vaibhav Gems Limited (Equity Shares of Rs 10 each Fully paid-up)	100	1,363	100	1,363
Viceroy Hotels Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,500	38,820
XL Telecom and Energy Limited (Formerly XL Telecom Limited) (Equity Shares of Rs 10 each Fully paid-up)	-	-	11,700	710,663
<b>SUB-TOTAL</b>		<u>38,786,568</u>		<u>40,648,724</u>
<b>Total Investments in Equity Shares</b>		<u>100,886,568</u>		<u>128,323,068</u>
<b>Investment in Debentures</b>				
Surana Ventures Limited (12% non-convertible debentures of Rs 10 each allotted as per scheme of demerger -See Notes)	2,940,000	29,400,000	-	-
<b>Total Investment in Govt Securities, Shares and Debentures</b>		<b>130,291,068</b>		<b>128,327,568</b>
<b>Aggregate Market Value of Quoted Investments</b>		<b>57,478,908</b>		<b>37,531,560</b>



## Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	<b>As at 31.03.2010</b>	<b>As at 31.03.2009</b>
<b>SCHEDULE - 7 INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Raw Materials (At Cost or market value whichever is lower)	<b>36,204,463</b>	125,360,939
Work in process (At cost or net realisable value whichever is lower)	<b>22,051,950</b>	47,232,732
Finished Goods (At cost or net realisable value whichever is lower)	<b>15,164,179</b>	26,275,536
	<b>73,420,592</b>	198,869,207
<b>SCHEDULE - 8 SUNDRY DEBTORS</b>		
(Unsecured and Considered Good)		
Debts outstanding for		
More than six months	<b>35,339,874</b>	48,511,400
Others	<b>35,988,298</b>	154,319,495
	<b>71,328,172</b>	202,830,895
<b>SCHEDULE - 9 CASH AND BANK BALANCES</b>		
Cash and cheques in hand	<b>296,701</b>	124,771
Balance with scheduled Banks		
- In current account	<b>520,753</b>	1,237,939
- In Dividend account	<b>3,420,324</b>	2,446,673
- In Fixed Deposit account	-	10,218,000
- In deposit account - Kept under lien with banks towards margin money and other facilities	<b>8,372,945</b>	29,428,886
- Accrued interest on Fixed Deposits	<b>89,507</b>	228,423
	<b>12,700,230</b>	43,684,692
<b>SCHEDULE - 10 LOANS &amp; ADVANCES</b>		
(Unsecured and Considered good)		
Loans & Advances	<b>16,270,807</b>	12,248,923
Balances with Statutory Authorities	<b>18,819,248</b>	17,623,270
Advance to Associate Companies	<b>18,950,818</b>	576,734
Advance tax (Net of Provisions)	<b>35,663,337</b>	28,781,655
Taxes paid under protest	<b>8,061,586</b>	3,580,332
Deposits	<b>10,246,796</b>	20,888,676
Advances to Suppliers	<b>28,841,307</b>	14,282,844
	<b>136,853,899</b>	97,982,434



## Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE - 11 OTHER CURRENT ASSETS</b>		
(Secured and Considered Good)		
Loans against pledge of Securities	20,896,231	101,051,549
	<u>20,896,231</u>	<u>101,051,549</u>
<b>SCHEDULE - 12 CURRENT LIABILITIES</b>		
Sundry Creditors - Micro and small enterprises	-	-
Sundry Creditors - Others	7,954,397	115,154,102
Lease deposits	2,114,395	32,721,531
Other Liabilities	5,000,915	60,110,493
Book overdraft with Banks	-	4,907,283
Unclaimed Dividends	3,420,324	2,446,673
Advances from customers	1,733,866	8,450,514
	<u>20,223,897</u>	<u>223,790,596</u>
<b>SCHEDULE - 13 PROVISION</b>		
Proposed Dividend	10,402,200	15,603,300
Tax on Dividend	1,727,810	2,651,780
Bonus	300,000	300,000
<b>TOTAL</b>	<u>12,430,010</u>	<u>18,555,080</u>
<b>SCHEDULE - 14 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liability as at beginning of the year	7,854,080	7,605,400
Deferred Tax Liability/(Asset) for the year	(398,000)	248,680
Net deferred tax Liability as at close of the year	<u>7,456,080</u>	<u>7,854,080</u>
<b>SCHEDULE - 15 MISCELLANEOUS EXPENSES</b>		
(to the extent of not adjusted or written off)		
<b>Preliminary Expenses</b>		
Balance as at beginning of the year	177,910	-
Add: Incurred during the year		177,910
Less: Written off during the year	35,582	-
Balance as at close of the year	142,328	177,910
<b>Pre-Operative expenses</b>		
Balance as at beginning of the year	-	-
Add: Incurred during the year		2,500
Less: Written off during the year	-	-
Balance as at close of the year	-	2,500
	<u>142,328</u>	<u>180,410</u>



## Schedules Forming Part of the Consolidated Profit & Loss Account

(Amount in Rupees)

	<b>Year ended 31.03.2010</b>	<b>Year ended 31.03.2009</b>
<b>SCHEDULE - 16 INCOME FROM OPERATIONS</b>		
Jelly Filled Telephone Cables	<b>108,839,121</b>	343,691,361
Jointing Kits	<b>10,346,342</b>	4,089,652
Export of Software	-	2,412,000
Telecom accessories	<b>16,756,586</b>	126,047,268
Income from Infrastructure leasing	<b>9,562,955</b>	35,232,667
Electric Power Cable/Components	<b>165,985,397</b>	133,154,454
Optical Fibre/Cables	<b>54,932,930</b>	194,688,014
Sale of Solar energy Products	<b>117,046,696</b>	85,712,760
Sale of Wind Power	<b>6,823,395</b>	6,921,934
Scrap & Misc Sales	<b>17,608,015</b>	13,796,656
Traded Goods	-	31,446,595
<b>Gross Sales</b>	<b>507,901,437</b>	977,193,361
Less: Inter Unit Sales	<b>3,716,511</b>	-
	<b>504,184,926</b>	977,193,361
Less: Excise Duty	<b>27,713,783</b>	74,262,266
<b>Net Sales</b>	<b>476,471,143</b>	902,931,095
<b>SCHEDULE - 17 OTHER INCOME</b>		
Interest on Loans, Deposits & others (Gross)	<b>22,159,675</b>	35,033,955
Commission on consignment Sales	-	310,093
Profit on sale of Sundry Fixed Assets	<b>59,655</b>	2,064,504
Profit on sale of Investments	-	23,279
AMC Charges - CDMA	<b>3,681,775</b>	5,647,646
Dividend	<b>1,193,327</b>	3,355,733
Sundry balances written back	<b>6,838,874</b>	3,906,643
Miscellaneous Income	<b>207,166</b>	132,696
Gain on foreign exchange fluctuation (net of Losses)	<b>1,560,116</b>	-
	<b>35,700,588</b>	50,474,549



Schedules Forming Part of the Consolidated Profit & Loss Account

(Amount in Rupees)

	Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE - 18 MATERIALS</b>		
<b>RAW MATERIALS CONSUMED</b>		
<b>a) Opening Stock</b>		
Raw Materials	125,360,939	65,453,309
<b>b) Add: Purchases including incidental expenses</b>	<b>386,993,011</b>	804,337,466
<b>SUB-TOTAL</b>	<b>512,353,950</b>	869,790,775
<b>c) Less:</b>		
Closing Stock	36,204,463	125,360,939
Sale of material	-	26,165,706
Inter-Unit sales	3,716,511	-
Stock transfer on account of demerger of Solar division	149,512,836	-
<b>SUB-TOTAL</b>	<b>189,433,810</b>	151,526,645
<b>Raw materials Consumed (A)</b>	<b>322,920,140</b>	718,264,130
<b>Purchases - Traded Goods (B)</b>	<b>-</b>	17,259,210
<b>INCREASE/DECREASE IN STOCK</b>		
Opening Stock		
Work in Progress	47,232,732	33,653,048
Finished Goods	26,275,536	34,321,651
Traded Goods	-	2,498,000
<b>SUB-TOTAL</b>	<b>73,508,268</b>	70,472,699
Less:		
Closing stock - Work in Progress	22,051,950	47,232,732
Closing stock - Finished Goods	15,164,179	26,275,536
Stock transfer on account of demerger of Solar division-		
Work in Progress	16,311,025	-
Finished Goods	4,120,290	-
<b>SUB-TOTAL</b>	<b>57,647,444</b>	73,508,268
<b>Net (Increase)/Decrease in Stocks (C)</b>	<b>15,860,824</b>	(3,035,569)
<b>TOTAL (A) + (B) + (C)</b>	<b>338,780,964</b>	732,487,771





## Schedules Forming Part of the Consolidated Profit & Loss Account (Amount in Rupees)

	<b>Year ended 31.03.2010</b>	<b>Year ended 31.03.2009</b>
<b>SCHEDULE - 19 EXPENSES</b>		
Salary, Wages & Allowances	17,871,950	15,686,602
Contribution to PF and other funds	1,358,831	1,413,657
Staff Welfare expenses	1,086,456	609,699
Processing & Conversion.Charges	-	1,020,134
Stores Consumed	3,972,786	8,616,619
Power & Fuel	9,153,503	18,298,156
Packing & Forwarding	15,140,001	24,664,722
Watch & Ward	1,197,837	1,317,060
Printing & Stationery	1,214,806	1,058,006
Post.Tel.& Telephone	3,020,393	2,874,793
Insurance	507,298	1,152,573
Lease and other Rents	12,419,382	22,520,587
Legal & Licence fees	921,417	917,061
Rates & Taxes	1,709,600	992,999
Repairs to		
i) Building	1,162,906	1,105,880
ii) Machinery	3,892,183	9,354,633
iii) CDMA Phones	-	3,614,840
iv) Others	1,010,188	760,767
Remuneration to Directors	264,234	284,640
Auditors remuneration		
i) Audit fees	82,758	121,330
ii) Tax audit fees	20,000	33,090
Office maintenance Expenses	473,476	191,135
Software development Charges	-	293,100
Commission on Sales	2,482,032	3,322,410
Testing Charges	1,658,547	886,998
Advertisement & Business Promotion	1,086,163	1,504,878
Professional Charges	1,481,676	2,039,759
Foreign Exchange Fluctuation loss	-	1,635,745
Vehicles maintenance & Fuel charges	476,798	495,973
Travelling & Conveyance	6,061,061	4,692,030
Sitting fees	165,000	93,000
Sundry Balances Written off	11,301,842	5,542,329
Preliminary expenses written off	35,582	-
Pre-Operative expenses written off	2,500	-
Lease Premium amortised	951,552	951,552
Loss On sale of Investments	364,519	-
Service Tax	707,805	724,194
Sales Tax	12,170,456	15,476,924
Entry Tax	21,640	112,707
Other Expenses	2,138,901	2,730,792
	<b>117,586,079</b>	<b>157,111,374</b>
<b>SCHEDULE - 20 INTEREST AND FINANCIAL CHARGES</b>		
Interest on Cash Credit & others	10,602,149	2,379,575
Financial Charges	7,985,640	7,582,386
	<b>18,587,789</b>	<b>9,961,961</b>



## **21. Significant Accounting Policies and Notes on Accounts Forming Part of Balance Sheet and Profit & Loss Account**

### **21. A. Significant Accounting Policies to the consolidated Financial Statement**

1. The Financial Statements of the Company and its Subsidiary companies are combined on line by line basis by adding together the book value of like items of Assets, Liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21-" consolidated Financial Statements" issued by ICAI.
2. In case of consolidation of Associate Company's Accounts, the Financial Statements are combined on equity basis by adjusting post acquisition changes in the investor's share of net assets of the investee after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-23-"Accounting for Investments in Associates in consolidated Financial Statements" issued by ICAI.
3. As far as possible, the consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.
4. Investments other than in subsidiary and associates has been accounted as per AS-13 "Accounting for Investments"
5. Other significant Accounting Policies:

These are set out under significant accounting policies as given in the stand-alone financial statements of Surana Telecom and Power Limited.



## 21 B. Notes on Accounts

### 1. De-merger of Solar Division with Surana Ventures Limited

- The Scheme of arrangement under sections 391 to 394 of the Companies Act, 1956 (the Scheme) to transfer Solar Business on going concern basis to its Associate Company Surana Ventures Limited (SVL) w.e.f 1st October,2009, the appointed date, has become effective on 28th July2010 on getting requisite approvals and completion of necessary formalities.
- In terms of the Scheme, the shareholders of the company will receive 3 (three) equity shares of SVL of the face value of Rs 10/- each, credited as fully paid up, for every 4 (four) fully paid up equity shares held by the company on the record date which is fixed for 19 th August, 2010.
- Consequent to vesting of the Solar Business of the Company in terms of the scheme, the Financial Statements of the Company for the year ended 31 st March, 2010, do not include the operations of the Solar Business for the period of six months from I st October, 2009 to 31 st March, 2010, and are therefore strictly not comparable with the figures of the previous years ended 31 st March, 2009.
- All the assets and liabilities of the Solar Business of the Company, on the appointed date, have been transferred to SVL. The excess of the assets over liabilities amounting to Rs 1203.31 lakhs relating to the Solar Business transferred as on 1 st October, 2009 has been adjusted in terms of the scheme against the General Reserve of the Company

Brief financials of the de-merged undertaking are as under:

(Rs in Lakhs)

Particulars	Solar division	
	01.04.2009 to 30.09.2009	31st March, 2009
Total Revenue	1189.96	857.14
Total Expenses	852.67	887.94
Total Assets	2212.16	1221.16
Total liabilities	1008.85	452.59

The details of Fixed Assets transferred to SVL consequent to vesting of Solar Business of the company are as under:

(Rs in Lakhs)

Particulars	Solar Business	
	Gross Block of Fixed Assets	Accumulated Depreciation
Land - Free hold	32.05	-
Land - wind Power	4.16	-
Factory Building	60.84	28.81
Plant & Machinery-Wind Power	945.84	0.14
Plant & Machinery- Others	205.18	32.52
Office Equipments	1.75	0.25
Computers	3.20	1.14
Vehicles	12.64	
<b>Total</b>	<b>1265.66</b>	<b>62.86</b>



## 2. Secured Loans

Cash Credit from Banks is secured by hypothecation of stocks, Debtors and first charge on pari-passu basis on specific fixed assets of the company respectively and personal guarantee of the Directors.

## 3. Deferred Taxes

Deferred Tax adjustments recognized in the financial statements are as under:

Deferred Tax Assets/Liability	As at 31-03-2009 Rs. in Lakhs	Liability Arising during the Year	As at 31-03-2010 Rs. Lakhs
Depreciation-Timing difference	78.54	(3.98)	74.56
Net Deferred tax Liability	78.54	(3.98)	74.56

## 4. Depreciation on Revalued Assets.

Particulars	(Rs in lakhs)
Depreciation for the year as per Schedule V - Fixed Assets annexed to financial Statements (Excluding amortization of Lease Premium on land)	360.62
Less: Withdrawn from Revaluation Reserve	119.36
<b>Depreciation as per Profit and Loss Account</b>	<b>241.26</b>

## 5. Capital work-in Progress

Particulars	(Rs in lakhs)
<b>Opening Balance as on 01.04.2009</b>	Rs 657.53
Less: Refund received against capital advances	Rs 125.00
Less: Amount Transferred to Advances	Rs 125.00
Less: Amount Transferred to Subsidiary Company (Globecom Infotech Private Ltd)	Rs 407.53
<b>Closing Balance as on 31.03.2010</b>	<b>Rs NIL</b>

An advance of Rs. 250 lakhs was given for acquiring land in TADA SEZ. As the company has Started receiving refund of the same, it has been transferred to advances and shown as Loans & advances under schedule 10 of the Balance Sheet.

## 6. Contingent Liability

Estimated amount of contingent liability which is not acknowledged as debts and claims against the Company and not provided are as follows.

(Rs. in lakhs)

Particulars	2009-10	2008-09
Unexpired Letters of Credit Und	<b>1104.48</b>	1227.49
Counter Guarantees given to the Bankers	<b>999.56</b>	1851.43
Sales Tax matters under appeal	<b>11.95</b>	82.45
Excise/Customs matter under appeal	<b>293.84</b>	370.10



## 7. Prior Period Adjustments

(Rs. in lakhs)

Particulars	2009-10		2008-09	
	Debit	Credit	Debit	Credit
Bonus			0.41	
Excise duty of earlier years			0.64	
Expenses of Previous years reversed		<b>0.97</b>		9.55
Interest on Loan			0.30	
Previous year expenses paid	<b>3.38</b>		1.70	
Refund of amount received from Debtors			0.10	
<b>Total</b>	<b>3.38</b>	<b>0.97</b>	3.15	9.55

## 8. Related Party Disclosure

### A: Relationship

Entities in which directors are interested	Associate companies	Subsidiary Company	Key Management Personnel	Relatives of key management personnel
Bhagyanagar India Limited	Surana Ventures Limited	Globecom Infotech Pvt Ltd	G.M. Surana	Sunita Surana
Bhagyanagar Infrastructure Limited			Narender Surana	Vinita Surana
Bhagyanagar Properties Pvt. Limited			Devendra Surana	
Green Energy Systems Pvt. Ltd.			Manish Surana	
Scientia Infocom India Pvt. Limited				
Bhagyanagar Telecom Limited				
Bhagyanagar Metals Limited				
Bhagyanagar Energy & Telecom Pvt. Limited				
Bhagyanagar Entertainment Limited				
Bhagyanagar Ventures Pvt. Limited				
Metropolitan Ventures India Limited				
GMS Realtors Private Ltd				
Innova Technologies Pvt.Limited				
Advantage Real Estate India Private Limited				



Entities in which directors are interested	Associate companies	Subsidiary Company	Key Management Personnel	Relatives of key management personnel
Tranquil Avenues India Private Limited				
Celestial Avenues Private Limited				
Majestic Logistics Private Limited				
Value Infrastructure and Properties Pvt Ltd				
Every Time Foods Industries Pvt Limited				
Surana Technopark Private Limited				
Surana Infocom Pvt.Limited				
Innova Biotech India Pvt Limited				
Innova Infrastructure Pvt Limited				
Epicentre Entertainment Pvt Limited				
Royal Skyscrapers India Pvt Limited				
Sitetonic Websolutions Pvt Limited				
Surana Biochemicals Pvt Limited				
Andhra Electro Galvanising works				

## B. Related Party Transactions:

(Rs in lakhs)

Particulars	2009-10	2008-09
<b>Sales</b>		
Sales to Bhagyanagar India Limited	51.50	423.21
Sales to Bhagyanagar Energy & Telecom Private Limited	162.98	-
Sales to Surana ventures Limited	113.19	-
<b>Purchases</b>		
Purchase from Bhagyanagar India Limited	190.55	692.61
Purchase from Bhagyanagar Energy and Telecom Private Limited	53.49	15.34
Purchase from Surana Ventures Limited	44.34	12.23
<b>Job Work</b>		
Job work received from Bhagyanagar India Limited	12.41	46.92
Job work charges paid to Bhagyanagar India Ltd	5.44	7.28
Job work charges paid to Bhagyanagar Energy and Telecom Private Limited	33.00	-



<b>Interest Paid</b>		
Interest paid to Bhagyanagar India Ltd	<b>57.76</b>	-
Interest paid to Surana Infocom Pvt Ltd	<b>24.35</b>	-
Interest paid to Value Infrastructure & Properties Pvt Ltd	<b>7.43</b>	-
<b>Unsecured Loans</b>		
Loan taken from Bhagyanagar India Ltd	<b>215.00</b>	-
<b>Investments (Shares)</b>		
Investment in Surana Ventures Limited	-	695.00
Investment in Green Energy Systems Pvt Ltd. (formerly Surana Green Energy Ventures Pvt Ltd)	-	0.40
Investment in Globecom Infotech Pvt. Ltd	-	1.00
<b>Advances</b>		
Advance to Surana Ventures Limited	<b>189.50</b>	5.77
Advance to Globecom Infotech Pvt Ltd (Subsidiary Company)	<b>400.92</b>	0.77
<b>Remuneration</b>		
Remuneration to relatives of Key Managerial personnel		
Ms. Sunita Surana	<b>3.00</b>	3.00
Ms. Vinita Surana	<b>4.80</b>	2.66

## Earnings per share

(Rs in lakhs)

Particulars	2009-10	2008-09
Net Profit after tax	<b>114.48</b>	282.00
Net Profit available for Equity Share-holders	<b>114.48</b>	243.34
Number of Equity Shares- Basic	<b>208.04</b>	208.04
Add: effect of potential equity shares on conversion of warrants	-	33.96
Number of Equity Shares - Dilutive	<b>208.04</b>	242.00
Nominal Value of Each equity share	<b>5.00</b>	5.00
Basic Earnings Per Share	<b>0.55</b>	1.17
Diluted Earning Per Share (on Conversion of warrants)	<b>0.55</b>	1.00

## 9. Fixed Assets - Impairment.

In view of the management, there is no impairment of the assets of the company and the management is fully confident of realizing the book value of the assets in cash or in kind. Hence, no provision for the same has been made in the books of accounts.



## 10. List of Subsidiary Companies Considered for consolidation:

Brief details of subsidiaries are given below:

(Rs in lakhs)

Name of the Company	Paid-up Capital	Co's Interest	Equity Investment	Advances	Maximum Amount Outstanding during the year
Globecom Infotech Pvt Ltd	1.00	100%	1.00	400.92	400.92

## 11. List of Associate Companies:

Brief details of the Associates are given below:

(Rs in lakhs)

Name of the Company	Paid-up Capital	Co's Interest	Equity Investment	Advances	Maximum Amount Outstanding during the year
Surana Ventures Ltd	2460.33* (1500.00)	17.92% (49.00%)	441.00 (735.00)	189.50	189.50

\* Including Rs 1560.33 lakhs kept as Share Suspense Account as the shares are yet to be allotted.

# Figures in bracket represent the figures of Previous years.

# In accordance with scheme of arrangement approved by the Hon'ble High Court of Andhra Pradesh, Hyderabad. The equity investment amounting to Rs 294 lakhs made by the company has been converted into 29,40,000 debentures. These are 12% non convertible secured debentures, redeemable in 18 months, of face Value of Rs.10/- each.

## 12. Share in net Assets of the Associate Company

(Rs in Lakhs)

Description	Surana Ventures Limited
Share in net Assets of the associate company no longer considered	<b>38.66</b>
Net Share in Associate Company	<b>441.00</b>

## 13. Sundry Debtors & Other Balances

In case of balances in Sundry Debtors, Loans and Advances, Other Current Assets and Sundry Creditors, letter- seeking confirmation of year-end balances are sent to the concerned parties. The Balances are subject to confirmation and reconciliation.

Advance to suppliers under Schedule -11 of "Loans & advances" include Rs 214.35 lakhs paid to M/s. United International Shipping Agent (T) Ltd, Tanzania, towards cost of copper cathode. However, copper was stolen and replaced with worthless material on the sea-way. The Company has lodged a claim with Insurance Company which is under Process. As the Management is confident of recovering the entire amount from the Insurance Company/Shipping Agent, no provision for loss of goods has been made in the books of accounts.

Company does not owe any sum to Micro & Small enterprises as at the end of the accounting year on account of principal and interest under the Micro, Small and Medium Enterprises Development Act, 2006 as per the information and records available with the company about their industrial status which has been relied upon by the auditors.





## 14. 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. The gratuity liability and the net periodic gratuity cost is actually determined after considering discount 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 summaries the components of Net Benefit expenses recognized in the Profit & Loss Account and amount recognized in the Balance Sheet for the respective Plans.

**a) Expenses recognized in the Profit & Loss Account**

Particulars	Gratuity
Current service Cost	1,87,515
Interest Cost	77,881
Expected Return on Planned Assets	(1,02,038)
Net actuarial loss/(gain) recognized in the year	1,15,068
<b>Total Expenses recognized in Profit &amp; Loss account</b>	<b>2,78,426</b>

**b) Change in present value of obligation during the year ended 31st March, 2010**

Particulars	Gratuity
<b>Present Value of obligation as at beginning of the year</b>	9,73,517
Interest cost	77,881
Current Service Cost	1,87,515
Benefits Paid	(3,22,934)
Actuarial loss (Gain) on obligation	1,15,068
Present Value of obligations as at end of the year	10,31,047

**c) Change in fair value of Plan Assets during the year ended 31st March, 2010**

Particulars	Gratuity
<b>Fair Value of Plan Assets as at the beginning of the year</b>	12,32,062
Expected return on plan assets	1,02,038
Contributions	60,623
Benefits paid	(322934)
Actuarial gain/(loss) on plan assets	-
Fair Value of plan assets at the end of the year	10,71,789



## d) Balance Sheet Movements

	<b>Gratuity</b>
<b>Present Value of obligation as at the end of the year</b>	10,31,047
Fair value of plan assets as at the end of the year	10,71,789
Funded Status	40,742
Net asset/(liability) recognized in Balance Sheet	(40,742)

## E) Actuarial Gain/loss recognized

	<b>Gratuity</b>
Actuarial (gain)/Loss on obligations	(1,15,068)
Actuarial (gain)/Loss for the year -plan assets	Nil
Actuarial (gain)/Loss on obligations	1,15,068
Actuarial (gain)/Loss recognized in the year	1,15,068

The Net assets in respect of Gratuity Plan is not recognized as it is lying in irrecoverable trust fund with Life Insurance Corporation of India, approved by the Income Tax Authorities

## 15. Additional information pursuant to provision of paragraph 3,4C and 4D of Part VI of the Companies Act 1956.

### A). Capacity and Production

Particulars	Unit	Installed Capacity		Production	
		2009-10	2008-09	2009-10	2008-09
Jelly Filled Telephone Cables	LCKM	<b>26.75</b>	26.75	<b>0.4059</b>	2.6551
Jelly Filled Telephone Quad Cables	KM	<b>7200</b>	7200	-	220.318
Optical Fibre Cable	RKM	<b>6000</b>	6000	<b>1785.94</b>	6113.41
Optical Fibre	FKM	<b>250000</b>	250000	<b>1833.42</b>	233.45
Jointing Kits	Nos (lakhs)	<b>4.9</b>	4.9	<b>0.010</b>	0.011
Wind Power	Megawatt	<b>1.25</b>	1.25	<b>0.201</b>	0.232
Power Cable	KM	<b>7200</b>	7200	<b>318.40</b>	870.80
Alluminium Rod	MT's	<b>12000</b>	12000	<b>1289.44</b>	218.42
Solar Modules	Megawatt	<b>40</b>	40	<b>1.046</b>	0.808



## B) Turnover

Particulars	Unit	2009-10 Quantity	2008-09 Quantity	2009-10 Value (Rs in lakhs)	2008-09 Value (Rs in lakhs)
Jointing Kits	No/set	<b>10107</b>	6546	<b>103.47</b>	40.90
Jelly Filled Telephone Cables	Lckm	<b>0.554</b>	2.693	<b>1088.39</b>	2965.22
Jelly Filled Telephone quad/UTP Cable	Kms	<b>5434</b>	220.318	<b>167.56</b>	471.70
Optical Fibre Cable	RKm	<b>1823.943</b>	6166.51	<b>543.85</b>	1945.44
Optical Fibre (OF)	FKm	<b>1833.42</b>	233.46	<b>5.47</b>	1.44
Power Cable	Km	<b>260.05</b>	836.640	<b>218.51</b>	1331.54
Copper Wire Rod (Traded)		-	54.37	-	178.06
Scrap Sale & Others		-	-	<b>176.08</b>	274.36
Solar Cells/Modules		-	-	<b>1170.47</b>	857.13
Telecom accessories		-	-	-	1260.47
Software Exports		-	-	-	24.12
Wind Power Sale	M.Watt	<b>0.201</b>	0.232	<b>68.23</b>	69.22
Infrastructure Leasing		-	-	<b>95.63</b>	352.33
Aluminum wire Rod/Ingots	MT's	<b>1294.20</b>	-	<b>1441.35</b>	-
<b>Total</b>				<b>5079.01</b>	9771.93
<b>Less: Stock Transfer</b>				<b>37.16</b>	-
<b>Gross Sales</b>				<b>5041.85</b>	9771.93

## C) Purchase of Traded Goods

Particulars	Unit	2009-10 Quantity	2008-09 Quantity	2009-10 Value (Rs. in Lakhs)	2008-09 Value (Rs. in Lakhs)
Copper	Kgs	-	47431	-	167.51
Others		-	3064	-	5.08
<b>Total</b>		-	-	-	172.59



## D) Opening and Closing Stock of Finished Goods

Particulars	Opening Stock				Closing Stock			
	2009-10 Quantity	2008-09 Quantity	2009-10 (Value Rs in Lakhs)	2008-09 (Value Rs in Lakhs)	2009-10 Quantity	2008-09 Quantity	2009-10 (Value Rs in Lakhs)	2008-09 (Value Rs in Lakhs)
Jointing Kits (Nos/set)	<b>0.386</b>	0.44	<b>4.77</b>	4.81	<b>0.367</b>	0.386	<b>9.18</b>	4.77
Jelly Filled Telephone Cables (Lac Nos)	<b>0.1481</b>	0.186	<b>133.29</b>	215.06	-	0.1481	-	133.29
CDMA Phone (Nos)	-	-	-	23.66	-	-	-	-
Optical Fibre Cable (Kms)	<b>37.996</b>	91.088	<b>9.72</b>	23.99	-	37.996	-	9.72
Traded Goods	-	-	-	24.98	-	-	-	-
Power Cables (kms)	<b>34.16</b>	-	<b>58.43</b>	1.80	<b>92.513</b>	34.16	<b>127.60</b>	58.43
Alluminium Rod (M.T)	-	57.724	-	73.88	<b>13.732</b>	-	<b>14.86</b>	-
Solar Modules (Watt.)	<b>0.045</b>	-	<b>56.55</b>	-	-	0.045	-	56.55
<b>Total</b>			262.76	<b>368.18</b>			<b>151.64</b>	262.76

## E) Raw Material Consumed

Particulars	Unit	Quantity	Quantity	Value (Rs in Lakhs)	Value (Rs in Lakhs)
		2009-10	2008-09	2009-10	2008-09
Copper	Kgs	<b>72579</b>	702480	<b>177.46</b>	2031.87
Polythene Granules	Kgs	<b>564668</b>	1629719	<b>361.42</b>	1145.24
Alluminium Foils	Kgs	-	106757	-	137.62
G S Tape	Kgs	<b>141139</b>	495108	<b>56.31</b>	255.38
Optical Fibre	Kms	<b>56515</b>	209523	<b>185.95</b>	454.45
Resin Synthetic	Kgs	-	-	-	-
Solar Cells, Glasses & others		-	-	<b>884.99</b>	1046.67
Others		-	-	<b>448.78</b>	1557.00
Alluminium Scrap	Kgs	<b>1685575</b>	609852	<b>1114.29</b>	554.41
Total (for Value only)				<b>3229.20</b>	7182.64



**F) Value of Imported & Indigenous Raw Material and Components Consumed** (Rs in lakhs)

Particulars	2009-10		2008-09	
	Value	Percentage	Value	Percentage
Imported	<b>2122.96</b>	<b>65.74</b>	3599.22	50.11
Indigenous	<b>1106.24</b>	<b>34.26</b>	3583.42	49.89
<b>Total</b>	<b>3229.20</b>	<b>100%</b>	7182.64	100%

**G) Expenditure in Foreign Currency**

Particulars	2009-10 Value (Rs in Lakhs)	2008-09 Value (Rs. In lakhs)
Raw Material	<b>2647.68</b>	4418.63
Expenditure in Foreign Currency (Traveling)	<b>21.37</b>	11.27
Expenditure in Foreign Currency (Capital Items)	-	45.37
<b>Total</b>	<b>2669.05</b>	4475.27

**H) Earnings in Foreign Currency**

Particulars	2009-10 Value (Rs in lakhs)	2008-09 Value (Rs. in lakhs)
Software Exports	-	24.12
Others	<b>7.16</b>	-
<b>Total</b>	<b>7.16</b>	24.12

**16. SEGMENTAL REPORTING**

In accordance with the Accounting Standard -17 "Segment Reporting" Issued by the Institute of Chartered Accountants of India, is given below.

Particulars	Telecom Products	Power (Cable & others)	Power (wind)	Power (Solar)	Others	Total
REVENUE (Net of Excise)	1825.99	1604.39	68.23	1170.47	95.63	4764.71
<b>Total Revenue</b>	<b>1825.99</b>	<b>1604.39</b>	<b>68.23</b>	<b>1170.47</b>	<b>95.63</b>	<b>4764.71</b>
RESULTS	6.11	(0.25)	31.95	331.28	(77.82)	291.27
Segment Results						
Unallocable Income/Expenses						(23.10)
Operating Profit						314.37
Interest Expenses						185.88
Income Taxes						14.02
Profit from Ordinary Activities						
<b>Net Profit</b>						<b>114.48</b>



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Other Information							
Segment Assets	3306.95	796.71	560.40	-	1180.06	5844.12	2201.86
Unallocable Assets							
<b>Total Assets</b>						<b>8045.98</b>	
Segment Liabilities	44.60	50.63	30.87	-	21.69	147.79	393.85
Unallocable Liabilities							
<b>Total Liabilities</b>						<b>541.64</b>	
Capital Expenditure	38.62	12.19	-	-	90.43	141.24	-
Unallocable Capital Expenditure							
<b>Total Capital Expenditure</b>	<b>38.62</b>	<b>12.19</b>	<b>-</b>	<b>-</b>	<b>90.43</b>	<b>141.24</b>	
Depreciation	215.30	55.14	33.55	12.63	43.98	360.61	
Unallocable depreciation							
<b>Total Depreciation</b>	<b>215.30</b>	<b>55.14</b>	<b>33.55</b>	<b>12.63</b>	<b>43.98</b>	<b>360.61</b>	
Non Cash expenses -other than Depreciation							122.54
Unallocable non cash expenses							

## Reconciliation of reportable segments with financial statements.

(Rs in Lakhs)

Particulars	Revenues		Results/ Net Profit		Assets		Liabilities	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Total reportable segments	<b>4764.71</b>	9151.50	<b>291.27</b>	227.27	<b>5844.12</b>	9278.91	<b>147.79</b>	1651.80
Corporate Un-allocable (net)	<b>357.00</b>	382.56	<b>23.10</b>	193.64	<b>2201.86</b>	3030.34	<b>393.85</b>	771.63
Interest expenses	-	-	<b>185.88</b>	99.62	-	-	-	-
Taxes	-	-	<b>14.02</b>	39.29	-	-	-	-
<b>As per financial statements</b>	<b>5121.71</b>	9534.06	<b>114.48</b>	282.00	8045.98	12309.25	541.64	2423.43

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

This is the Notes referred  
To in our report of even date

### for Sekhar & Co

Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : 07.08.2010

**Arihant Rakhecha**  
Chief Financial Officer

**Pavani Akilla**  
Company Secretary



## Information related to the subsidiary companies consolidated for the year ended 31st March, 2010

Particulars	(Amount in Rupees)
Capital	1,00,000
Unsecured Loans	4,00,92,740
Total Assets	4,01,92,740
Total Liabilities	4,01,92,740
Details of Investment (except in case of investment subsidiaries)	-
Turnover	-
Profit before taxation	(45,184)
Provision for taxation	-
Profit after taxation	(45,184)
Proposed Dividend	-

## Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

**Name of the subsidiary:**

**Globecom Infotech Private Limited**

(A) Financial year of the subsidiary company **March 31, 2010**

(B) Holding Company's interest

Equity shares of Rs.10/- each

Number of shares fully paid up -

Number of shares partly paid up **50,000**

Paid up amount per share **2**

Extent of holding **100%**

(C) The net aggregate Profit/(Loss) of the subsidiary Company so far as it concerns the members of Surana Telecom and Power Limited.

a) Not dealt with the accounts of the Holding Company

i) for the financial year of the subsidiary **(45,184)**

ii) for the previous financial years of the subsidiary **NIL**

b) Dealt with the accounts of the Holding Company

i) for the financial year of the subsidiary **NIL**

ii) for the previous financial years of the subsidiary **NIL**



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Pursuant to Part IV of Schedule VI to the Companies Act, 1956)

### I. Registration Details

- a) Company Identification No. (CIN) L23209AP1989PLC010336
- b) State Code No 01
- c) Balance Sheet Date 31032010  
(Date) (Month) (Year)

### II. Capital Raised during the year (Amount in Rs.Thousands)

- a) Public Issue N I L
- b) Rights Issue N I L
- c) Bonus Issue N I L
- d) Private Placement N I L

### III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands) 31-03-2010

- a) Total Liabilities 779685.52
- b) Total Assets 779685.52
- c) Sources of Funds
- i) Paid up Capital 104022.00
- ii) Reserves & Surplus 583775.88
- iii) Proceeds of Share Warrants N I L
- iv) Secured Loans 3490.67
- v) Unsecured Loans 80960.89
- vi) Net deferred tax liability 7456.08
- d) Application of Funds
- i) Net Fixed Assets 326706.91
- ii) Capital Work-in-progress 40000.00
- iii) Investments 130291.01
- iv) Net Current Assets 282545.22

### IV. Performance of Company (Amount in Rs.Thousands)

- i) Turnover 476471.14
- ii) Total Expenditure 499080.47
- iii) Profit for the Year 13091.25
- iv) Profit Before Tax 12849.97
- v) Profit After Tax 11447.97
- vi) Face Value per share (Rs.) 5.00
- vii) Earning per share (Rs.) 0.55
- viii) Dividend (%) 10.00

### V. Generic names of three Principal Products of Company

Name	Item.Code.No. (ITC Code)	Name	Item.Code.No. (ITC Code)
Joining Kits	8547.09	Jelly Filled Telephone Cables	8544.90
Fibre	8544.90	Optic Cables	8544.91
Power Cables	8544.00		





**GLOBECOM INFOTECH PRIVATE LIMITED**

**DIRECTORS REPORT**

To  
The Members,

Your Directors have pleasure in presenting the 2nd Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2010, together with the Auditors Report thereon.

**FINANCIAL RESULTS:**

Your company financial results for the year 2009-10 are given below in summarized format:

Particulars	For the Period ended on 31/03/2010
	Rs.
<b>INCOME</b>	
a) Income from Operations	-
	-
<b>EXPENDITURE</b>	
a) Materials	
b) Expenses	45,184
c) Financial Charges	-
	45,184
Profit before Taxation	(45,184)
<b>Profit after taxation</b>	<b>(45,184)</b>
<b>Balance B/F from Previous Year</b>	-
<b>Balance C/F to Balance Sheet</b>	<b>(45,184)</b>

**DIVIDEND:**

The Directors do not recommend any dividend for the financial year 2009-10.

**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.

**CONFIRMATION OF ALLOTMENT OF LAND BY MIDC :**

MIDC (Pune) vide its letter dated 13.07.2010 has confirmed the change in the name of allotment of land to our Company which was earlier allotted in the name of Surana Telecom and Power Limited. Further, the

Company has also submitted detail business plans to STPI (Pune) for considering unit approval. After receipt of the approval steps will be taken for entering into lease deed, possession of land, approval of building plan and construction of building and other facilities to commence the activities.

**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, 2010, 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 or loss 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;



## GLOBECOM INFOTECH PRIVATE LIMITED

- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2010 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 Directors thank the Company's Bankers and Officials of the concerned Government Departments for their co-operation and continued support to the Company.

By order of the Board  
For **Globecom Infotech Private Limited**

Place : Secunderabad	<b>G.M. Surana</b>	<b>L.K. Baid</b>
Date : 02.08.2010	Director	Director

## ANNEXURE 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:** The Company is very careful in using the power to reduce 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 and fuels.

### 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 : NIL

Foreign Exchange Outgo : NIL

By order of the Board  
For **Globecom Infotech Private Limited**

Place : Secunderabad	<b>G.M. Surana</b>	<b>L.K. Baid</b>
Date : 02.08.2010	Director	Director



**GLOBECOM INFOTECH PRIVATE LIMITED****AUDITORS' REPORT**

To  
The Members of

**Globecom Infotech Private Limited**

1. We have audited the attached Balance Sheet of Globecom Infotech Private Limited as at March 31, 2010, Profit and Loss Account for the year ended and Cash Flow Statement annexed thereto. These Financial Statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in 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. This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, since in our opinion and according to the information and explanation given to us, the said Order is not applicable to the company.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. 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;
  - ii. In our opinion, proper books of account as required by Law have been kept by the

company as far as appears from our examination of those books;

- iii. The balance sheet, Profit and Loss Account, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the balance sheet, Profit and Loss Account dealt and Cash Flow Statement with by this report comply with the accounting standards referred to sub-section (3C) of section 211 of the Act;
- v. On the basis of written representation received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
- vi. In our opinion and to the best of our information and according to the explanation given to us, the said accounts 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:
  - a. In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2010;
  - b. In the case of Profit and Loss Account, of the Loss for the year ended on that date;
  - c. In case of Cash Flow Statement, the cash flows for the year ended on that date.

For **Sekhar & Co.**,  
Firm Reg.No.:003695-S  
Chartered Accountants

**G. Ganesh**  
Partner  
M.No. 211704

Secunderabad  
Date: 02.08.2010



## GLOBECOM INFOTECH PRIVATE LIMITED

## Balance Sheet as on 31st March, 2010

(Amount in Rupees)

Particulars	Sch.No	As at 31.03.2010	As at 31.03.2009
<b>I. Sources of Funds</b>			
a) Share capital	1	100,000	100,000
b) Unsecured Loans	2	40,092,740	77,910
<b>TOTAL</b>		<b>40,192,740</b>	<b>177,910</b>
<b>II. Application of Funds</b>			
Capital Work in Progress- Advance for Land		40,000,000	-
<b>Current Assets, Loans and advances</b>			
Cash & Bank Balances	3	7,986	-
		<b>7,986</b>	<b>-</b>
<b>Less Current Liabilities</b>			
Other Liabilities & Provisions	4	2,758	2,500
		<b>2,758</b>	<b>2,500</b>
<b>Net Current assets</b>		<b>5,228</b>	<b>(2,500)</b>
Profit & Loss Account		45,184	-
Miscellaneous Expenses	5		
(to the extent of not adjusted or written off)			
a) Preliminary expenses		142,328	177,910
b) Preoperative expenses		-	2,500
Notes to Accounts	7		
<b>TOTAL</b>		<b>40,192,740</b>	<b>177,910</b>

The Schedules referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date for **SEKHAR & CO.**, Chartered Accountants, Firm Regn. No. 003695-S

For and on behalf of the Board,

**(G. Ganesh)**  
Partner  
M No 211704

**G. M. Surana**  
Director

**L.K. Baid**  
Director

Place : Secunderabad.  
Date : 02.08.2010



**GLOBECOM INFOTECH PRIVATE LIMITED**

**Profit & Loss Account for the Period ended 31st March, 2010**

(Amount in Rupees)

Particulars	Sch.No	Year ended 31.03.2010	Year ended 31.03.2009
<b>INCOME</b>			
a) Income From Operations		-	-
<b>EXPENDITURE</b>			
a) Expenses	6	45,184	-
		<u>45,184</u>	<u>-</u>
Profit/(Loss) before taxation		<b>(45,184)</b>	-
Provision for tax		-	-
Profit/(Loss) after taxation		<b>(45,184)</b>	-
Balance B/F from previous Year		-	-
Balance C/F to Balance Sheet		<u><b>(45,184)</b></u>	<u>-</u>
Notes to Accounts	7	-	-

The Schedules referred to above form an integral part of the Profit & Loss Account

This is the Profit & Loss Account referred  
to in our report of even date  
for **SEKHAR & CO.,**  
Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board,

**(G. Ganesh)**  
Partner  
M No 211704

**G. M. Surana**  
Director

**L.K. Baid**  
Director

Place : Secunderabad.  
Date : 02.08.2010



## GLOBECOM INFOTECH PRIVATE LIMITED

## Cash Flow Statement for the Year ended 31st March, 2010

(Amount in Rupees)

Particulars	2009-10	2008-09
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax and after interest as per profit and loss accounts	(45,184)	-
<b>Adjustments for :</b>		
Depreciation	-	-
Preliminary Expenses written off	35,582	-
Pre-operative Expenses written off	2,500	-
Interest Paid	-	-
	<u>38,082</u>	<u>-</u>
<b>Operating profit before Working Capital Changes</b>	<b>(7,102)</b>	<b>-</b>
<b>Adjustments for :</b>		
(Increase)/Decrease in other Current Assets	-	2,500
(Increase)/Decrease in Trade Payables and other liabilities	258	(2,500)
	<u>258</u>	<u>(2,500)</u>
<b>Cash generated from operations</b>	<b>(6,844)</b>	<b>-</b>
<b>Adjustments for :</b>		
Direct Taxes paid for earlier year(refund)	-	-
Prior period adjustment	-	-
	<u>-</u>	<u>-</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(6,844)</b>	<b>-</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Sale of Investments	-	-
Capital work in progress	(40,000,000)	-
	<u>(40,000,000)</u>	<u>-</u>
<b>Net Cash Flow From Investing Activities</b>	<b>(40,000,000)</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of shares	-	100,000
Proceeds from Loans	-	77,510
Preliminary Exp written off/Incorporation Exp	-	(177,510)
Increase in Unsecured Loans	40,014,830	-
Interest Paid on borrowings	-	-
	<u>40,014,830</u>	<u>-</u>
<b>Cash Generated from Financial Activities</b>	<b>40,014,830</b>	<b>-</b>
<b>NET CASH GENERATED</b>	<b>7,986</b>	<b>-</b>
<b>Opening Cash and Cash Equivalent</b>	<b>-</b>	<b>-</b>
<b>Closing Cash and Cash Equivalent</b>	<b>7,986</b>	<b>-</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>7,986</b>	<b>-</b>

- 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
- Notes to Accounts (Schedule 7) form an integral part of Cash Flow Statement.

In terms of our report of even date  
for **SEKHAR & CO.,**  
Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board,

**(G. Ganesh)**  
Partner  
M No 211704

**G. M. Surana**  
Director

**L.K. Baid**  
Director

Place : Secunderabad.  
Date : 02.08.2010



**GLOBECOM INFOTECH PRIVATE LIMITED**

**Schedules to the Balance Sheet**

(Amount in Rupees)

Particulars	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
10,00,000 Equity Shares of Rs 10/- Each	10,000,000	10,000,000
<b>ISSUED, SUBSCRIBED</b>		
50,000 Equity Shares of Rs 10/- Each fully paid up	500,000	500,000
<b>PAID UP</b>		
50,000 Equity shares of Rs.10/- each paid at Rs.2/-	100000	100000
	<b>100,000</b>	<b>100,000</b>
<b>SCHEDULE 2 : UNSECURED LOANS</b>		
Unsecured Loan from Holding Company	40,092,740	77,910
	<b>40,092,740</b>	<b>77,910</b>
<b>SCHEDULE 3 : CASH AND BANK BALANCES</b>		
Balance with scheduled Banks		
- In Current Account	7,986	-
	<b>7,986</b>	<b>-</b>
<b>SCHEDULE 4 : OTHER LIABILITIES &amp; PROVISIONS</b>		
Provision for Statutory Audit Fees	2,758	2,500
	<b>2,758</b>	<b>2,500</b>
<b>SCHEDULE 5 : MISCELLANEOUS EXPENSES</b> (to the extent of not adjusted or written off)		
<b>Preliminary Expenses</b>		
Balance as at beginning of the year	177,910	177,910
Less Written off during the year	35,582	0
Balance as at close of the year	142,328	177,910
<b>Pre-Operative expenses</b>		
Balance as at beginning of the year	-	2,500
Less: Written off during the year	-	2,500
Balance as at close of the year	-	-
	<b>142,328</b>	<b>177,910</b>

**Schedules to the Profit & Loss Account**

(Amount in Rupees)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE 6 : EXPENSES</b>		
Printing and Stationary	1,500	-
Filing Fees	1,114	-
Remuneration to Statutory Auditors		
- Audit Fees	2,758	-
Professional & Consultancy Charges	900	-
Bank Charges	280	-
Preliminary Expenses Written Off	35,582	-
Preoperative Expenses Written Off	2,500	-
Rates & Taxes	550	-
	<b>45,184</b>	<b>-</b>



## 7. Significant Accounting Policies and Notes on Accounts Forming Part of Balance Sheet and Profit & Loss Account

### 7. A. Significant Accounting Policies

#### i. Basis of Preparation of Financial Statements

The financial statements are prepared under the Historical cost convention with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

#### 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 amortised over the lease period and the annual lease rentals are charged to Profit and Loss Account in the year it accrues.

#### v. Depreciation

Depreciation is provided on written down value method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

#### vi. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recov-

erable 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.

#### vii. Investments

Current investments are carried at the lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. 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.

#### viii. 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 Fixed goods are valued at cost or net realizable value whichever is lower. Finished goods are valued at cost including excise duty payable or Net realizable value whichever is lower. Cost includes Direct Material, Labour cost and appropriate overheads.

#### ix. Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate, prevailing on the date of transaction or at the exchange rates under the related forward exchange contracts. Profit/Loss on outstanding Foreign Currency contracts have been accounted for at the exchange rates, prevailing at the year end rates as per FEDAI/RBI.

#### x. Employee Retirement/Terminal Benefits

The employees of the company are covered under Group Gratuity Scheme of Life





## GLOBECOM INFOTECH PRIVATE LIMITED

Insurance Corporation of India. The premium paid thereon is charged to Profit and Loss Account. Leave Encashment liability is provided on the basis of best management estimates on actual entitlement of eligible employees at the end of the year.

### **xi. Provision, Continent 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.

### **xii. Turnover**

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

### **xiii. Revenue Recognition in Case of Real Estate Transactions**

Revenue in case of real estate transactions is made on the basis of concluded on contracts for sales and purchases.

### **xiv. 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.

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.

### **xv. 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.

### **xvi. Excise and Customs Duty**

Excise and Customs Duty are accounted on accrual basis. CENVAT credit is accounted by crediting the amount to cost of purchases on receipt of goods and is utilized on dispatch of material by debiting excise duty account.

### **xvii. 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.

### **xviii. Sundry Debtors, Loans and Advances**

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

### **xix. 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.



## GLOBECOM INFOTECH PRIVATE LIMITED

### 7. B. Notes to Accounts

- a. The company was incorporated on 11th July, 2008.
- b. The company is a wholly owned subsidiary of Surana Telecom and Power Limited.
- c. The company proposes to establish IT/ITES Park in Pune, Maharashtra.

#### d. Unsecured Loans

The company has obtained an unsecured Loan from its Holding Company Surana Telecom and Power Limited during the year.

Amount of Loan: Rs.4,00,92,740/-

#### e. Related Party Disclosures

##### i. List of Entities

##### Entities in which Directors are Interested

Bhagyanagar India Limited  
Bhagyanagar Infrastructure Pvt. Limited  
Bhagyanagar Properties Pvt. Limited  
Green Energy Systems Pvt. Ltd.  
Scientia Infocom India Pvt. Limited  
Bhagyanagar Telecom Limited  
Bhagyanagar Metals Limited  
Bhagyanagar Energy & Telecom Pvt. Limited  
Bhagyanagar Entertainment Limited

Bhagyanagar Ventures Pvt. Limited  
Metropolitan Ventures India Limited  
GMS Realtors Private Ltd  
Innova Technologies Pvt.Limited  
Advantage Real Estate India Private Limited  
Tranquil Avenues India Private Limited  
Celestial Avenues Private Limited  
Majestic Logistics Private Limited  
Value Infrastructure and Properties Pvt Ltd  
Every Time Foods Industries Pvt Limited  
Surana Technopark Private Limited  
Surana Infocom Pvt.Limited  
Innova Biotech India Pvt Limited  
Innova Infrastructure Pvt Limited  
Epicentre Entertainment Pvt Limited  
Royal Skyscrapers India Pvt Limited  
Sitetonic Websolutions Pvt Limited  
Surana Biochemicals Pvt Limited  
Andhra Electro Galvanising works

#### f. Capital Work in Progress

The company has paid an amount of Rs.4,00,00,000/- towards advance for purchase of land at Pune. As the transaction is pending conveyance, the same has been shown as Capital work in progress.

This is the Notes referred to in our report of even date for **SEKHAR & CO.,**  
Chartered Accountants  
Firm Regn. No. 003695-S

**(G. Ganesh)**  
Partner  
M No 211704

Place : Secunderabad.  
Date : 02.08.2010

**G. M. Surana**  
Director

**L.K. Baid**  
Director

Signatories to Schedule 1 to 7  
For and on behalf of the Board,



## ELECTRONIC CLEARING SERVICES (CREDIT CLEARING) MANDATE FORM FOR PAYMENT OF DIVIDEND

To,  
 KARVY COMPUTERSHARE PVT. LTD.  
 Unit : Surana Telecom and Power Limited  
 Plot No. 17-24, Vittalrao 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 Telecom and Power 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.







# Surana Telecom and Power Limited

(Formerly Surana Telecom Limited)

Registered Office : 2nd Floor, Surya Towers, S.P.Road, Secunderabad - 500 003.

## ATTENDANCE SLIP

21st Annual General Meeting 24th September, 2010.

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 21st Annual General Meeting of the Company, Friday, the 24th September, 2010 at 11.30 a.m. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016.

\_\_\_\_\_  
\*\* 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 Telecom and Power Limited

(Formerly Surana Telecom Limited)

Registered Office : 2nd 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 Telecom and Power Limited, hereby appoint .....  
of .....  
or failing him .....  
of .....  
as my/our proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held at Friday, the 24th September, 2010 at 11.30 a.m. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016 and at every adjournment thereof.

Signed this ..... day of ....., 2010.

Please Affix Re.1/- Revenue Stamp
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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.

