

BOARD OF DIRECTORS

G Mangilal Surana	-	Chairman
O Swaminatha Reddy	-	Director
R Surender Reddy	-	Director
S R Vijayakar	-	Director
Dr. R.N.Sreenath	-	Director
Narender Surana	-	Managing Director
Devendra Surana	-	Director
S.Balasubramanian	-	Whole-time Director

V.P CORPORATE AFFAIRS & COMPANY SECRETARY

P. Rajesh Kumar Jain

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 # +91-40-23420818-824
Fax # +91-40-23420814
Email ID : mailmanager@karvy.com

REGISTERED OFFICE

2nd Floor, Surya Towers, Sardar Patel Road,
Secunderabad, India-500 003
Tel:+ 91 40 44665700, 27845119, 27841198
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

O Swaminatha Reddy	-	Chairman
G Mangilal Surana	-	Member
R Surender Reddy	-	Member
S R Vijayakar	-	Member

SHAREHOLDERS' GRIEVANCE COMMITTEE

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

WORKS

Solar Photovoltaic Division

Plot No.212/3 (part), Phase II, IDA Cherlapally,
Ghatkesar (M), Ranga Reddy District,
Andhra Pradesh.

Power Cable

Plot No. 214, Phase II, I.D.A., Cherlapally,
Hyderabad-500 051.

Optic Fibre Plant

Plot No.212/4& 3(part),
Phase II, IDA Cherlapally,
Ghatkesar (M), Ranga Reddy District,
Andhra Pradesh.

JFTC

Plot No. 12 to 16, Pilerne Industrial Estate,
Panaji, Goa-403 001.

Non- Conventional Energy (Wind)

Kapatgudda, Gadag District,
Karnataka.



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ECS, ATTENDANCE SLIP AND PROXY FORM



NOTICE OF 20th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 20th Annual General Meeting of the members of **SURANA TELECOM AND POWER LIMITED** (formerly Surana Telecom Limited), will be held on Tuesday, the 29th September, 2009 at 10.30 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, 2009 and the Profit & Loss Account for the year ended 31st March, 2009 along with the Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2009.
3. To appoint a Director in place of Shri Devendra Surana, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri. O. Swaminatha Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri. S.R.Vijayakar, who retires by rotation and being eligible, offers himself for re-appointment.
6. 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:

7. 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 Section 314(1B) and other applicable provisions if any of the Companies Act 1956, Ms. Vinita Surana, Web Designer of the Company and daughter of Shri. Narender Surana, Managing Director of the Company be and is hereby promoted as "G.M. Finance" w.e.f. 26.10.2008.

FURTHER RESOLVED THAT the salary of Ms. Vinita Surana, be and is hereby enhanced from Rs. 9,500/- to Rs. 40,000/- per month in the scale of Rs. 40,000-5000-50000 w.e.f. 26.10.2008.

FURTHER RESOLVED THAT in addition to her monthly remuneration, she shall also be entitled to performance bonus, leave encashment and reimbursement of medical expenses in accordance with the Rules of the Company subject to a maximum of Rs.2,00,000/- p.a."

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

Place : Secunderabad
Date : 28.07.2009

P. Rajesh Kumar Jain
V.P. Corporate Affairs
& 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 24.09.09 to 29.09.09 (both days inclusive).
3. Dividend on shares @ 15% 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 29.09.09 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, 2002 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
2001-02	27.09.2002	24.10.2009
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

Members who have not encashed the Dividend Warrant(s) so far for the Financial Year ended 31st March, 2002 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 National Stock Exchange of India Ltd., 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



Surana Telecom and Power Limited

(Formerly Surana Telecom Limited)

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 **P. Rajesh Kumar Jain**
Date : 28.07.2009 V.P. Corporate Affairs
 & Company Secretary

EXPLANATORY STATEMENT

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

ITEM NO. 7:

Ms. Vinita Surana, Web Designer of the Company and daughter of Shri Narender Surana, Managing Director of the Company pursued MS (Finance) from University of Manchester. The Board is of the view that her enhanced professional qualification will be of immense value and benefit to the Company if she is entrusted with the responsibilities of Finance department of the Company and therefore promoted her to G.M. Finance on an enhanced salary of Rs. 40,000-5,000-50,000 at their meeting held on 17.09.2008

The said appointment and increase in remuneration requires the approval of members as per Section 314(1B) of the Companies Act, 1956 and therefore the approval of the Members is sought for the said appointment.

Under Section 173 of the Companies Act 1956, your Directors recommend the Special 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.

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

Place : Secunderabad **P. Rajesh Kumar Jain**
Date : 28.07.2009 V.P. Corporate Affairs
 & Company Secretary



Annual Report 2008 - 2009

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 20th Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2009.

FINANCIAL RESULTS:

The performance during the year has been as under:

(Rs. in lacs)

Particulars	Year ended 31st March, 2009	Year ended 31st March, 2008
Sales and other Income	9534.06	6584.88
Profit before Depreciation, Interest & Financial Charges.	638.06	1366.40
DEDUCT:		
Depreciation	223.56	220.32
Interest & Financial Charges	99.62	102.94
Profit for the year	314.88	1043.14
Prior period Adjustments	6.40	3.23
Profit before Taxation	321.29	1046.36
Provision for Taxation : Current Tax	52.00	135.00
Fringe Benefit Tax	4.80	5.25
Deferred Tax	2.49	6.63
MAT credit for earlier years	(20.00)	(20.00)
Profit after Tax	282.00	919.48
Surplus brought forward from previous year	2402.30	2247.28
Balance available for appropriation	2684.30	3166.76
APPROPRIATION :		
Dividend	156.03	226.04
Tax on Dividend	26.52	38.42
Transfer to General Reserves	100.00	500.00
Balance c/f to Balance Sheet	2401.75	2402.30
TOTAL	2684.30	3166.76

OPERATIONS:

The Year 2008-09 continued to be another critical year for the Company with adverse business environment. The Company has ventured in to manufacturing of Solar Photovoltaic products and is currently focusing on the domestic market. The Sales net of excise and other Income for the year stood at

Rs. 9534.06 Lakhs as against Rs. 6584.88 Lakhs for the previous year indicating a growth of 44.78% but however the Profit before tax for the year was Rs 321.29 Lakhs as against Rs. 1046.36 Lakhs for the previous year. The drop in profits is due to increase in inevitable expenses pertaining to solar unit.



FUTURE PROJECT INITIATIVES

A. OPTICAL FIBRE CABLES:

BSNL came out with a tender for procurement of 60,000 Kms of D-Fibre Cable which got better transmission capacity and have given notice in the month of July'09 to the vendors to take approval for the D-Fibre Cable. We have applied for the TSEC approval and the same is in progress.

B. POWER CABLES:

The Company has ventured into the production of house wiring power cables. Trail runs for the production of the same have been successfully completed. The company has applied for the requisite BIS approvals and the same are awaited to commence commercial production.

C. SOLAR:

During the year under review the Company ventured into the manufacturing of Solar Photovoltaic products. The main thrust of business during 2009-10 will be on developing market for solar Modules. The current installed production capacity of SPV modules is 30 MW/annum. Company's products which are IEC 61215 certified have been well accepted by the market. A vast market is opening in India for Solar Energy due to many incentives provided by MNRE and the recent fall in price of Solar Modules by about 40% has made the Solar energy affordable. The Company has also expanded its product range and poised to supply Solar Street lighting, Home lighting systems, Solar Lanterns etc., and is aggressively participating in various government tenders. We expect to capitalize the impending boom in the Industry and expect to achieve a substantial turnover in the year ahead.

DIVIDEND:

Your Directors are pleased to recommend a Dividend @ 15 % amounting to Rs. 156.03 Lakhs for the year ended 31st March 2009. This will entitle an out flow of Rs. 182.55 Lakhs.

RESERVES:

During the year the Company has transferred an amount of Rs. 1 crore to General Reserves Account.

CLOSURE OF BUY BACK OF EQUITY SHARES:

The Company bought back 18,00,000 equity shares of Rs.5/- each i.e., the maximum number of shares to be bought back under Buyback offer as approved by the Board its meeting held on 22.04.2008. The total amount invested was Rs.4,44,50,690/-(including brokerage and taxes) resulting an average price of Rs.24.69/- per share. The company closed the buyback offer w.e.f 16.01.2009 and extinguished all the shares that were bought back.

FIXED DEPOSITS:

The Company had not accepted any deposits and consequently no deposits had matured / become due for re-payment as on 31st March, 2009.

DIRECTORS:

Shri Devendra Surana, Shri. O. Swaminatha Reddy and Shri. S.R.Vijayakar, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

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.



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, 2009, 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, 2009 on a 'going concern' basis.

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 : 28.07.2009

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 has 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 Signaling 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. 24.12 lakhs

Used : Rs. 4475.27 lakhs

C) Foreign Exchange Earnings and Outgo :

for and on behalf of the Board of Directors

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

Place : Secunderabad

Date : 28.07.2009

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, 2009 consists of :

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

b) Attendance Record for 2008-09:

Sl. No	Name of Director	Category	Meetings attended	Attendance at last AGM on 17.09.2008	Remarks
1	G Mangilal Surana	Non-executive	4	Present	-
2	O Swaminatha Reddy	Independent, Non-executive	6	Present	-
3	R Surender Reddy	Independent, Non-executive	4	Present	-
4	S R Vijayakar	Independent Non-executive	3	Present	-
5	Dr R.N. Sreenath	Independent Non-executive	3	Present	-
6	Narender Surana	Executive	5	Present	-
7	Devendra Surana	Executive	6	Present	-
8	S.Balasubramanian	Executive	2	Present	-



c) Number of other Directorships, Committee Membership(s) & Chairmanship(s):

Sl. No.	Name of the Director	Other Directorships	Committee Membership	Committee Chairmanship
1	G Mangilal Surana	12	1	1
2	O Swaminatha Reddy	12	1	3
3	R Surender Reddy	9	3	4
4	S R Vijayakar	2	1	None
5	Dr R.N. Sreenath	4	None	None
6	Narender Surana	29	1	None
7	Devendra Surana	29	1	None
8	S.Balasubramanian	3	None	None

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

A total of 6 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:

22.04.2008	26.06.2008	28.07.2008	17.09.2008	24.10.2008	29.01.2009
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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 judgement of the Director.

3. Audit Committee:

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

P. Rajesh Kumar Jain, V.P. Corporate Affairs & Company Secretary, is acting as Secretary to the Audit Committee.

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; and
- 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 deliberation 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.

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

26.06.2008	28.07.2008	24.10.2008	29.01.2009
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Attendance Record - 2008-2009

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

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

4. Remuneration of 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 2008-09 are as follows:

Sl. No.	Name of Director	Commission	Sitting Fees paid (Rs.)
1	Shri G Mangilal Surana	-	21,000
2	Shri O Swaminatha Reddy	-	30,000
3	Shri R Surender Reddy	-	18,000
4	Shri S R Vijayakar	-	15,000
5	Dr. R.N. Sreenath	-	9,000
Total			93,000

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

The remuneration paid to the whole time Director during the year 2008-09 is:

26.06.2008	28.07.2008	24.10.2008	29.01.2009
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5. Shareholders Grievance Committee:

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

The Board has designated Shri. P. Rajesh Kumar Jain, V.P. Corporate Affairs & 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 47. There are no outstanding complaints as on 31st March 2009.

The Committee has received 7,900 Shares for Transfers and 900 Shares for Transmission and all the transfer and transmission of shares were approved and there are no rejections. The committee has also received 36,300 shares requesting for conversion of physical shares into Dematerialisation, out of which 30,000 Shares were approved and balance was rejected due to mismatch in quantity of shares sent for request and the actual number of shares. There were no transfers or transmissions or de-mat requests pending as on 31st March 2009.



6. General Body Meetings:

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

Year	Locations	Date	Time
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
2004-2005 AGM	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003.	1st July, 2005	11.30 A.M
2004-2005 (EGM)	3rd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003.	5th February, 2005	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 Resolutions for the following items.
 - 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

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.



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 Bhoomi" - Telugu
Website where the results and other official news releases are displayed	http://www.surana.com
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	:	29.09.2009
		Time	:	10.30 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	:	24.09.2009		
Dividend Payment Date	:	29.09.2009		
Listing on Stock Exchanges	:	1. Bombay Stock Exchange Ltd., Mumbai 2. National Stock Exchange of India Limited		
Stock Code	:	517530 on BSE SURANATELE on NSE		
ISIN Number for NSDL & CDSL	:	INE130B01023		



Market Price Data

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr '08	41.80	24.10	42.00	24.30
May'08	37.00	29.25	36.70	30.00
Jun'08	33.00	26.10	31.55	26.00
Jul'08	30.50	26.05	31.00	26.00
Aug'08	30.50	27.10	31.70	27.00
Sep'08	31.95	22.80	33.50	23.10
Oct'08	29.75	16.50	29.45	16.50
Nov'08	22.90	17.55	21.00	16.20
Dec'08	25.10	17.05	24.40	15.70
Jan'09	22.45	16.00	26.15	16.00
Feb'09	18.95	14.10	19.85	16.00
Mar'09	21.95	16.00	20.00	14.50

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 : #+91-40-23420818-824

Fax : #+91-40-23420814

Email ID : mailmanager@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 demat 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, 2009:

Category	Total Shares	% To Equity
Promoters	10459880	50.28%
Resident Individuals	6727007	32.33%
Promoters Bodies Corporate	1911543	9.19%
Bodies Corporates	744900	3.58%
Indian Financial Institutions	498529	2.40%
Non Resident Indians	198566	0.95%
H U F	178796	0.86%
Overseas Corporate Bodies	58500	0.28%
Mutual Funds	14200	0.07%
Clearing Members	5179	0.02%
Banks	4200	0.02%
Foreign Institutional Investors	2800	0.01%
TRUSTS	300	0.00%
Total	20804400	100.00 %

13. Distribution of Share holding as on 31st March 2009:

Category (Amount)	No. of Cases	% of Cases
1 - 5000	11617	92.29%
5001 - 10000	491	3.90%
10001 - 20000	245	1.95%
20001 - 30000	98	0.78%
30001 - 40000	26	0.21%
40001 - 50000	31	0.25%
50001 - 100000	32	0.25%
100001 & Above	47	0.37%
Total	12587	100.00%



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:

1,96,47,271 shares representing 94.43% 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, 2009.

16. 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.

33,95,600 equity share warrants which were issued and allotted by the Company at its Board Meeting held on 08.11.2007 have expired on 07.05.2009. The Company did not receive any application/request from warrants holders for conversion of warrants and hence, the application money thereof was forfeited in accordance with proviso 13.2 of Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

17. Secretarial Audit:

Practicing Company Secretaries, either Shri Syed Meera Mohiddin / 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.

18. Plant Locations:

Plot No. 214, Phase II, I.D.A., Cherlapally Hyderabad - 500 051	Plot No. 12 to 16, Pilerne Industrial Estate, Panajim, Goa - 403 001.	Plot No.212/3 & 4 Phase II, IDA Cherlapally Ghatkesar (M), R.R. District, A.P.
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19. Address for Correspondence:

Sl. No.	Shareholders Correspondence for	Address
1.	Transfer / Dematerialization / Consolidation / Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	KARVY COMPUTERSHARE PVT. LTD. 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500081 Phone # +91-40-23420818-824 Fax # +91-40-23420814 E.mail : mailmanager@karvy.com Website : www.karvy.com
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	P. Rajesh Kumar Jain V.P. Corporate Affairs & Company Secretary Surana Telecom and Power Limited 2nd Floor, Surya Towers, S.P.Road, Secunderabad - 500 003. Tel: +91 40 44665700, 27845119, 27841198 E-mail : cs@surana.com investorservices_stl@surana.com Website : www.surana.com www.suranatele.com



20. 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 : 091-022-24972964-70
Fax : 091-022-24972993/24976351
Email : info@nsdl.co.in.

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

21. 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 for this purpose.

22. 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 modified its Code of Conduct at their board meeting held on 31.01.2008. Thereafter, the Company at the meeting of the Board of Directors held on 26.06.08, has decreased the pre clearance limit in the Code of Conduct of the Company from 50,000 shares to 25,000 shares as was advised by the SEBI vide their letter dt.21.04.2008.

Shri. Rajesh Kumar Jain P, Company Secretary had 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 modified 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:-

Name of Director	Shri. Devendra Surana	Shri. O. Swaminatha Reddy	Shri. S.R.Vijayakar
Expertise in specific functional areas	Shri Devendra Surana is a Mechanical Engineer and holds a Post Graduate Diploma in Management From IIM, Bangalore. and chosen as the Best Brain of the batch. He has been in the field of Ferrous & Non - Ferrous Metals & Telecom Industry for the last Twenty Years. He was also the President of	Sri Swaminatha Reddy a Commerce graduate and fellow member of The Institute of Chartered Accountants of India , New Delhi. Being The former Chairman of Andhra Bank and also former Chairman and Managing Director of APSFC, he had a rich experience of almost four decades. He has been the	Four Decades of Experience in Electricals & Electronics in various capacities. He was the General Manager for E.C.I.L and also acted as Chairman and Managing Director of the said Corpn., He was also the secretary of The Department of Electronics of Government of India.



	Young Entrepreneurs Organisation (Y.E.O) of A.P Chapter.	Director of the Company since 1994, and guiding he Company in the areas of Financial Decision Making and Management Policies ever since	After retirement from the services he was the Chairman for Maharashtra Electronics Limited, Advisor - E.T &T.D.C etc.,
Date of Birth	08.02.1965	25.12.1930	17.12.1928
Qualification	B.E (MECHANICAL)	B.Com (Hons), A.C.A.	B.E (Electrical & Mechanical)
List of Other Companies in which Directorship is held as on 31st March, 2009	<p>MANAGING DIRECTOR:</p> <ol style="list-style-type: none"> 1. Bhagyanagar India Limited <p>DIRECTOR:</p> <ol style="list-style-type: none"> 1. A.P. Golden Apparels Pvt Ltd. 2. Advantage Real Estates India Pvt. Ltd. 3. Bhagyanagar Securities Pvt. Ltd. 4. Bhagyanagar Entertainment Ltd. 5. Bhagyanagar Entertainment and Infra Development Company Pvt Ltd. 6. Bhagyanagar Aviation and Cargo Services Pvt Ltd. 7. Bhagyanagar Capital Pvt Ltd. 8. Bhagyanagar Foods and Beverages Pvt. Ltd. 9. Bhagyanagar Infrastructure Ltd. 10. Bhagyanagar Properties Pvt. Ltd. 11. Bhagyanagar Ventures Ltd. 12. Bhagyanagar Telecom Ltd. 13. Celestial Avenues Pvt. Ltd. 	<p>DIRECTOR:</p> <ol style="list-style-type: none"> 1. Transport Corp. of India Ltd. 2. Surana Telecom & Power Ltd. 3. K.C.P. Limited 4. K.M Power Pvt. Ltd. Hyderabad 5. E.P.R. Pharmaceuticals Pvt. Ltd. 6. Bhagyanagar India Ltd. 7. Thembu Power Pvt. Ltd. 8. E.P.R Gene Technologies Pvt Ltd. 9. E.P.R Centre for Cancer Research and Biometrics Pvt. Ltd. 	<p>DIRECTOR:</p> <ol style="list-style-type: none"> 1. TVS Electronics Ltd. 2. SPEL Semiconductor Ltd.



	<p>14. Epicenter Entertainment Ltd. 15. Every Time Food & Industries Pvt. Ltd. 16. Globecom Infra ventures Pvt. Ltd. 17. Metropolitan Ventures India Ltd. 18. Majestic Logistics Pvt. Ltd. 19. Surana Biochemicals Pvt. Ltd. 20. Surana Technopark Pvt. Ltd. 21. Surana Infocom Pvt Ltd. 22. Surana Ventures Ltd. 23. Surana Green Energy Ventures Ltd. 24. Value Infrastructure and Properties Pvt. Ltd. 25. Shasons Pvt. Ltd. 26. Scientia Infocom India Pvt. Ltd. 27. Tranquil Avenues India Pvt. Ltd.</p>		
<p>Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2009</p>	<p>None</p>	<p>1. Sagar Cements Ltd. 2. Sagar Power Ltd. 3. T.C.I Finance Ltd. 4. Golkonda Hospitality Services & Resorts Ltd. 5. Indian Institute of A.P. Chamber of Commerce & Industry.</p>	<p>1. TVS Electronics Ltd. 2. SPEL Semiconductor Ltd.</p>



AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE

To the Members of Surana Telecom and Power Limited

We have examined the compliance of conditions of Corporate Governance by Surana Telecom and Power Limited for the year ended 31.03.2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (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

Place : Secunderabad
Date : 24.07.2009

G.Ganesh
Partner
Membership No. 211704

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 2008-09.

Place : Secunderabad
Date : 24.07.2009

Narender Surana
Managing Director



MANAGEMENT DISCUSSION & ANALYSIS

1. INTRODUCTION:

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 Jointing 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. Since, Telecom business became the primary business activity of the Company and in order to reflect the same the name of the Company was changed to Surana Telecom Ltd on 05.08.1994.

In the year 2007, the Company diversified into the power sector with the manufacturing of low tension and high tension power cables and setting up a 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 11th October, 2007.

In 2008, taking a 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 .

2. BUSINESS OF THE COMPANY

2.1 Solar Photovoltaic:

The Company has established a state of art manufacturing facility at Hyderabad for manufacture of Solar PV Modules other SPV products with a current installed capacity of 30MW/Annum, which has become the thrust area of the Company. The Company also provides Solar Street Lighting Systems, Solar Home Lighting Systems and Solar Lanterns.

2.2 Optic Fibre Cables:

The Company started manufacturing of Optic Fibre Cables in the year 1994. A sophisticated plant equipped with state-

of-the-art equipment helps the division produce 6000 route Km of pair 6,12,24 fibre optic cables and accessories such as branch closures, optical fibre termination boxes and tool kits.

2.3 Jelly Filled Telephone Cables:

The Company 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.

2.4 Other Telecom Products:

Equipped with the most modern and sophisticated plant supplied by German centres of excellence, the Company has a totally indigenized manufacturing facility for manufacture of Heat Shrinkable Cable Jointing Kits. In 2007, the Company ventured into the supply of interface converters that delivers speed broad band through Ethernet to E1 Conversion.

2.5 Power Cables:

To cope with the situation of declining JFTC 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, in 2007 the Company restructured a part of its plant to manufacture power cables.

2.6 Aluminium CC Rods:

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.

2.7 Wind Power Generation:

The Company has set up a wind power project with an initial capacity of 1.25MW at Kapatguda, Karnataka which was commissioned in March'2007.



3. INDUSTRY ANALYSIS:

3.1 Telecom:

Cables are the backbone of the communication sector. The domestic telecom industry posted good growth in 2008-09 though the economic downturn at home and abroad negatively impacted a range of industries. Favourable demographics and increased discretionary spending drive the growth of this sector. As we all know, India is the fastest growing telecom market in the world adding nearly 8 m to 9 m subscribers every month. Today, the Indian telecom network is the second largest in the world, having surpassed the US during the year. In addition, the telecom companies are aggressively making inroads into rural markets. In addition, with the government estimated to contribute nearly Rs 18 bn towards the Universal Service Obligations (USO) fund on an annual basis, the demand for telecom infrastructure, including cables is expected to remain strong.

The Internet now touches over 1.6 billion users directly, a penetration of 24% (as a % of Population) as on March 31, 2009. India has 81mn users, a penetration of 7.1%. It has registered a CAGR of 42% over the last eight years. Despite these high growth rates and large volume of users, the penetration in India is still very low compared to countries like South Korea, Japan, and Singapore. That indicates the huge potential for growth that is possible in these economies.

With the current pace, where about nine million telephones are being added every month, new targets of 700 million subscribers by 2012 are being discussed. This augurs well for the infrastructure providers like cable manufacturers. Innovative product offerings will imply a move towards non-voice Value Added Services (VAS), which will drive up the bandwidth requirements of networks. Emphasis on service quality will ensure

deployments of Next-generation backbone networks of which optical fibre is one of the most important components.

3.2 Power:

Power Cables play a small but significant part in infrastructure activities. They play a crucial part in all the three aspects of the power sector - generation, transmission and distribution. With strong investments proposed across sectors such as power, realty, industrial and telecom, the cable industry in India is slated for a strong growth going forward. With the government recognising the power sector to be the backbone of sustained industrial growth, robust investments have been proposed towards building up capacities. For India to sustain its GDP growth at over 8%, it is estimated that the power sector should grow at least 1.8 to 2 times of the GDP, translating to an addition of generation capacity by nearly 18,000 to 20,000 MW (megawatts) each year.

It is estimated that nearly 3% to 3.5% of investment per MW goes towards power cables. Therefore, with an approximate investment of Rs 40 m per MW, the demand for cables will be in the range of Rs 1.2 m to 1.4 m.

Approximate opportunities for power cable industry

Rs. in billion

Segment	Estimated cost	Range	Opportunity
Generation	3,430	3%-3.5%	103-120
Transmission	1,293	1.5%-2%	19-26
Distribution	1,443	10%	144
Total	6,166	-	266-290

Strong capacity addition plans have been proposed for power generation during the eleventh and twelfth five-year plans. The Planning Commission of India (PCI) has proposed capacity addition of almost 78,000 MW (although the actual addition is likely to be lower) during the eleventh plan (2007-2012), translating as opportunities in the range of 103 bn to Rs 120 bn. Further, on a conservative basis, it is



estimated that nearly 1.5% to 2% total project cost in the transmission segment goes towards power cables. Power distribution on the other hand generates the highest demand for cables, approximating to nearly 10% of the total project cost.

3.3 Key concerns of cable companies:

While the market opportunities remain vast, being a manufacturing industry, cable players will continue to face input cost pressures. With copper, steel and nickel being the major materials consumed, volatility in prices will have an adverse impact on the companies going forward. Passing on the costs to the customers may not be an easy task considering that most of the orders are small sized. Strong competitive environment, currency fluctuations and shortage of manpower are other factors that this sector needs to address in the long run. Also the fact that operations are working-capital intensive makes companies' balance sheet sometimes stretched.

3.4 Solar Photovoltaic (SPV):

Photovoltaic is best known as a method for generating solar power by using solar cells packaged in photovoltaic modules, often electrically connected in multiples as solar photovoltaic arrays to convert energy from the sun into electricity. To explain the photovoltaic solar panel more simply, photons from sunlight knock electrons into a higher state of energy, creating electricity. The term photovoltaic denotes the unbiased operating mode of a photodiode in which current through the device is entirely due to the transuded light energy. Virtually all photovoltaic devices are some type of photodiode.

Photovoltaic (PV) is the field of technology and research related to the application of solar cells for energy by converting sunlight directly into electricity. Due to the growing need for solar energy, the manufacture of solar cells and photovoltaic arrays has expanded dramatically in recent years. Photovoltaic production has been

doubling every two years, increasing by an average of 48 percent each year since 2002, making it the world's fastest-growing energy technology. At the end of 2007, according to preliminary data, cumulative global production was 12,400 megawatts. Roughly 90% of this generating capacity consists of grid-tied electrical systems. Such installations may be ground-mounted (and sometimes integrated with farming and grazing) or built into the roof or walls of a building, known as Building Integrated Photovoltaic or BIPV for short.

Although we are witnessing a sharp decline in the prices of SPV raw materials and products but still the selling price of modules is still too high to compete with grid electricity. In order to encourage installation of Solar PV installations, financial incentives such as preferential feed-in tariffs for solar-generated electricity and net metering, have supported solar PV installations in many countries across the world including Germany, Japan, and the United States, which comprises the potential export market for the Company. India is joining the race with slowly formulating favourable policies including higher purchase tariffs and we shall witness a larger domestic market for Solar PV products in the years to come.

4. BUSINESS OUTLOOK:

The main thrust of business during 2009-10 will be on developing market for Solar PV Products. Company's products which are IEC 61215 certified have been well accepted by the market. A vast market is opening in India for Solar Energy due to many incentives provided by MNRE and the recent fall in price of SPV Modules by about 40% has made the solar energy affordable. Your Company is geared up to supply high quality SPV Products at affordable prices and meet the boom in demand. We are also exploring the opportunity in generation of electricity from Solar PV installations by setting up a 2 - 5 MW Solar farm. The Company has already initiated preliminary activity for the same and has also



applied for necessary approval from the government.

The Company has also expanded its product range and poised to supply Solar Street lighting, Home lighting systems, Solar Lanterns etc., and is aggressively participating in various government tenders. We expect to capitalize the impending boom in the Industry and expect to achieve a turnover of Rs.30.00 Crores during 2009-10 as against Rs.8.57 Crores achieved in 2008-09.

In the field of Power cables the Company is growing rapidly and we have achieved a growth of 128% in the year 2008-09 as compared to previous year. The Company has ventured into the production of house wiring power cables. Trial runs for the production of the same have been successfully completed. The company has applied for the requisite BIS approvals and the same is awaited to commence commercial production. We expect to maintain the same level of turn over during the year 2009-10 in spite of high pressure on margins and volatility in the raw material prices. We are primarily focusing on supply to various State Electricity Boards and increase our presence in the local market.

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:

6.1 Financial Performance:

Capital Structure:

The Equity Share Capital of the Company as on 31st March 2009 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 currently stands at Rs 7194.38 Lakhs, as compared to Rs 7586.60 Lakhs in the previous year.

Fixed Assets:

During the year, the Company has added Fixed Assets amounting to Rs 454.49 Lakhs making the gross fixed assets as on 31.03.09 to Rs.7775.56 Lakhs.

Inventories:

Inventories, as on 31st March, 2009, amounted to Rs 1988.69 Lakhs as against Rs. 1359.26 Lakhs in the previous year.

Sundry Debtors:

Sundry Debtors amounted to Rs 2028.31 Lakhs as on 31st March, 2009 as against Rs. 1505.30 Lakhs in the previous year.

Cash and Bank Balances:

Cash and Bank balances with Scheduled Banks, as on 31st March, 2009, amounted to Rs. 436.85 Lakhs which includes amounts deposited with banks as Security and margin Money Deposit.

Loans and Advances:

'Loans and Advances' as on 31st March, 2009, amounted to Rs 980.60 Lakhs.

Current Liabilities:

'Current Liabilities' as on 31st March, 2009, amounted to Rs 2237.88 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 2008-2009, the gross turnover of the Company was Rs 9771.93 Lakhs as compared to Rs. 6752.96 Lakhs in the previous year.

Other Income as on 31st March, 2009 was Rs 504.75 Lakhs as compared to Rs. 601.76 Lakhs in the previous year.

Depreciation :

The Company has provided a sum of Rs 223.56 Lakhs towards depreciation for the year as against Rs. 220.32 Lakhs in the previous year.

Provision for Tax:

The Company has provided a sum of Rs 32.00 Lakhs as Current Tax, Rs.2.49 Lakhs as Deferred Tax, and Rs. 4.80 Lakhs as Fringe Benefit Tax for the current year.

Net Profit:

The Net Profit of the Company after tax is Rs 282.00 Lakhs as against Rs 919.48 Lakhs in the previous year. The decrease in the net profit of the Company has been primarily due to decrease in the revenues from infrastructure business and loss of value of inventory because of steep decrease in the international prices.

Earnings Per Share:

Basic Earnings Per Share for the year ended 31.03.2009 is Rs 1.36 for Face Value of Rs.5/- as against Rs 4.07 per share for the year ended 31.03.2008.

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 2009, the Company has a total strength of 128 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 & Power Limited**

I. We have audited the attached Balance Sheet of Surana Telecom & Power Limited as at 31st March 2009 and the related Profit and Loss account and Cash Flow Statement for the period ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility expresses an opinion on these financial statements based on our audit.

II. We have conducted our audit in accordance with the auditing and assurance standards generally accepted in India. The Standard requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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.

III. As required by the Companies (Auditors Report) 2003, as amended by Companies (Auditor's Report)(Amendment) Order, 2004 (together 'the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanations given to us, we give below a statement on the matters specified in the said Order.

1. a. The Company is maintaining proper records showing full particulars including quantitative details of fixed assets.
1. b. Fixed Assets are not physically verified during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets.

1. c. In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of during the period.
2. a. The Inventory has been physically verified during the year by the management. In Our opinion, the frequency of verification is reasonable.
2. 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 the nature of its business.
2. c. On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records are not material.
3. a. The Company has granted Loans to 2(two) Companies covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 6.54 Lacs (Rupees six lacs fifty Four thousand only) and the year end balance of loans granted to such parties was Rs. 6.54 Lacs (Rupees Six Lacs Fifty Four Thousand only).
3. b. In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company.
3. c. The parties have repaid the principal amounts as stipulated and have also been regular in the payment of Interest to the company.
3. d. There is no overdue amount 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 the Act.
3. e. The Company has not taken any loans whether secured or Unsecured from the parties covered in the register maintained under section 301 of the Act, hence we



- are not required to report on sub-clauses f & g of paragraph 4(3) of the order.
4. In our opinion and according to the information and explanations given to us, there exists an 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 regards to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
 5.
 - a. According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under sections 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 of contracts or arrangements entered in the register maintained under section 301 of the Act, and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
 6. The Company has not accepted any deposits which fall under section 58A and 58AA and other relevant provisions of the Act, and the Companies (Acceptance of Deposit) Rules, 1975 with regard to the deposits from the public. Hence we have not reported on the reporting requirements of clause 6 of Paragraph 4 of the order.
 7. In our opinion, the company has an internal audit system commensurate with the size and 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 under Section 209(1)(d) of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and 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, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues applicable to it.
 - b. According to the information and explanation given to us and the records of the company produced before us and

Name of Statute	Nature of dues	Amount under dispute not yet deposited	Periods to which the amount relates	Forum Where the dispute is pending
Andhra Pradesh General Sales Tax Act	APGST Tax	Rs. 3.81 Lacs	1994-95	Sales Tax Appellate Tribunal Hyderabad
	CST	Rs. 1.85 Lacs	2004-05	Appellate Dy. Commsny Panjagutta
Central Excise and	Entry tax	Rs. 0.81 Lacs	2005-06	-do-
	AP-VAT	Rs. 5.07 Lacs	2005-06	-do-
	Levy of Duty on Certain Products	Rs. 240.07 Lacs Incl: Penalty and Interest	2004-05	Supreme Court of India



examined by us, there are no dues of wealth tax, service tax, excise duty, customs duty and Cess, which have not been deposited on account of any dispute. The particulars of sales tax and Excise / Customs duty, as at 31st March 2009, which has not been deposited on account of dispute are as follows.

10. The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.
 11. In our opinion and according to the information and explanation 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 explanation 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 explanation 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 explanation given to us and 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. Hence the question of creation of charge does not arise.
 20. The company has not raised any money by public issue during the period.
 21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to information and explanation given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the period nor have we been informed of such case by the management.
- IV. Further to our comments 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 examination of those books.
 - c. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to the sub-section (3C) of Section 211 of the Act.
 - e. The Notification for levy of deposit of Cess U/s. 441A of the Act has not yet been issued in the official Gazette; hence in our opinion this clause is not applicable to the company.
 - f. On the basis of written representations received from the directors, as on 31st



March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

g. In our opinion and to the best of our information and according to the explanations given to use, 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:

i. in the case of balance sheet, of the state of affairs of the company as at 31st March 2009;

ii. in the case of profit and loss account, the profit for the year ended on that date; and

iii. in the case of cash flow statements, of the cash flows for the year on that date.

for Sekhar & Co
Chartered Accountants

Place : Secunderabad
Date : June 26, 2009

G. Ganesh
Partner
M.No.211704



Balance Sheet as at 31st March,2009

(Amount in Rupees)

	Sch.No	As at 31.03.2009	As at 31.03.2008
Sources of Funds			
Share-Holders Funds			
a) Share capital	1	104,022,000	113,022,000
b) Reserves and Surplus	2	719,438,815	758,660,988
		823,460,815	871,682,988
33,95,600 optional, fully convertible Equity Share Warrants (pending allotment)			
c) Loan Funds		14,716,360	14,716,360
i) Secured loans	3	83,101,978	6,706,717
ii) Unsecured loans	4	67,303,493	66,960,974
Net Deferred Tax Liability	14	7,854,080	7,605,400
Total		996,436,726	967,672,439
Application of Funds			
Fixed Assets (At cost)			
a) Gross Block	5	777,556,321	738,252,728
b) Less Depreciation		381,318,995	348,555,618
c) Net Block		396,237,326	389,697,110
Capital Work-In-Progress		65,752,665	85,848,531
Investments (At cost)	6	132,293,224	43,974,677
Current Assets, Loans and advances			
a) Inventories	7	198,869,207	135,926,008
b) Sundry Debtors	8	202,830,895	150,530,610
c) Cash & Bank Balances	9	43,684,692	45,823,896
d) Loans & Advances	10	98,060,344	91,586,225
e) Other Current Assets	11	101,051,549	190,786,451
		644,496,687	614,653,190
Less Current Liabilities & Provision			
a) Current Liabilities	12	223,788,096	139,755,049
b) Provisions	13	18,555,080	26,746,020
		242,343,176	166,501,069
Net Current Assets		402,153,511	448,152,121
Total		996,436,726	967,672,439
Notes to Accounts	20		

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

This is the Balance Sheet referred

to in our report of even date

for Sekhar & Co

Chartered Accountants

for and on behalf of Board of Directors

G.Ganesh

Partner

Membership No : 211704

G.M. Surana

Chairman

Narender Surana

Managing Director

Devendra Surana

Director

Place : Secunderabad

Date : June 26, 2009

P. Rajesh Kumar Jain

V.P. Corporate Affairs &
Company Secretary

N. Venkatesh

General Manager-Accounts



Profit & Loss Account for the year ended 31st March, 2009

(Amount in Rupees)

	Sch.No	For the year ended 31.03.2009	For the year ended 31.03.2008
Income			
Gross Sales	15	977,193,361	675,296,011
Less: Excise duty		74,262,266	76,983,743
Net Income from Operations		902,931,095	598,312,268
Other Income	16	50,474,549	60,176,175
Total Income		953,405,644	658,488,443
Expenditure			
Materials	17	732,487,771	404,483,909
Expenses	18	157,111,374	117,364,421
Interest & Financial Charges	19	9,961,961	10,294,337
Depreciation		22,356,099	22,032,249
Total Expenditure		921,917,205	554,174,916
Profit for the year		31,488,439	104,313,527
Prior Period Adjustment		640,188	322,597
Profit before Taxation		32,128,627	104,636,124
Provision for Taxation			
i) Income Tax (Net of MAT Credit)		3,200,000	11,500,000
ii) Deferred Tax		248,680	663,100
iii) Fringe Benefit Tax		480,000	525,000
Profit after Taxation		28,199,947	91,948,024
Balance B/F from Previous year		240,230,310	224,728,306
Amount Available for appropriation		268,430,257	316,676,330
Proposed Dividend		15,603,300	22,604,400
Tax on Dividend		2,651,780	3,841,620
Transfer to General Reserve		10,000,000	50,000,000
Surplus Carried to Balance Sheet		240,175,177	240,230,310

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

for and on behalf of Board of Directors

G.Ganesh

Partner

Membership No : 211704

G.M. Surana

Chairman

Narender Surana

Managing Director

Devendra Surana

Director

Place : Secunderabad

Date : June 26, 2009

P. Rajesh Kumar Jain

V.P. Corporate Affairs &
Company Secretary

N. Venkatesh

General Manager-Accounts



Cash Flow Statement for the year ended March 31, 2009

(Amount in Rupees)

	As at 31.03.2009 Amount	As at 31.03.2008 Amount
Cash Flow From Operating Activities		
Net Profit before tax as per annexed profit and loss account	32,128,627	104,313,527
A. Adjustments for :		
Depreciation	22,356,099	22,032,249
Amortisation of lease Rents	951,552	951,552
(Profit) / Loss on sale of investments	(23,279)	90,212
Sundry Balances written off	5,542,329	688,684
Sundry Balances Written Back	(3,906,643)	(141,963)
Profit on Sale of Assets	(2,064,504)	(25,884,064)
Interest Paid	9,961,961	10,294,337
Interest & Dividend Received	(38,389,688)	(53,811,774)
Operating Profit before working Capital Changes	<u>26,556,454</u>	<u>58,532,760</u>
(Less)/ Add Adjustments for Working Capital Changes		
Inventories	(62,943,199)	(96,119,439)
Loans and Advances	11,642,441	(4,687,860)
Other Current Assets	89,734,902	76,115,886
Receivables	(57,842,614)	(56,407,726)
Trade Payables and other Liabilities	86,183,489	68,583,478
Advance from Customers	<u>2,119,203</u>	<u>(3,669,518)</u>
Cash Generated from Operations	<u>95,450,676</u>	<u>42,347,581</u>
Adjustments for :		
Direct Taxes Paid for the Currnet Year (net)	(21,776,560)	(16,937,115)
Taxes of earlier years	-	-
	<u>(21,776,560)</u>	<u>(16,937,115)</u>
Net Cash (used in)/from operating Activities (A)	<u>73,674,116</u>	<u>25,410,466</u>
B. Cash Flow From Investing Activities		
Dividend Received	3,355,733	650,492
Interest Received	35,033,955	53,161,282
Sale of Fixed Assets	3,949,591	79,296,437
Purchase of Fixed assets	(45,449,294)	(25,239,817)
Puechase of Investments	(190,723,613)	(160,210,586)
Sale of Investments	102,428,365	145,421,495
Capital Work in Progress	20,095,866	(40,694,531)
Net Cash (used in)/from Investing Activities (B)	<u>(71,309,397)</u>	<u>52,384,772</u>



Cash Flow Statement for the year ended March 31, 2009

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
	Amount	Amount
C. Cash Flow From Financing Activities		
Proceeds from Issue of Share Capital	(44,450,690)	14,716,360
Proceeds from Long term Borrowings	342,523	(1,495,537)
Increase / (Decrease) in Secured Loans	76,395,261	(63,817,698)
Dividend Paid including Dividend tax	(26,829,056)	(25,856,803)
Interest Paid on Borrowings	(9,961,961)	(10,294,337)
Net Cash (used in)/from Financing Activities (C)	(4,503,923)	(86,748,015)
Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)	(2,139,204)	(8,952,777)
Cash and Cash Equivalents Opening Balance	45,823,896	54,776,673
Cash and Cash Equivalents Closing Balance	43,684,692	45,823,896
Net Increase /(Decrease) in Cash and Cash Equivalents	(2,139,204)	(8,952,777)

- 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.321.04 Lacs (Rs.312.023 Lacs) are not readily available for free use by the Company.It comprises of unpaid dividend Rs.24.46 Lacs(Rs.28.30 Lacs).Balance in Margin Accounts Rs.294.29 Lacs (Rs.282.35 Lacs)
- 4 Notes to Accounts(Schedule 19) form an integral part of Cash Flow Statement

In terms of our report of even date

For & on behalf of,

for Sekhar & Co

Chartered Accountants

for and on behalf of Board of Directors

G.Ganesh

Partner

Membership No : 211704

G.M. Surana

Chairman

Narender Surana

Managing Director

Devendra Surana

Director

Place : Secunderabad, India

Date : June 26, 2009

P. Rajesh Kumar Jain

V.P. Corporate Affairs &
Company Secretary

N. Venkatesh

General Manager-Accounts



Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
Schedule - 1 Share Capital		
AUTHORISED		
2,50,00,000 Equity shares of Rs. 5 each	125,000,000	125,000,000
2,50,000 Redeemable Preference shares of Rs. 100/- each	25,000,000	25,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
20,804,400 (Previous year 22,604,400) Equity shares of Rs. 5 each fully paid.	104,022,000	113,022,000
- Includes 36,80,140 Bonus Shares allotted in earlier years		
- Net of 18,00,000 shares bought back during the year		
Schedule - 2 Reserves And Surplus		
i) General Reserve		
Balance as per last account	350,000,000	300,000,000
Add: Transferred from Capital Redemption Reserve	15,000,000	-
Transferred from Profit & Loss Account	10,000,000	50,000,000
Less: Premium paid on Buyback of Shares	38,814,800	-
Balance at the year end	<u>336,185,200</u>	<u>350,000,000</u>
ii) Capital Redemption Reserve		
Balance as per last account	15,000,000	15,000,000
Less : Transferred back to General Reserve	15,000,000	-
Add : Creation of Reserve for the face value of Shares Bought Back	9,000,000	-
Balance at the year end	<u>9,000,000</u>	<u>15,000,000</u>
iii) Share Premium account		
Balance as per last account	5,635,890	5,635,890
Less: Premium on Shares Bought Back adjusted	5,635,890	-
Balance at the year end	<u>-</u>	<u>5,635,890</u>
iv) Revaluation Reserve		
Balance at the beginning of the year	144,294,788	160,062,485
Adjusted against depreciation	13,716,350	15,767,697
Balance at year end	<u>130,578,438</u>	<u>144,294,788</u>
v) Central Subsidy		
	3,500,000	3,500,000
vi) Profit & Loss Account		
	240,175,177	240,230,310
	<u>719,438,815</u>	<u>758,660,988</u>
Schedule - 3 Secured Loans		
From Banks		
Cash Credit	83,101,978	6,706,717
Total	<u>83,101,978</u>	<u>6,706,717</u>
Schedule - 4 Unsecured Loans		
Deferred Sales Tax	67,303,493	66,960,974
Total	<u>67,303,493</u>	<u>66,960,974</u>
Due within a year	6,005,422	1,137,179



Schedules Forming Part of the Balance Sheet

Schedule: 5 Fixed Assets

(Amount in Rupees)

Particulars	Gross Block		Depreciation		Net Block			
	Cost as on 01.04.2008	Additions during the year	Deletions during the year	Cost as on 31.03.2009	For the Year	Deletions during the year	Upto 31.03.2009	As on 31.03.2008
1 LAND FREE-HOLD	65,407,009	-	-	65,407,009	-	-	-	65,407,009
2 LEASE LAND	25,769,648	-	951,552	24,818,096	405,513	-	405,513	25,364,135
3 BUILDINGS	89,031,541	22,811,763	-	111,843,304	37,529,121	5,165,242	42,694,363	69,148,941
4 PLANT AND MACHINERY	524,562,708	21,613,292	-	546,176,000	293,600,988	28,192,459	321,783,447	224,382,554
5 OFFICE EQUIPMENT	4,247,055	141,692	-	4,388,747	2,556,106	285,794	2,541,900	1,846,847
6 OFFICE EQUIPMENT - Leased out	15,300,000	-	2,543,744	12,756,256	4,354,789	1,510,000	4,900,135	7,856,121
7 FURNITURE & FIXTURES	3,324,037	52,786	-	3,376,823	2,206,310	207,884	2,414,194	962,629
8 VEHICLES	7,639,155	531,605	2,650,414	5,520,346	5,701,738	459,154	3,816,474	1,703,872
9 COMPUTERS	2,971,575	298,165	-	3,269,740	2,501,053	251,916	2,752,969	516,771
TOTAL	738,252,728	45,449,303	6,145,710	777,556,321	348,555,618	36,072,449	381,318,995	396,237,326
Previous Year	780,690,578	25,239,817	67,677,667	738,352,728	324,020,749	37,799,945	348,555,618	389,697,110

Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009		As at 31.03.2008	
	Nos	Amount	Nos	Amount
Schedule - 6 Investments (Non-Trade, At Cost)				
Name of the Scrip				
Unquoted				
1) In Government Securities				
National Savings Certificates	-	4,500		4,500
Total Investments in Government Securities	-	4,500		4,500
Investment in Shares - Unquoted				
a) In Subsidiary Companies				
Globecom Infotech Private Limited (Equity Shares of Rs 10 each Partly paid-up @ Rs. 2/- each)	50,000	100,000	-	-
b) In Associate Companies				
Surana Ventures Limited (Equity Shares of Rs 10 each Fully paid-up)	7,350,000	73,500,000	400,000	4,000,000
Surana Green Energy Ventures Pvt Limited (Equity Shares of Rs 10 each Fully paid-up)	4,000	40,000	-	-
c) In companies under the same management				
Innova Technologies Private Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	1,000	10,000
Bhagyanagar Securities Private Limited (Equity Shares of Rs 10 each Fully paid-up)	150,000	18,000,000	150,000	18,000,000
Sub-Total	7,554,000	91,640,000	551,000	22,010,000
Investment in Shares - Quoted				
a) In companies under the same management				
Bhagyanagar India Limited (Equity Shares of Rs 2 each Fully paid-up)	2,280,831	35,068,207	38,874	934,248
b) In other companies				
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 Balance Sheet

(Amount in Rupees)

	Nos	As at 31.03.2009 Amount	Nos	As at 31.03.2008 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)	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)	100	14,700	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	1,934	328,780
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)	21,315	2,963,561	19,915	2,947,435
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)	45	23,307	45	23,307
Mahanagar Telephone Nigam Limited (Equity Shares of Rs 10 each Fully paid-up)	610	85,368	610	85,368
Prithvi Information Solutions Limited (Equity Shares of Rs 10 each Fully paid-up)	1,006	50,550	6	1,620
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	-	-



Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009		As at 31.03.2008	
	Nos	Amount	Nos	Amount
Rolta India Limited (Equity Shares of Rs 10 each Fully paid-up)	200	10,968	-	-
Rural Electrification Limited (Equity Shares of Rs 10 each Fully paid-up)	-	-	4379	464,295
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	10000	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	2107	214,914
Vaibhav Gems Limited (Equity Shares of Rs 10 each Fully paid-up)	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	-	-
Sub-Total	2,390,628	40,648,724	128,170	5,960,177
Total Investments in Equity Shares	9944628	132,288,724	679170	27,970,177
3) Investments in Mutual Funds				
a) In Chola Mutual Fund-				
Liquid Institutional Dividend Re-Investment Plan		-	-	16,000,000
Total Investments in Mutual Funds		-	-	16,000,000
Total Investment in Govt Securities, Shares and Mutual Funds		132,293,224		43,974,677
Aggregate Market Value of Quoted Investments		37,531,560		4,604,568
Aggregate NAV of Mutual Funds		-		16,009,454



Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
Schedule - 7 Inventories		
(As taken, valued and certified by the Management)		
Raw Materials (At Cost)	125,360,939	65,453,309
Work in process (At cost or net realisable value whichever is lower)	47,232,732	33,653,048
Finished Goods (At cost or net realisable value whichever is lower)	26,275,536	34,321,651
Traded Goods	-	2,498,000
Total	198,869,207	135,926,008
 Schedule - 8 Sundry Debtors		
(Unsecured and Considered Good)		
a) Debts outstanding for		
i) More than six months	48,511,400	28,179,024
ii) Others	154,319,495	122,351,586
Total	202,830,895	150,530,610
 Schedule - 9 Cash and Bank Balances		
a) Cash and cheques in hand	124,771	157,851
b) Balance with scheduled Banks		
- In current account	1,237,939	4,225,233
In Dividend account	2,446,673	2,829,708
In Fixed Deposit account	10,218,000	10,218,000
- In deposit account - Kept under lien with banks towards margin money and other facilities	29,428,886	28,235,172
- Accrued interest on Fixed Deposits	228,423	157,932
Total	43,684,692	45,823,896
 Schedule - 10 Loans & Advances		
(Unsecured and Considered good unless otherwise stated)		
a) Loans & Advances	12,248,923	10,314,879
b) Balances with Statutory Authorities	17,623,270	19,835,617
c) Advance to Associate Companies	6,54,644	1,501,000
d) Advance tax (Net of Provisions)	28,781,655	10,665,095
e) Advances paid under protest	3,580,332	3,580,332
f) Deposits	20,888,676	26,176,099
g) Advances to Suppliers	14,282,844	19,513,203
Total	98,060,344	91,586,225



Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2009	As at 31.03.2008
Schedule - 11 Other Current Assets		
(Secured and Considered Good)		
Loans against pledge of Securities	101,051,549	190,786,451
Total	101,051,549	190,786,451
Schedule - 12 Current Liabilities		
a) Sundry Creditors	115,154,102	59,280,799
b) Lease deposits	32,721,531	34,104,072
c) Other Liabilities	60,107,993	7,047,024
d) Book overdraft with Banks	4,907,283	30,162,134
e) Unclaimed Dividends	2,446,673	2,829,709
f) Advances from customers	8,450,514	6,331,311
Total	223,788,096	139,755,049
Schedule - 13 Provision		
Proposed Dividend	15,603,300	22,604,400
Tax on Dividend	2,651,780	3,841,620
Bonus	300,000	300,000
Total	18,555,080	26,746,020
Schedule - 14 Deferred Tax Liabilities (net)		
a) Deferred Tax Liability as at 1-04-08	7,605,400	6,942,300
b) Deferred Tax Liability for the year	248,680	663,100
Net deferred tax Liability	7,854,080	7,605,400
Schedule - 15 Income from operations		
Jelly Filled Telephone Cables	343,691,361	311,822,228
Jointing Kits	4,089,652	24,455,330
Export of Software	2,412,000	4,546,888
Telecom accessories	126,047,268	44,802,089
Income from Infrastructure leasing	35,232,667	43,193,174
Income from sale of Infrastructural Assets	-	25,583,797
Electric Power Cable / Components	133,154,454	58,259,719
Optical Fibre/Cables	194,688,014	81,835,905
Sale of Solar Cells / Modules	85,712,760	-
Sale of Wind Power	6,921,934	6,328,225
Scrap & Misc Sales	13,796,656	26,873,233
Traded Goods	31,446,595	47,595,423
Gross Sales	977,193,361	675,296,011
Less: Excise Duty	74,262,266	76,983,743
Net Sales	902,931,095	598,312,268



Schedules Forming Part of the Profit & Loss Account

(Amount in Rupees)

	Year ended 31.03.2009	Year ended 31.03.2008
Schedule - 16 Other Income		
a) Interest on Loans, Deposits & others (Gross)	35,033,955	53,161,282
b) Commission on consignment Sales	310,093	551,943
c) Profit on sale of Fixed Assets	2,064,504	300,267
d) Profit on sale of Investments	23,279	-
e) AMC Charges - CDMA	5,647,646	3,901,620
f) Dividend	3,355,733	650,492
g) Sundry balances written back	3,906,643	141,963
h) Miscellaneous Income	132,696	842,505
i) Gain on foreign exchange fluctuation (Net of losses)	-	626,103
Total	50,474,549	60,176,175
Schedule - 17 Materials		
A. RAW MATERIALS CONSUMED		
a) Opening Stock		
Raw Materials	65,453,309	12,413,762
b) Purchases (net of Modvat)	804,337,466	524,897,349
	869,790,775	537,311,111
c) Less Closing Stock		
Raw Materials	125,360,939	65,453,309
	125,360,939	65,453,309
Less: Sale of Raw Materials	26,165,706	69,744,728
Raw materials consumed (A)	718,264,130	402,113,074
Purchases - Traded Goods (net of modvat) (B)	17,259,210	45,450,727
B. INCREASE/ DECREASE IN STOCK		
a) Opening Stock		
Work in Progress	33,653,048	14,987,826
Finished Goods	34,321,651	8,406,981
Traded Goods	2,498,000	3,998,000
	70,472,699	27,392,807
b) Less Closing Stock		
Work in Progress	47,232,732	33,653,048
Finished Goods	26,275,536	34,321,651
Traded Goods	-	2,498,000
	73,508,268	70,472,699
(C)	(3,035,569)	(43,079,892)
TOTAL (A) + (B) + (C)	732,487,771	404,483,909



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

	Year ended 31.03.2009	Year ended 31.03.2008
Schedule - 18 Expenses		
Salary,Wages & Allowances	15,686,602	13,230,534
Contribution to PF and other funds	1,413,657	985,331
Staff Welfare expenses	609,699	1,855,032
Processing & Conversion.Charges	1,020,134	721,884
Stores Consumed	8,616,619	3,690,880
Power & Fuel	18,298,156	17,225,687
Water Charges	44,279	25,621
Packing & Forwarding	24,664,722	10,867,040
Watch & Ward	1,317,060	1,190,458
Printing & Stationery	1,058,006	981,214
Post.Tel.& Telephone	2,874,793	2,565,937
Insurance	1,152,573	963,614
Lease and other Rents	22,520,587	23,203,045
vi) Legal & Licence fees	917,061	350,037
Rates & Taxes	992,999	1,734,109
Repairs to		
i) Building	1,105,880	853,879
ii) Machinery	9,354,633	4,803,447
iii) CDMA Phones	3,614,840	4,344,406
iv) Others	760,767	743,739
Remuneration to Directors	284,640	284,640
Auditors remuneration		
i) Audit fees	121,330	106,742
ii) Tax audit fees	33,090	33,708
Other Administrative expenses	191,135	182,077
Software development Charges	293,100	550,000
Commission on Sales	3,322,410	6,782,451
Testing Charges	886,998	327,203
AMC charges/Others	639,566	1,053,797
Advertisement & Business Promotion	1,504,878	1,039,575
Professional Charges	2,039,759	739,012
Foreign Exchange Fluctuation loss	1,635,745	-
Vehicles maintenance & Fuel charges	495,973	878,440
Travelling & Conveyance	4,692,030	3,395,886
Sitting fees	93,000	157,500
Sundry Balances Written off	5,542,329	688,684
Lease Premium amortised	951,552	951,552
Loss On sale of Investments	-	90,212
Service Tax	724,194	771,952
Sales Tax	15,476,924	7,402,984
Entry Tax	112,707	56,856
Other Expenses	2,046,947	1,535,256
Total	157,111,374	117,364,421
Schedule - 19 Interest and Financial charges		
a) Interest on Cash Credit & others	2,379,575	3,516,181
b) Financial Charges	7,582,386	6,778,156
Total	9,961,961	10,294,337



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 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, 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 realisable 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, 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 Statement.

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. Equity Share Capital

The Company has bought back 18,00,000 (Eighteen Lacs) Equity Shares of the Face Value of Rs. 5/- each for Rs. 4,44,50,690/-. Therefore, the Share Capital has come down by Rs. 90,00,000/- and the balance amount has been adjusted in respective Reserves. Impact of buy back on reserve is briefed below :

Reduction in General Reserve	-	Rs. 3,88,14,800 /-
Reduction in Share Premium	-	Rs. 56,35,890 /-

2. Secured Loans

Working Capital Limits are secured by Hypothecation of Stocks, debtors and first charge on pari-passu basis on specific fixed assets of the company with State Bank of India, Corporation Bank and Development Credit Bank.

3. Unsecured Loans - Sales Tax deferment

The total Sales Tax Loan Outstanding as on 01-04-2008 was Rs 669.61 Lacs. During the year the company has repaid a sum of Rs 11.37 Lacs and availed a credit of Rs 14.80 Lacs. The outstanding liability stands at Rs 673.04 lacs as on 31.03.2009

4. Deferred Taxes

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

Deferred Tax Assets/Liability	As at 31-03-2008 Rs. in Lakhs	Liability Arising during the Year	As at 31-03-2009 Rs. Lakhs
Depreciation-Timing difference	76.05	2.49	78.54
Net Deferred tax Liability	76.05	2.49	78.54

5. Depreciation on Revalued Assets.

The company had created a sum of Rs. 19,90,53,280 /- towards revaluation reserve in the financial year 2004-05. The excess depreciation on account of revaluation of assets amounting to Rs. 1,37,16,350/- for the current year has been withdrawn from the said Reserve and credited to depreciation account.

A brief summary of the aforesaid account is as follows.

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)	3,60,72,449
Less: Withdrawn from Revaluation Reserve	1,37,16,350
Depreciation as per Profit and Loss Account	2,23,56,099

6. Capital Work in progress

Break-up of Capital Work-in-Progress is given below

Particulars	(Rs in lakhs)
Advance for Land at TADA- SEZ	250.00
Advance for Land at Rajiv Gandhi Infotech Park-Pune	407.53

7. Contingent Liability

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



Particulars	2008-09 Rs. in lakhs	2007-08 Rs. in lakhs
i. Unexpired Letters of Credit	1227.49	616.29
ii. Counter Guarantees given to the Bankers (Including for differential customs duty)	1851.43	2089.56
iii. Sales Tax matters under appeal	82.45	57.00
iv. Excise / Customs matter under appeal	431.45	70.76
v. Income tax matters under appeal	-	115.62

8. Prior Period Adjustments (Rs. in lakhs)

Particulars	2008-09		2007-08	
	Debit	Credit	Debit	Credit
i. Bonus	0.41	-	0.33	-
ii. Excise duty of Earlier years	0.64	-	-	4.80
iii. Expenses of Previous years reversed	-	9.55	-	-
iv. Stores Purchased	-	-	1.24	-
v. Interest on Loan	0.30	-	-	-
vi. Previous year expenses paid	1.70	-	-	-
vii. Refund of amount received from Debtors	0.10	-	-	-
Total	3.15	9.55	1.57	4.80

9. Related Party Disclosures:

A. Relationship

Entities in which Directors are Interested	Associate Companies	Key Management Personnel	Relatives of Key management Personnel
Bhagyanagar India Limited	Surana Ventures Limited	G.M. Surana	Sunita Surana
Bhagyanagar Infrastructure Limited		Narender Surana	Vinita Surana
Bhagyanagar Properties Pvt. Limited		Devendra Surana	
Surana Green Energy Ventures Pvt. Limited		Devendra Surana	
Scientia Infocom India Pvt. Limited			
Bhagyanagar Telecom Limited			
Bhagyanagar Metals Limited			
Bhagyanagar Energy & Telecom Pvt. Limited			



Surana Telecom and Power Limited

(Formerly Surana Telecom Limited)

Entities in which Directors are Interested	Associate Companies	Key Management Personnel	Relatives of Key management Personnel
Bhagyanagar Entertainment Limited Bhagyanagar Ventures 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. Everytime 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			



B. Related Party Transactions:

(Rs in lakhs)

Particulars	2008-09	2007-08
Sales		
Sales to Bhagyanagar India Limited	423.21	663.04
Purchases		
Purchase from Bhagyanagar India Limited	692.61	37.61
Job Work		
Job work charges received from Bhagyanagar India Limited	46.92	43.86
Job work charges paid to Bhagyanagar India Ltd	7.28	-
Purchase from Bhagyanagar		
Energy and Telecom Limited	15.34	184.37
Purchase of Machinery from Surana Ventures Limited	12.23	-
Investment in Surana Ventures Limited	735.00	40.00
Investment in Surana Green Energy Ventures Pvt Ltd.	0.40	-
Advance to Surana Ventures Limited	5.77	15.01
Investment in Globecom Infotech Pvt. Ltd	1.00	-
Remuneration to relatives of Key Managerial personnel		
Ms. Sunita Surana	3.00	3.00
Ms. Vinita Surana	2.66	1.14

10. Earnings per share

(Figures in lacs)

Particulars	2008-09	2007-08
Net Profit after tax	282.00	919.48
Net Profit available for Equity Share-holders	282.00	919.48
Number of Equity Shares- Basic	208.04	226.04
Add: effect of potential equity shares on conversion of warrants	33.96	33.96
Number of Equity Shares - Dilutive	242.00	260.00
Nominal Value of Each equity share	5.00	5.00
Basic Earnings Per Share	1.36	4.07
Diluted Earning Per Share (on Conversion of warrants)	1.17	3.54



11. Assets - Impairment.

The management of the Company has reviewed the assets keeping in view the Accounting Standard 28 issued by the Institute of Chartered Accountants of India and is of the view that there is no impairment in the value of assets in accordance to that standard.

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.

The 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. Employees Benefits:

A) The company has adopted the revised Accounting Standard AS-15 - Employees Benefits with effect from 1st April, 2007.

B) Defined Benefit Plan

Gratuity:

The company makes annual contribution to the employees' group Gratuity Scheme of Life Insurance Corporation of India (LIC), a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible on superannuation /termination or death in terms of the provisions of The Payment of Gratuity (Amendment) Act, 1997 or as per company's scheme whichever is more beneficial to the employees.

C) Basis used to determine Expected Rate of Return on Assets

The expected return on plan assets of 8% has been considered based on the information given by LIC which manages the funds.

D) Amounts recognized as expenses

Gratuity cost amounting to Rs 0.22 lacs has been included in Schedule- 18 under contribution to Provident and other Funds.

E) The management is informed by the Insuring Company (LIC) that the balance in Gratuity fund will meet full liability as on 31.03.2009. Further, the benefits paid amounting to Rs 0.45 lacs were met by the LIC. Hence, they are not routed through Profit & Loss Account.



14. 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	
		2008-09	2007-08	2008-09	2007-08
Jelly Filled Telephone Cables	LCKM	26.75	26.75	2.6551	3.0948
Jelly Filled Telephone Quad Cables	KM	7200	-	220.318	-
Optical Fibre Cable	RKM	6000	6000	6113.418	3009.09
Optical Fibre	FKM	250000	250000	233.457	254.703
Jointing Kits	Nos	4.9	4.9	0.011	0.293
Solar Modules	Megawatt.	40	-	28.5066	-
Wind Power	Megawatt.	1.25	1.25	0.232	0.232
Power Cable	KM	-	-	870.80	-

B) Turnover

Particulars	Unit	2008-09 Quantity	2007-08 Quantity	2008-09 Value (Rs in lakhs)	2007-08 Value (Rs in lakhs)
Jointing Kits	No's	6546	113433	40.90	244.55
Jelly Filled Telephone Cables	Lckm	2.693	2.909	2965.22	3118.22
Jelly Filled Telephone Quad Cables	Kms	220.318	-	471.70	-
Optical Fibre Cable	RKkm	6166.51	3009.615	1945.44	816.63
Optical Fibre (OF)	FKkm	221.511	254.703	1.44	1.73
Power Cable	Km	836.640	320.278	1331.54	582.60
Copper Wire Rod (Traded)	Kgs	54375	107334	178.06	460.95
Scrap Sale & Others	-	-	-	274.36	283.73
Solar Cells/ Modules	-	-	-	857.13	-
Telecom accessories	-	-	-	1260.47	448.03
Software Exports	-	-	-	24.12	45.47
Wind Power Sale	M.Watt	0.232	0.232	69.22	63.28
Infrastructure Leasing	-	-	-	352.33	431.93
Infrastructure Sales	-	-	-	-	255.84
Total (for Value only)	-	-	-	9771.93	6752.96



C) Purchase of Traded Goods

Particulars	Unit	2008-09 Quantity	2007-08 Quantity	2008-09 Value (Rs Lakhs)	2007-08 Value (Rs)
Jelly Filled Copper	Kgs	47431	110489	167.51	454.50
Others	Nos.	3064	-	5.08	-
Total	-	-	110489	172.59	454.50

D) Opening and Closing Stock of Finished Goods

Particulars	Opening Stock				Closing Stock			
	2008-09 Quantity	2007-08 Quantity	2008-09 (Value Rs in Lakhs)	2007-08 (Value Rs in Lakhs)	2008-09 Quantity	2007-08 Quantity	2008-09 (Value Rs in Lakhs)	2007-08 (Value Rs in Lakhs)
Jointing Kits (Lac Nos)	0.44	3.03	4.81	28.78	0.386	0.44	4.77	4.81
Jelly Filled Telephone Cables (Lac Nos)	0.186	0.0012	215.06	1.62	0.1481	0.186	133.29	215.06
CDMA Phone (Nos)	-	-	23.66	21.29	-	-	-	23.66
Optical Fibre Cable (Kms)	91.088	91.61	23.99	23.18	37.996	91.088	9.72	23.99
Traded Goods	-	-	24.98	-	-	-	-	24.98
Power Cables (kms)	-	12.193	1.80	9.19	34.16	-	58.43	1.80
Alluminium Rod (M.T)	57.724	-	73.88	-	-	57.724	-	73.88
Solar Modules (Watt.)	-	-	-	-	4.524	-	56.55	-
Total	-	-	368.18	84.06	-	-	262.76	368.18



E) Raw Material Consumed

Particulars	Unit	Quantity	Quantity	Value (Rs in Lakhs)	Value (Rs in Lakhs)
		2008-09	2007-08	2008-09	2007-08
Copper	Kgs	702480	539569	2031.87	1750.58
Polythene Granules	Kgs	1629719	1257429	1145.24	850.67
Alluminium Foils	Kgs	106757	117063	137.62	186.65
G S Tape	Kgs	495108	103685	255.38	47.80
Optical Fibre	Kms	209523	18506	454.45	168.30
Resin Synthetic	Kgs	-	1000		5.62
Solar Cells, Glasses & others	-	-	-	1046.67	-
Others	-	-	-	1557.00	763.38
Alluminium Wire Rod	Kgs	609852	183803	554.41	217.67
Total (for Value only)	-	-	-	7182.64	3990.67

F) Value of Imported & Indigenous Raw Material and Components Consumed

(Rs in lakhs)

Particulars	2008-09		2007-08	
	Value	Percentage	Value	Percentage
Imported	3599.22	50.11	2825.99	70.81
Indigenous	3583.42	49.89	1164.68	29.19
Total	7182.64	100.00	3990.67	100.00

G) Expenditure in Foreign Currency

Particulars	2008-09 Value (Rs in Lakhs)	2007-08 Value (Rs. In lakhs)
Raw Material	4418.63	2825.99
Traded Goods	-	-
Expenditure in Foreign Currency (Travelling)	11.27	11.38
Expenditure in Foreign Currency (Capital Items)	45.37	41.91
Total	4475.27	2879.28

H) Earnings in Foreign Currency

Particulars	2008-09 Value (Rs in lakhs)	2007-08 Value (Rs. in lakhs)
Software Exports	24.12	45.47
Total	24.12	45.47



15. SEGMENTAL REPORTING

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

(Rs in lakhs)

Particulars	Telecom Products	Infrastructure	Power	Trading	Total
REVENUE (Net of Excise)	7493.11	352.33	926.35	257.52	9029.31
Total Revenue	7493.11	352.33	926.35	257.52	9029.31
RESULTS	94.58	109.77	16.88	3.10	224.33
Segment Results					
Unallocable Income/ Expenses					(196.57)
Operating Profit					420.90
Interest Expenses					99.62
Income Taxes					39.29
Profit from Ordinary Activities					282.00
Net Profit	-	-	-	-	282.00
Other Information					
Segment Assets	5978.16	1486.96	1813.79	-	9278.91
Unallocable Assets					3030.34
Total Assets	-	-	-	-	12309.25
Segment Liabilities	818.46	349.88	483.46	-	1651.80
Unallocable Liabilities					771.63
Total Liabilities	-	-	-	-	2423.43
Capital Expenditure	72.23	158.33	223.93	-	454.49
Unallocable Capital Expenditure					-
Total Capital Expenditure	72.23	158.33	223.93	-	454.49
Depreciation	303.24	16.51	40.97	-	360.72
Unallocable depreciation					-
Total Depreciation	303.24	16.51	40.97	-	360.72
Non Cash expenses -other than Depreciation					
Unallocable non cash expenses	-	-	-	-	64.94



Reconciliation of reportable segments with financial statements.

(Rs in Lacs)

Particulars	Revenues		Results/ Net Profit		Assets		Liabilities	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Total reportable segments	9151.50	6018.86	227.27	765.54	9278.91	8405.00	1651.80	1058.52
Corporate Un-allocable (net)	382.56	566.02	193.64	383.76	3030.34	2860.68	771.63	606.50
Interest expenses	-	-	99.62	102.94	-	-	-	-
Taxes	-	-	39.29	126.88	-	-	-	-
As per financial statements	9534.06	6584.88	282.00	919.48	12309.25	11265.68	2423.43	1665.02

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

for and on behalf of Board of Directors

G.Ganesh
Partner
Membership No : 211704

G.M. Surana
Chairman

Narender Surana
Managing Director

Devendra Surana
Director

Place : Secunderabad
Date : June 26, 2009

P. Rajesh Kumar Jain
V.P. Corporate Affairs &
Company Secretary

N. Venkatesh
General Manager-Accounts



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 31032009
(Date) (Month) (Year)

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

- a) Public Issue NiI
- b) Rights Issue NiI
- c) Bonus Issue NiI
- d) Private Placement NiI

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands) 31-03-09

- a) Total Liabilities 992571.07
- b) Total Assets 992571.07
- c) Sources of Funds
- i) Paid up Capital 104022.00
- ii) Reserves & Surplus 715573.16
- iii) Proceeds of Share Warrants 14716.36
- iv) Secured Loans 83101.98
- v) Unsecured Loans 67303.49
- vi) Net deferred tax liability 7854.08
- d) Application of Funds
- i) Net Fixed Assets 396237.33
- ii) Capital Work-in-progress 65752.67
- iii) Investments 128327.57
- iv) Net Current Assets 402073.10

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

- i) Turnover 953405.64
- ii) Total Expenditure 921917.20
- iii) Profit for the Year 31488.44
- iv) Profit Before Tax 32128.63
- v) Profit After Tax 28199.94
- vi) Face Value per share (Rs.) 5.00

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		



Information related to the subsidiary company consolidated for the year ended March 31, 2009

Particulars	(Amount in Rupees)
Capital	1,00,000
Unsecured Loan	77,910
Total Assets	-
Total Liabilities	2,500
Details of Investment (except in case of investment subsidiaries)	-
Turnover	-
Profit before taxation	(2,500)
Provision for taxation	-
Profit after taxation	(2,500)
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, 2009
(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	(2,500)
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



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, 2009 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. 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.
 - i. In the case of consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2009.
 - ii. In the case of consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. In the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

for **Sekhar & Co.**
Chartered Accountants

G. Ganesh

Partner

Place : Secunderabad,

Date : June 26,2009

Mem. No: 211704



Consolidated Balance Sheet as at 31st March, 2009

(Amount in Rupees)

	Sch.No	As at 31.03.2009
Sources of Funds		
Share-Holders Funds		
a) Share capital	1	104,022,000
b) Reserves and Surplus	2	715,573,159
		<u>819,595,159</u>
33,95,600 optional, fully convertible warrants		14,716,360
c) Loan Funds		
i) Secured loans	3	83,101,978
ii) Unsecured loans	4	67,303,493
Net Deferred Tax Liabilty	14	7,854,080
		<u>992,571,070</u>
Application of Funds		
Fixed Assets		
a) Gross Block	5	777,556,321
b) Less Depreciation		381,318,995
c) Net Block		396,237,326
Capital Work-In-Progress		65,752,665
Investments	6	128,327,568
Current Assets, Loans and advances		
a) Inventories	7	198,869,207
b) Sundry debtors	8	202,830,895
c) Cash & Bank Balances	9	43,684,692
d) Loans & Advances	10	97,982,434
e) Other Current Assets	11	101,051,549
		<u>644,418,777</u>
less Current Liabilities & Provision		
a) Current Liabilities	12	223,790,596
b) Provisions	13	18,555,080
		<u>242,345,676</u>
Net Current Assets		402,073,101
Miscellaneous Expenditure		
a) Preliminary Expenses		177,910
b) Pre-operative Expenses		2,500
		<u>992,571,070</u>
Notes to Accounts	20	

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

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

for Sekhar & Co

Chartered Accountants

for and on behalf of Board of Directors

G.Ganesh

Partner

Membership No : 211704

G.M. Surana

Chairman

Narender Surana

Managing Director

Devendra Surana

Director

Place : Secunderabad

Date : June 26, 2009

P. Rajesh Kumar Jain

V.P. Corporate Affairs &
Company Secretary

N. Venkatesh

General Manager-Accounts



Surana Telecom and Power Limited

(Formerly Surana Telecom Limited)

Consolidated Profit & Loss account for the year ended 31st March, 2009

(Amount in Rupees)

	Sch.No	For the year ended 31.03.2009
Income		
Gross Sales	15	977,193,361
Less: Excise duty		74,262,266
Net Income from Operations		902,931,095
Other Income	16	50,474,549
Total Income		953,405,644
Expenditure		
Materials	17	732,487,771
Expenses	18	157,111,374
Interest & Financial Charges	19	9,961,961
Depreciation		22,356,099
Total Expenditure		921,917,205
Profit for the year		31,488,439
Prior Period Adjustment		640,188
Profit before Taxation		32,128,627
Provision for Taxation		
i) Income Tax (Net of MAT Credit)		3,200,000
ii) Deferred Tax		248,680
iii) Fringe Benefit Tax		480,000
Profit after Taxation		28,199,947
Less : Share in Net Assets of Associates		3,865,656
Balance B/F from Previous year		240,230,310
Amount Available for appropriation		264,564,601
Proposed Dividend		15,603,300
Additional Tax on Dividend		2,651,780
Transfer to General Reserve		10,000,000
Surplus carried to Balance Sheet		236,309,521

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

for and on behalf of Board of Directors

G.Ganesh

Partner

Membership No : 211704

G.M. Surana

Chairman

Narender Surana

Managing Director

Devendra Surana

Director

Place : Secunderabad

Date : June 26, 2009

P. Rajesh Kumar Jain
V.P. Corporate Affairs &
Company Secretary

N. Venkatesh
General Manager-Accounts



Consolidated Cash Flow Statement for the year ended March 31, 2009

(Amount in Rupees)

	Year ended 31.03.2009	
A. Cash Flow From Operating Activities		
Net Profit before tax as per annexed profit and loss account		32,128,627
Adjustments for :		
Depreciation	22,356,099	
Amortisation of lease Rents	951,552	
Preliminary & Preoperative Expenses	(180,410)	
(Profit) / Loss on sale of investments	(23,279)	
Sundry Balances written off	5,542,329	
Sundry Balances Written Back	(3,906,643)	
Profit on Sale of Assets	(2,064,504)	
Interest Paid	9,961,961	
Interest & Dividend Received	(38,389,688)	(5,752,583)
Operating Profit before working Capital Changes		26,376,044
(Less)/ Add Adjustments for Working Capital Changes		
Inventories	(62,943,199)	
Loans and Advances	11,642,441	
Other Current Assets	89,734,902	
Receivables	(57,842,614)	
Trade Payables and other Liabilities	86,263,899	
Advance from Customers	2,119,203	68,974,632
Cash Generated from Operations		95,350,676
Adjustments for :		
Direct Taxes Paid for the Currnet Year (net)	(21,776,560)	
Taxes of earlier years	-	(21,776,560)
Net Cash (used in)/from operating Activities (A)		73,574,116
B. Cash Flow From Investing Activities		
Dividend Received	3,355,733	
Interest Received	35,033,955	
Sale of Fixed Assets	3,949,591	
Purchase of Fixed assets	(45,449,294)	
Puechase of Investments	(190,723,613)	
Sale of Investments	102,428,365	
Capital Work in Progress	20,095,866	
Net Cash (used in)/from Investing Activities (B)		(71,309,397)



Consolidated Cash Flow Statement for the year ended March 31, 2009

(Amount in Rupees)

	Year ended 31.03.2009	
C. Cash Flow From Financing Activities		
Proceeds from Issue of Share Capital	(44,350,690)	
Proceeds from Long term Borrowings	342,523	
Increase / (Decrease) in Secured Loans	76,395,261	
Dividend Paid including Dividend tax	(26,829,056)	
Interest Paid on Borrowings	(9,961,961)	
Net Cash (used in)/from Financing Activities (C)		(4,403,923)
Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)		(2,139,204)
Cash and Cash Equivalents Opening Balance		45,823,896
Cash and Cash Equivalents Closing Balance		43,684,692
Net Increase /(Decrease) in Cash and Cash Equivalents		(2,139,204)

- Notes:**
- The above cash flow statement has been prepared under the "Indirect method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India .
 - This being the first year of consolidation previous year figures are not given. The opening Cash and Cash equivalents relate to the stand alone company.
 - Cash and Cash equivalents aggregating to Rs.321.04 Lacs (Rs.312.023 Lacs) are not readily available for free use by the Company.It comprises of unpaid dividend Rs.24.46 Lacs(Rs.28.30 Lacs).Balance in Margin Accounts Rs.294.29 Lacs (Rs.282.35 Lacs)
 - Notes to Accounts(Schedule 20) form an integral part of Cash Flow Statement

In terms of our report of even date

for Sekhar & Co

Chartered Accountants

for and on behalf of Board of Directors

G.Ganesh

Partner

Membership No : 211704

G.M. Surana

Chairman

Narender Surana

Managing Director

Devendra Surana

Director

Place : Secunderabad

Date : June 26, 2009

P. Rajesh Kumar Jain

V.P. Corporate Affairs &
Company Secretary

N. Venkatesh

General Manager-Accounts



Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	As at 31.03.2009
Schedule - 1 Share Capital	
AUTHORISED	
2,50,00,000 Equity shares of Rs. 5 each	125,000,000
2,50,000 Redeemable Preference shares of Rs. 100/- each	25,000,000 150,000,000
ISSUED, SUBSCRIBED AND PAID UP	
20,804,400 (Previous year 22,604,400) Equity shares of Rs. 5 each fully paid.	104,022,000
- Includes 36,80,140 Bonus Shares allotted in earlier years - Net of 18,00,000 shares bought back during the year	
Schedule - 2 Reserves And Surplus	
i) General Reserve	
Balance as per last account	350,000,000
Add : Transferred from Capital Redemption Reserve	15,000,000
Transferred from Profit & Loss Account	10,000,000
Less: Premium paid on Buyback of Shares	38,814,800
Balance at the period end	336,185,200
ii) Capital Redemption Reserve	
Balance as per last account	15,000,000
Less : Transferred back to General Reserve	15,000,000
Add : Creation of Reserve for the face value of Shares Bought Back	9,000,000
Balance at the year end	9,000,000
iii) Share Premium account	
Balance as per last account	5,635,890
Less: Premium on Shares Bought Back adjusted	5,635,890
Balance at the year end	-
iv) Revaluation Reserve	
Balance at the beginning of the year	144,294,788
Adjusted against depreciation	13,716,350
Balance at the end of the period	130,578,438
v) Central Subsidy	
	3,500,000
vi) Profit & Loss Account	
	236,309,521
Total	715,573,159



Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	As at
	31.03.2009
Schedule - 3 Secured Loans	
From Banks	
Cash Credit	83,101,978
Total	83,101,978
 Schedule - 4 Unsecured Loans	
Deferred Sales Tax	67,303,493
Total	67,303,493
Due within a year	6,005,422



Schedules Forming Part of the Consolidated Balance Sheet

Schedule: 5 Fixed Assets

(Amount in Rupees)

Particulars	Gross Block			Depreciation				Net Block		
	Gross Block Cost as on 01.04.2008	Additions during the year	Deletions/ during the year	Cost as on 31.03.2009	Depreciation upto 01.04.2008	For the Year	Deletion/ during the year	Upto 31.03.2009	As on 31.03.2009	As on 31.03.2008
1 Land Free-hold	65,407,009	-	-	65,407,009	-	-	-	-	65,407,009	65,407,009
2 Lease Land	25,769,648	-	951,552	24,818,096	405,513	-	-	405,513	24,412,583	25,364,135
3 Buildings	89,031,541	22,811,763	-	111,843,304	37,529,121	5,165,242	-	42,694,363	69,148,941	51,502,420
4 Plant & Machinery	524,562,708	21,613,292	-	546,176,000	293,600,988	28,192,459	-	321,793,447	224,382,554	230,961,720
5 Office Equipment	4,247,055	141,692	-	4,388,747	2,256,106	285,794	-	2,541,900	1,846,847	1,990,949
6 Office Equipment - leased Out	15,300,000	-	2,543,744	12,756,256	4,354,789	1,510,000	964,654	4,900,135	7,856,121	10,945,211
7 Furniture & Fixtures	3,324,037	52,786	-	3,376,823	2,206,310	207,884	-	2,414,194	962,629	1,117,727
8 Vehicles	7,639,155	531,605	2,650,414	5,520,346	5,701,738	459,154	2,344,418	3,816,474	1,703,872	1,937,417
9 Computers	2,971,575	298,165	-	3,269,740	2,501,053	251,916	-	2,752,969	516,771	470,522
Total	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	389,697,110



Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

		As at 31.03.2009
	Nos	Amount
Schedule - 6 Investment (Non-Trade, at cost)		
Name of the Scrip		
Unquoted		
I) In Government Securities		
National Savings Certificates	-	4,500
Total Investments in Government Securities	-	4,500
Investment in Shares - Unquoted		
a) In Associate Companies		
Surana Ventures Limited (Equity Shares of Rs 10 each Fully paid-up)	7,350,000	69,649,331
Surana Green Energy Ventures Pvt Limited (Equity Shares of Rs 10 each Fully paid-up)	4,000	25,013
b) In companies under the same management		
Bhagyanagar Securities Private Limited (Equity Shares of Rs 10 each Fully paid-up)	150,000	18,000,000
Sub-Total	<u>7,504,000</u>	<u>87,674,344</u>
Investment in Shares - Quoted		
a) In companies under the same management		
Bhagyanagar India Limited (Equity Shares of Rs 2 each Fully paid-up)	2,280,831	35,068,207
b) In other companies		
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
Dolphin Medical Services Limited (Equity Shares of Rs 10 each Fully paid-up)	50,000	600,000
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)	300	25,482
Goldstone Technologies Limited (Equity Shares of Rs 10 each Fully paid-up)	200	5,145



Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	Nos	As at 31.03.2009 Amount
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)	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)	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)	45	23,307
Mahanagar Telephone Nigam Limited (Equity Shares of Rs 10 each Fully paid-up)	610	85,368
Prithvi Information Solutions Limited (Equity Shares of Rs 10 each Fully paid-up)	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



Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	Nos	Amount
		As at 31.03.2009
State Bank of India (Equity Shares of Rs 10 each Fully paid-up)	30	30,938
Talbro's Automotive Components Limited (Equity Shares of Rs 10 each Fully paid-up)	2,107	214,915
Vaibhav Gems Limited (Equity Shares of Rs 10 each Fully paid-up)	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
Sub-Total	<u>2,390,628</u>	<u>40,648,724</u>
Total Investments in Equity Shares	<u>9,894,628</u>	<u>128,323,068</u>
3) Investments in Mutual Funds	<u>-</u>	<u>-</u>
Total Investments in Mutual Funds	<u>-</u>	<u>-</u>
Total Investment in Govt Securities, Shares and Mutual Funds		128,327,568
Aggregate Market Value of Quoted Investments		37,531,560
Aggregate NAV of Mutual Funds		-

**As at
31.03.2009**

Schedule - 7 Inventories

(As taken, valued and certified by the Management)

Raw Materials (At Cost)		125,360,939
Work in process (At cost or net realisable value whichever is lower)		47,232,732
Finished Goods (At cost or net realisable value whichever is lower)		26,275,536
Total		<u>198,869,207</u>

Schedule - 8 Sundry Debtors

(Unsecured and Considered Good)

a) Debts outstanding for		
i) More than six months		46,663,487
ii) Others		156,167,408
Total		<u>202,830,895</u>



Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	As at 31.03.2009
Schedule - 9 Cash and Bank Balances	
a) Cash and cheques in hand	124,771
b) Balance with scheduled Banks	
- In current account	1,237,939
In Dividend account	2,446,673
In Fixed Deposit account	10,218,000
- In deposit account - Kept under lien with banks towards margin money and other facilities	29,428,886
- Accrued interest on Fixed Deposits	228,423
Total	43,684,692
Schedule - 10 Loans & Advances	
(Unsecured and Considered good)	
a) Loans & Advances	12,248,923
b) Balances with Statutory Authorities	17,623,270
c) Advance to Associate Company	576,734
d) Advance tax (Net of Provisions)	28,781,655
e) Advances paid under protest	3,580,332
f) Deposits	20,888,676
g) Advances to Suppliers	14,282,844
Total	97,982,434
Schedule - 11 Other Current Assets	
(Unsecured and Considered good)	
Loans against pledge of Securities	101,051,549
Total	101,051,549
Schedule - 12 Current Liabilities	
a) Sundry Creditors	115,154,102
b) Lease deposits	32,721,531
c) Other Liabilities	60,110,493
d) Book overdraft with Banks	4,907,283
e) Unclaimed Dividends	2,446,673
f) Advances from customers	8,450,514
Total	223,790,596



Schedules Forming Part of the Consolidated Balance Sheet

(Amount in Rupees)

	As at 31.03.2009
Schedule - 13 Provisions	
Proposed Dividend	15,603,300
Tax on Dividend	2,651,780
Bonus	300,000
Total	18,555,080
Schedule - 14 Deferred Tax Liabilities (net)	
a) Deferred Tax Liability as at 1-04-08	7,605,400
b) Deferred Tax Liability for the year	248,680
Net deferred tax Liability	7,854,080

Schedules Forming Part of the Consolidated Profit & Loss Account

(Amount in Rupees)

	Year ended 31.03.2009
Schedule - 15 Income from operations	
Jelly Filled Telephone Cables	343,691,361
Jointing Kits	4,089,652
Export of Software	2,412,000
Telecom accessories	126,047,268
Income from Infrastructure leasing	35,232,667
Income from sale of Infrastructural Assets	-
Electric Power Cable / Componenets	133,154,454
Optical Fibre/Cables	194,688,014
Sale of Solar Cells / Modules	85,712,760
Sale of Wind Power	6,921,934
Scrap & Misc Sales	13,796,656
Traded Goods	31,446,595
Gross Sales	977,193,361
Less: Excise Duty	74,262,266
Net Sales	902,931,095



Schedules Forming Part of the Consolidated Profit & Loss Account

(Amount in Rupees)

	Year ended 31.03.2009
Schedule - 16 Other Income	
a) Interest on Loans, Deposits & others (Gross)	35,033,955
b) Commission on consignment Sales	310,093
c) Profit on sale of Fixed Assets	2,064,504
d) Profit on sale of Investments	23,279
e) AMC Charges - CDMA	5,647,646
f) Dividend	3,355,733
g) Sundry balances written back	3,906,643
h) Miscellaneous Income	132,696
Total	50,474,549
Schedule - 17 Materials	
A. RAW MATERIALS CONSUMED	
a) Opening Stock	
Raw Materials	65,453,309
b) Purchases net of Modvat	804,337,466
	<u>869,790,775</u>
c) Less Closing Stock	
Raw Materials	125,360,939
	<u>125,360,939</u>
Less: Sale of Raw Materials	26,165,706
Raw materials consumed (A)	<u>718,264,130</u>
Purchases - Traded Goods (net of modvat) (B)	<u>17,259,210</u>
B. INCREASE/ DECREASE IN STOCK	
a) Opening Stock	
Work in Progress	33,653,048
Finished Goods	34,321,651
Traded Goods	2,498,000
	<u>70,472,699</u>
b) Less Closing Stock	
Work in Progress	47,232,732
Finished Goods	26,275,536
	<u>(3,035,569)</u>
(C)	<u>(3,035,569)</u>
TOTAL (A) + (B) + (C)	<u>732,487,771</u>



Schedules Forming Part of the Consolidated Profit & Loss Account

(Amount in Rupees)

	Year ended 31.03.2009
Schedule - 18 Expenses	
Salary,Wages & Allowances	15,686,602
Contribution to PF and other funds	1,413,657
Staff Welfare expenses	609,699
Processing & Conversion.Charges	1,020,134
Stores Consumed	8,616,619
Power & Fuel	18,298,156
Water Charges	44,279
Packing & Forwarding	24,664,722
Watch & Ward	1,317,060
Printing & Stationery	1,058,006
Post.Tel.& Telephone	2,874,793
Insurance	1,152,573
Lease and other Rents	22,520,587
Legal & Licence fees	917,061
Rates & Taxes	992,999
Repairs to	
i) Building	1,105,880
ii) Machinery	9,354,633
iii) CDMA Phones	3,614,840
iv) Others	760,767
Remuneration to Directors	284,640
Auditors remuneration	
i) Audit fees	121,330
ii) Tax audit fees	33,090
Other Administrative expenses	191,135
Software development Charges	293,100
Commission on Sales	3,322,410
Testing Charges	886,998
AMC charges/Others	639,566
Advertisement & Business Promotion	1,504,878
Professional Charges	2,039,759
Foreign Exchange Fluctuation loss	1,635,745
Vehicles maintenance & Fuel charges	495,973
Travelling & Conveyance	4,692,030
Sitting fees	93,000
Sundry Balances Written off	5,542,329
Lease Premium amortised	951,552
Loss On sale of Investments	-
Service Tax	724,194
Sales Tax	15,476,924
Entry Tax	112,707
Other Expenses	2,046,947
Total	157,111,374
Schedule - 19 Interest and Financial charges	
a) Interest on Cash Credit & others	2,379,575
b) Financial Charges	7,582,386
Total	9,961,961



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

20A. 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.

20B. Notes to Accounts (Consolidated):

1. List of Subsidiary Companies Considered for consolidation:

Sl No	Name of the company	Year of Incorporation	Paid up Capital (Rs in Lacs)	Extent of Holding As at 31st March, 2009 (%)	Equity Investment (Rs in Lacs)	Loans & Advances
1	Globecom Infotech Private Limited	2008-09	1.00	99%	1.00	0.77

2. List of Associate companies considered for consolidation:

Sl No	Name of the company	Year of Incorporation	Paid up Capital	Extent of Holding (%)	Equity Investment	Loans & Advances
1	Surana Ventures Limited	2006-07	1500	49%	735	5.77
2	Surana Green Energy Ventures Pvt. Ltd	2007-08	1	40%	0.40	-



Surana Telecom and Power Limited

(Formerly Surana Telecom Limited)

3. Share in Net Assets of the Associate Companies (Rs in Lacs)

Description	Surana Ventures Limited	Surana Green Energy Ventures Pvt Ltd
Initial Investment in equity	735.00	0.40
Less: Share of losses and Misc expenditure	38.51	0.15
Net share in Total Assets of the Associate company	773.51	0.55

4. Earnings Per Share: (Rs in Lacs)

Description	31.03.2009
Net Profit after tax	282.00
Net Profit available for Equity share-holders	243.34
Number of equity shares - Basic	208.04
Add: Undiluted effect of potential equity shares on conversion Warrants	33.96
Number of equity shares - Dilutive	242.00
Nominal value of each equity share (Rs)	5.00
Basic Earning Per Share	1.17
Diluted Earning Per Share (on conversion of and Warrants)	1.00

5. Equity Share Capital

The Company has bought back 18,00,000 (Eighteen Lacs) Equity Shares of the Face Value of Rs. 5/- each for Rs. 4,44,50,690/-. Therefore, the Share Capital has come down by Rs. 90,00,000/- and the balance amount has been adjusted in respective Reserves. Impact of buy back on reserve is briefed below :

Reduction in General Reserve	Rs. 3,88,14,800
Reduction in Share Premium	Rs. 56,35,890

6. Secured Loans

Working Capital Limits are secured by Hypothecation of Stocks, debtors and first charge on pari-passu basis on specific fixed assets of the company with State Bank of India, Corporation Bank and Development Credit Bank.

7. Unsecured Loans - Sales Tax deferment

The total Sales Tax Loan Outstanding as on 01-04-2008 was Rs 669.61 Lacs. During the year the company has repaid a sum of Rs 11.37 Lacs and availed a credit of Rs 14.80 Lacs. The outstanding liability stands at Rs 673.04 lacs as on 31.03.2009



8. Deferred Taxes

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

Deferred Tax Assets/Liability	As at 31.03.2008 Rs.in Lakhs	Liability Arising during the year	As at 31.03.2009 Rs.in Lakhs
Depreciation-Timing difference	76.05	2.49	78.54
Net Deferred tax Liability	76.05	2.49	78.54

9. Depreciation on Revalued Assets.

The company had created a sum of Rs. 19,90,53,280 /- towards revaluation reserve in the financial year 2004-05. The excess depreciation on account of revaluation of assets amounting to Rs. 1,37,16,350/- for the current year has been withdrawn from the said Reserve and credited to depreciation account.

A brief summary of the aforesaid account is as follows.

Particulars	Amount (in Rs)
Depreciation for the year as per Schedule V - Fixed Assets annexed to financial Statements (Excluding amortization of Lease Premium on land)	3,60,72,449
Less: Withdrawn from Revaluation Reserve	1,37,16,350
Depreciation as per Profit and Loss Account	2,23,56,099

10. Capital Work in progress

Break-up of Capital Work-in-Progress is given below

Particulars	Amount (in Lakhs)
Advance for Land at TADA- SEZ	250.00
Advance for Land at RajivGandhi Infotech Park-Pune	407.53

11. Contingent Liability

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

Particulars	31-03-2009 Rs. In lakhs
i. Unexpired Letters of Credit	1227.49
ii. Counter Guarantees given to the Bankers (Including for differential customs duty)	1851.43
iii. Sales Tax matters under appeal	82.45
iv. Excise matter under appeal	431.45
v. Income tax matters under appeal	-



12. Prior Period Adjustments

(Amount Rs in Lakhs)

Particulars	2008-09	
	Debit	Credit
i. Bonus	0.41	-
ii. Excise duty of Earlier years	0.64	-
iii. Expenses of Previous years reversed	-	9.55
iv. Stores Purchased	-	-
v. Interest on Loan	0.30	-
vi. Previous year expenses paid	1.70	-
vii. Refund of amount received from Debtors	0.10	-
Total	3.15	9.55

13. Related Party Disclosures:

(Amount Rs in Lakhs)

A. Relationship

Entities in which Directors are Interested	Associate Companies	Key Management Personnel	Relatives of Key management Personnel
Bhagyanagar India Limited	Surana Ventures Limited	G.M. Surana	Sunita Surana
Bhagyanagar Infrastructure Limited		Narender Surana	Vinita Surana
Bhagyanagar Properties Pvt. Limited		Devendra Surana	
Surana Green Energy Ventures Pvt. Ltd.		Devendra Surana	
Bhagyanagar Telecom Limited			
Bhagyanagar Metals Limited			
Bhagyanagar Energy & Telecom Pvt. Limited			
Bhagyanagar Entertainment Limited			
Bhagyanagar Ventures 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			



Entities in which Directors are Interested	Associate Companies	Key Management Personnel	Relatives of Key management Personnel
Majestic Logistics Pvt. Ltd. Value Infrastructure and Properties Pvt. Ltd. Every Time Foods Industries Pvt. Ltd. Surana Technopark Pvt. Ltd. Surana Infocom Pvt.Limited Innova Biotech India Pvt. Ltd. Innova Infrastructure Pvt. Ltd. Epicentre Entertainment Pvt. Ltd. Royal Skyscrapers India Pvt. Ltd. Sitetonic Websolutions Pvt. Ltd. Surana Biochemicals Pvt. Ltd.			



B. Related Party Transactions:

(Rs in lakhs)

Particulars	2008-09
Sales	
Sales to Bhagyanagar India Limited	423.21
Purchases	
Purchase from Bhagyanagar India Limited	692.61
Job Work	
Job work received from Bhagyanagar India Limited	46.92
Job work charges paid to Bhagyanagar India Ltd	7.28
Purchase from Bhagyanagar Energy and Telecom Limited	15.34
Purchase of Machinery from Surana Ventures Limited	12.23
Investment in Surana Ventures Limited	735.00
Investment in Surana Green Energy Ventures Pvt Ltd.	0.40
Advance to Surana Ventures Limited	5.77
Investment in Globecom Infotech Pvt. Ltd	1.00
Remuneration to relatives of Key Managerial personnel	
Ms. Sunita Surana	3.00
Ms. Vinita Surana	2.66

14. Assets - Impairment.

The management of the Company has reviewed the assets keeping in view the Accounting Standard 28 issued by the Institute of Chartered Accountants of India and is of the view that there is no impairment in the value of assets in accordance to that standard.

15. 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.

The 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.

16. Employees Benefits:

A) The company has adopted the revised Accounting Standard AS-15 - Employees Benefits with effect from 1st April, 2007.

B) Defined Benefit Plan

Gratuity:

The company makes annual contribution to the employees' group Gratuity Scheme of Life Insurance Corporation of India (LIC), a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible on superannuation /termination or death in terms of the provisions of The Payment of Gratuity (Amendment) Act, 1997 or as per company's scheme whichever is more beneficial to the employees.



C) Basis used to determine Expected Rate of Return on Assets

The expected return on plan assets of 8% has been considered based on the information given by LIC which manages the funds.

D) Amounts recognized as expenses

Gratuity cost amounting to Rs 0.22 lacs has been included in Schedule- 18 under contribution to Provident and other Funds.

E) The management is informed by the Insuring Company (LIC) that the balance in Gratuity fund will meet full liability as on 31.03.2009. Further, the benefits paid amounting to Rs 0.45 lacs were met by the LIC. Hence, they are not routed through Profit & Loss Account.

17. 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
		2008-09	2008-09
Jelly Filled Telephone Cables	LCKM	26.75	2.6551
Jelly Filled Telephone Quad Cables	KM	7200.00	220.3180
Optical Fibre Cable	RKM	6000.00	6113.4180
Optical Fibre	FKM	250000.00	233.4570
Jointing Kits	Nos	4.90	0.0110
Solar Modules	Mega Watt.	40.00	28.5066
Wind Power	Mega watt.	1.25	0.2320
Power Cable	KM	-	870.8000

B) Turnover

Particulars	Unit	2008-09	2008-09
		Quantity	Value (Rs in Lakhs)
Jointing Kits	No's	6546.000	40.90
Jelly Filled Telephone Cables	Lckm	2.693	2965.22
Jelly Filled Telephone Quad Cables	Kms	220.318	471.70
Optical Fibre Cable	RKm	6166.510	1945.44
Optical Fibre (OF)	FKm	221.511	1.44
Power Cable	Km	836.640	1331.54
Copper Wire Rod (Traded)	Kgs	54375.000	178.06
Scrap Sale & Others		-	274.36
Solar Cells/ Modules		-	857.13
Telecom accessories		-	1260.47
Software Exports		-	24.12
Wind Power Sale	M.Watt	0.232	69.22
Infrastructure Leasing		-	352.33
Infrastructure Sales		-	-
Total (for Value only)		-	9771.93



C) Purchase of Traded Goods

Particulars	Unit	2008-09 Quantity	2008-09 Value (Rs in Lakhs)
Copper	Kgs	47431	167.51
Others	Nos.	3064	5.08
Total		-	172.59

D) Opening and Closing Stock of Finished Goods

Particulars	Opening Stock		Closing Stock	
	2008-09 Quantity	2008-09 Value (Rs. in Lakhs)	2008-09 Quantity	2008-09 Value (Rs. in Lakhs)
Jointing Kits (Lac Nos)	0.44	4.81	0.386	4.77
Jelly Filled Telephone Cables (Lac Nos)	0.186	215.06	0.1481	133.29
CDMA Phone (Nos)	-	23.66	-	-
Optical Fibre Cable (Kms)	91.088	23.99	37.996	9.72
Traded Goods	-	24.98	-	-
Power Cables (kms)	-	1.80	34.16	58.43
Alluminium Rod (M.T)	57.724	73.88	-	-
Solar Modules (M.Watt.)	-	-	4.524	56.55
Total	-	368.18	-	262.76

E) Raw Material Consumed

Particulars	Unit	2008-09 Quantity	2008-09 Value (Rs in Lakhs)
Copper	Kgs	702480	2031.87
Polythene Granules	Kgs	1629719	1145.24
Alluminium Foils	Kgs	106757	137.62
G S Tape	Kgs	495108	255.38
Optical Fibre	Kms	209523	454.45
Resin Synthetic	Kgs		
Solar Cells, Glasses & others			1046.67
Others			1557.00
Alluminium Wire Rod	Kgs	609852	554.41
Total (for Value only)			7182.64



F) Value of Imported & Indigenous Raw Material and Components Consumed

Particulars	Value In Lakhs	2008-09 Percentage (%)
Imported	3599.22	50.11%
Indigenous	3583.42	49.89%
Total	7182.64	100.00%

G) Expenditure in Foreign Currency

Particulars	2008-09 Value (Rs in Lakhs)
Raw Material	4418.63
Traded Goods	-
Expenditure in Foreign Currency (Traveling)	11.27
Expenditure in Foreign Currency (Capital Items)	45.37
Total	4475.27

H) Earnings in Foreign Currency

Particulars	2008-09 Value (Rs in Lakhs)
Software Exports	24.12
Total	24.12



18. 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	Infrastructure	Power	Trading	Total
REVENUE (Net of Excise)	7493.11	352.33	926.35	257.52	9029.31
Total Revenue	7493.11	352.33	926.35	257.52	9029.31
RESULTS	94.58	109.77	16.88	3.10	224.33
Segment Results					(196.57)
Unallocable Income/ Expenses					420.90
Operating Profit					99.62
Interest Expenses					39.29
Income Taxes					282.00
Profit from Ordinary Activities					
Net Profit					282.00
Other Information					
Segment Assets	5978.16	1486.96	1813.79	-	9278.91
Unallocable Assets					2991.71
Total Assets					12270.62
Segment Liabilities	818.46	349.88	483.46	-	1651.80
Unallocable Liabilities					771.63
Total Liabilities					2423.43
Capital Expenditure	72.23	158.33	223.93	-	454.49
Unallocable Capital Expenditure					-
Total Capital Expenditure	72.23	158.33	223.93		454.49
Depreciation	303.24	16.51	40.97	-	360.72
Unallocable depreciation					-
Total Depreciation	303.24	16.51	40.97	-	360.72
Non Cash expenses -other than Depreciation					64.94
Unallocable non cash expenses					



Reconciliation of reportable segments with financial statements.

(Rs in Lacs)

Particulars	Revenues	Results/ Net Profit	Assets	Liabilities
Particulars	2008-09	2008-09	2008-09	2008-09
Total reportable segments	9151.50	227.27	9278.91	1651.80
Corporate Un-allocable (net)	382.56	193.64	2991.71	771.63
Interest expenses	-	99.62	-	-
Taxes	-	39.29	-	-
As per financial statements	9534.06	282.00	12270.62	2423.43

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

This being the First year of Consolidation, the previous year's figures have not been given.

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

for Sekhar & Co
Chartered Accountants

for and on behalf of Board of Directors

G.Ganesh
Partner
Membership No : 211704

G.M. Surana
Chairman

Narender Surana
Managing Director

Devendra Surana
Director

Place : Secunderabad
Date : June 26, 2009

P. Rajesh Kumar Jain
V.P. Corporate Affairs &
Company Secretary

N. Venkatesh
General Manager-Accounts



Surana Telecom and Power Limited

(Formerly Surana Telecom Limited)

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 31032009
(Date) (Month) (Year)

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

- a) Public Issue NiI
- b) Rights Issue NiI
- c) Bonus Issue NiI
- d) Private Placement NiI

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands) 31-03-09

- a) Total Liabilities 992571.07
- b) Total Assets 992571.07
- c) Sources of Funds
- i) Paid up Capital 104022.00
- ii) Reserves & Surplus 715573.16
- iii) Proceeds of Share Warrants 14716.36
- iv) Secured Loans 83101.98
- v) Unsecured Loans 67303.49
- vi) Net deferred tax liability 7854.08
- d) Application of Funds
- i) Net Fixed Assets 396237.33
- ii) Capital Work-in-progress 65752.67
- iii) Investments 128327.57
- iv) Net Current Assets 402073.10

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

- i) Turnover 953405.64
- ii) Total Expenditure 921917.20
- iii) Profit for the Year 31488.44
- iv) Profit Before Tax 32128.63
- v) Profit After Tax 28199.94
- vi) Face Value per share (Rs.) 5.00

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		



DIRECTORS REPORT

To

The Members,

Your Directors have pleasure in presenting the 1st Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2009, together with the Auditors Report thereon.

Financial Results:

The Company was incorporated as a wholly owned subsidiary by M/s Surana Telecom and Power Limited in order to undertake various projects in Information Technology/ Information Technology enabling services specifically on the land allotted to M/s Surana Telecom and Power Limited by MIDC at Hingewadi, Pune.

The company is yet to commence commercial operations except for incurring initial pre-operative expenses. Hence the profit and loss account for the financial year ended 31st March, 2009 has not been prepared.

Dividend:

As the Members are aware, the Company has not yet started its commercial operations, therefore your Directors do not recommend any dividend for the Financial Year 2008-09

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.

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, 2009, 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, 2009 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**

G.M.SURANA
Director

L.K.BAID
Director

Place : Secunderabad
Date : 17.06.2009



GLOBECOM INFOTECH PRIVATE LIMITED

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

Date : 17.06.2009

G.M.SURANA

Director

L.K.BAID

Director



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, 2009, the Statement of Preoperative Expenses 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 explanations given to us, the said Order is not applicable to the company.
4. Further to our comments 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, Statement of Pre-operative Expenses and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the balance sheet Statement of preoperative Expenses 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 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, 2009;
 - b. In the case of the Statement of Preoperative Expenses, of the Expenses 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.,**
Chartered Accountants

Sd/-
G.Ganesh
Partner
M.No. 211704
Secunderabad
Date:17.06.2009



Surana Telecom and Power Limited

(Formerly Surana Telecom Limited)

LOBECOM INFOTECH PRIVATE LIMITED

Balance Sheet as on 31 st March - 2009

(Amount in Rupees)

Particulars	Sch.No	As at 31.03.2009
Sources of Funds		
(A) Share Capital	1	100,000
(B) Loan Funds	2	
Unsecured Loans		77,910
Total		177,910
Application of Funds		
(A) Current Assets, Loans and Advances		-
(B) Current Liabilities & Provisions		
Other Liabilities	3	2,500
Net Current Assets		(2,500)
(C) Miscellaneous Expenditure (To the extent not written off or adjusted)		
a) Preliminary expenses		177,910
b) Pre-Operative expenses		2,500
Notes to accounts	4	
Total		177,910

As per our report of even date
for **SEKHAR & CO.**,
Chartered Accountants,

Signatories to Balance Sheet and Schedules 1 to 4
for and on behalf of the Board

(G.Ganesh)
Partner
M No 211704

(G.M.Surana)
Director

(Lalit Kumar Baid)
Director

Place : Secunderabad.
Date : 17.06.2009

Statement of Pre-Operative Expenses for the period ended 31st March,2009

(Amount in Rupees)

Details of Expenses	For the Year Ended 31.03.09	Upto Period Ended 31.03.09
i) Statutory Audit Fees	2,500	2,500
	2,500	2,500

As per our report of even date
for **SEKHAR & CO.**,
Chartered Accountants,

Signatories to Pre-operative statement
for and on behalf of the Board,

(G.Ganesh)
Partner
M No 211704

(G.M.Surana)
Director

(Lalit Kumar Baid)
Director

Place : Secunderabad.
Date : 17.06.2009



Schedules to the Balance Sheet

(Amount in Rupees)

Particulars	Sch.No	As at 31.03.2009
Schedule 1		
1. Share Capital		
AUTHORIZED		
10,00,000 Equity shares of Rs 10/- each		10,000,000
ISSUED & SUBSCRIBED		
50,000 Equity shares of Rs 10/-		<u>500,000</u>
PAID UP		
50,000 Equity shares of Rs 10/- each paid at Rs 2/-		<u>100,000</u>
		<u>100,000</u>
Schedule 2 : Unsecured Loan		
a) Unsecured Loans form holding company		<u>77,910</u>
Total		<u>77,910</u>
Schedule 3. Current Liabilities		
a) Audit Fees Payable		<u>2,500</u>
Total		<u>2,500</u>

As per our report of even date
for **SEKHAR & CO.**,
Chartered Accountants,

Signatories to Balance Sheet and Schedules 1 to 4
for and on behalf of the Board

(G.Ganesh)
Partner
M No 211704

(G.M.Surana)
Director

(Lalit Kumar Baid)
Director

Place : Secunderabad.
Date : 17.06.2009



GLOBECOM INFOTECH PRIVATE LIMITED

4A. Significant Accounting Policies and Notes on Accounts Forming Part of Balance Sheet and Profit & Loss Account.

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. 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.

v. 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.

vi. Investments

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. The Company has no such Investments.

vii. 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. There is no inventory in hand as on 31.03.2009.

viii. 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.

ix. 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.



GLOBECOM INFOTECH PRIVATE LIMITED

- x. **Turnover**
Turnover includes sale of goods, services, sales tax, service tax and Adjusted for discounts (net), excise duty.
- xi. **Revenue Recognition case of Real Estate Transactions.** Revenue in case of real estate transactions is made on the basis of Conclusion on contracts for sales and purchases.
- xii. **Segment Reporting**
Company is presently not operating in more than one segment and hence AS-17 of ICAI for "Segment Reporting" is not applicable.
- xiii. **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.
- xiv. **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.
- xv. **Sundry Debtors, Loans and Advances**
Doubtful Debts/Advances are written off in the year in which those are Considered to be irrecoverable.

4B. Notes on 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 is exploring various projects in the field of infrastructure . Hence, it continues to prepare Statement of Pre-Operative expenses instead of Profit and Loss Account till actual commencement of the project.
- d) This being the first of the company ,previous year figures are not given.

As per our report of even date
for **SEKHAR & CO.,**
Chartered Accountants,

Signatories to Balance Sheet and Schedules 1 to 4
for and on behalf of the Board

(G.Ganesh)
Partner
M No 211704

(G.M.Surana)
Director

(Lalit Kumar Baid)
Director

Place : Secunderabad.
Date : 17.06.2009



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: 040-23420818-824, 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

20th Annual General Meeting 29th September, 2009.

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 20th Annual General Meeting of the Company, Tuesday, the 29th September, 2009 at 10.30 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 20th Annual General Meeting of the Company to be held at Tuesday, the 29th September, 2009 at 10.30 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, 2009.

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.

Please
Affix Re.1/-
Revenue
Stamp

Signature

NO GIFTS WILL BE GIVEN



* Applicable for Investors holding shares in electronic form.

