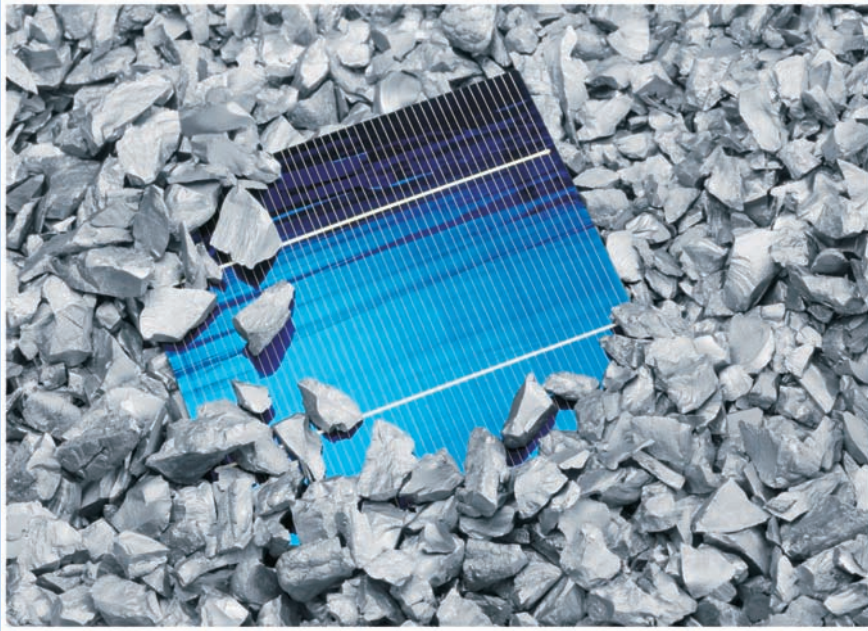




SURANA TELECOM AND POWER LIMITED

5MW
Solar Power Plant at
Charanka, Gujarat

23rd Annual Report 2011-12



BOARD OF DIRECTORS

Dr. R N Sreenath	- Director
Nirmal Kumar Jain	- Director
D Venkatasubbiah	- Director
Narender Surana	- Director
Devendra Surana	- Director
N. Rajan Francis	- Wholetime Director

CHIEF FINANCIAL OFFICER

R Lakshman Raju

COMPANY SECRETARY

Vinamrata Jodhani

BANKERS

State Bank of India
Corporation Bank
Indian Overseas Bank

STATUTORY AUDITORS

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

INTERNAL AUDITORS

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

REGISTRARS & TRANSFER AGENTS

KARVY COMPUTERSHARE PRIVATE LIMITED.

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

REGISTERED OFFICE

5th Floor, Surya Towers
Sardar Patel Road
Secunderabad - 500 003.
India - 500 003
Tel: + 91 40 27845119, 27841198, 44665700
Fax: + 91 40 27818868
E-mail: surana@surana.com
Investors: cs@surana.com,
investorservices_stl@surana.com
Website: www.surana.com, www.suranatele.com

STATUTORY COMMITTEES

AUDIT COMMITTEE

Nirmal Kumar Jain	- Chairman
D Venkatasubbiah	- Member
Dr. R N Sreenath	- Member

SHAREHOLDERS' GRIEVANCE COMMITTEE

D Venkatasubbiah	- Chairman
Narender Surana	- Member
Devendra Surana	- Member

REMUNERATION COMMITTEE

Shri Nirmal Kumar Jain	- Chairman
Dr. R.N.Sreenath	- Member
D Venkatasubbiah	- Member

WORKS

Solar Power Project

Gujarat Solar Park
Charanka Village
Santalpur Taluk
Patan District, Gujarat.

Solar Module Manufacturing

Hard Ware Park

Plot No. 21B, Sy No. 1/1, Kanchaimarat
Raviryala Village
Maheswaram Mandal, R.R. District.

Aluminum Wire Rods

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

Optic Fibre Cable Plant

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

Non- Conventional Energy (Wind)

Kapatgudda, Gadag District
Karnataka, India.



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NOTICE OF 23rd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 23rd Annual General Meeting of the members of **SURANA TELECOM AND POWER LIMITED**, will be held on 29th day of September, 2012 at 2.30 pm at Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad-500003 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account for the year ended 31st March, 2012, along with the Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2012.
3. To appoint a Director in place of Shri D. Venkatasubbiah who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Dr. R. N. Sreenath who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Sekhar & Co., Chartered Accountants, (Registration No. 003695S), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

6. APPOINTMENT OF SHRI N. RAJAN FRANCIS AS WHOLE-TIME DIRECTOR

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

"RESOLVED THAT Shri N. Rajan Francis, who was appointed as an Additional Director with effect from 30.07.2012 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 85 of Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company."

RESOLVED FURTHER THAT pursuant to the provisions of sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions of the Companies Act, 1956, Shri N. Rajan Francis be and is hereby appointed as Whole time Director of the Company for a period of 3 years w.e.f 30.07.2012 upto 29.07.2015 in the scale of ₹. 21500-2000-25500.

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

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

7. INCREASE IN THE LIMITS OF THE BOARD FOR CREATION OF CHARGE/MORTGAGE ON THE ASSETS OF THE COMPANY U/S. 293(1) (a):

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 293 (1) (a) and other applicable provisions of the Companies Act, 1956, consent of the company be and is hereby accorded to the Board of Directors of the company for mortgaging and/or charging on such terms and conditions and at such time or times, and in such form and manner, as it may think fit, the whole or substantially the whole of the company's any one or more or all the undertakings, including the present and/or future properties and undertakings of the company as the case may be in favor of the lenders for the loans up to an aggregate value not exceeding ₹. 100 crores to secure the loans raised/to be raised by the company upon the terms and conditions as may be decided by the Board of Directors of the company from Banks/Financial and/or other institutions, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and other monies including any increase as a result of devaluation/revaluation of the aforesaid Financial Assistance under the respective documents entered into/to be entered in to by the Company in respect of the said Loans.

RESOLVED FURTHER THAT the securities to be created by the company as aforesaid may be created



either subject to the charges already created or subservient to other existing charges or rank as second charge or rank pari-passu with the mortgages and/or charges already created or to be created in future by the company or in such other manner and ranking as may be thought expedient by the Board of Directors of the Company as may be agreed to between the concerned parties and the institutions.”

8. INCREASE IN BORROWING POWERS OF THE BOARD U/s. 293(1) (d):

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

“**RESOLVED THAT** pursuant to section 293 (1) (d) and other applicable provisions, if any of the Companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, as they may think fit, any sum or sums of money on such terms and conditions as the board may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the company (apart from the temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose provided however, the total amount so borrowed shall not exceed ₹. 100 crores.”

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

Place : Secunderabad
Date : July 30, 2012

VINAMRATA JODHANI
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 26.09.2012 to 29.09.2012 (both days inclusive).
3. Dividend on shares @ 10 % as recommended by the Board of Directors, if declared by the Company at the meeting, will be paid subject to the provisions of Section 205A of the Companies Act, 1956, to those shareholders whose names appear on the Register of Members of the Company as on 26.09.2012 or to their mandates, to the extent eligible, and also to the beneficial owners of equity shares held in electronic form on the same date as per the details furnished by the Depositories for this purpose.
4. The Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service (ECS) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders’ account, elimination of loss of instruments in transit or fraudulent encashment etc. Currently, the facility is available at locations specified by Reserve Bank of India. 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 **Dematerialized 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, 2006 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
2005-06	07.08.2006	06.09.2013
2006-07	27.09.2007	26.10.2014
2007-08	17.09.2008	16.10.2015
2008-09	29.09.2009	28.10.2016
2009-10	24.09.2010	23.10.2017
2010-11	21.09.2011	20.10.2018

The Members, who have not encashed the Dividend Warrant(s) so far for the financial year ended 31st March, 2006 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.

- 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.
- Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
- Members holding shares in physical form, may write to the Company's share 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 dispatch dividend warrants at their correct addresses.
- The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued a circular on April 21,2011 stating that the service of document by a Company can be made through electronic mode . In view of the circular issued by MCA the Company proposes to henceforth deliver document like the Notice calling the Annual General

Meeting/Extra Ordinary General Meeting / Auditors /Report of the Directors etc., in electronic form to the email address provided by the shareholders.

- Shareholders are requested to furnish their e-mail ids to enable the Company forward all the requisite information in electronic mode. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and mode available to the Company shall be the registered email ID unless communication is received to the contrary.
- Shareholders requiring a printed copy of the Annual Report should forward their request to the Company.
- The Securities Exchange Board of India has notified that the shareholder/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other Corporate Action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other corporate action.
- Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at M/s KARVY COMPUTERSHARE PRIVATE LIMITED, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad- 500 081. Further, kindly note that members holding shares in physical form and intending to transfer their shares have to furnish the PAN particulars of transferee along with the share transfer deeds for effecting the physical share transfer.
- Please note that, any queries pertaining to accounting related aspects, may be posted /handed over to the Company Secretary at the Registered Office of the Company at least 48 hours before the Annual General Meeting, so that the same could be clarified to the shareholders at the Annual General Meeting.
- 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.

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

Place : Secunderabad
Date : July 30, 2012

VINAMRATA JODHANI
COMPANY SECRETARY



EXPLANATORY STATEMENT
(U/s. 173 (2) of the Companies Act, 1956)

ITEM NO. 6:

Shri N. Rajan Francis was appointed as an Additional Director by the Board of Directors w.e.f. 30.07.2012 and holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri N. Rajan Francis, as Whole time Director, liable for retirement by rotation, from a member together with the requisite deposit.

The detailed profile of Shri N. Rajan Francis is hereby attached to the Corporate Governance report.

Your Directors recommend the above Resolution for your approval.

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

The explanatory statement together accompanying notice may be regarded as an abstract of the terms of re-appointment and remuneration of Shri N. Rajan Francis and Memorandum of Interest of directors under Section 302 of the Companies Act, 1956.

ITEM NO 7:

As per the provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Public Company can not Sell, Lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, the whole, or substantially the whole, of any such undertaking with out the consent of the shareholders in the General Meeting.

Your company is engaged in the dynamic business environment and the business outlook of these sectors is encouraging and requires huge investments. Therefore the company may have to substantially raise monies in the form of Loans from Financial Banks and Institutions. The said borrowings may be required to be secured by way of mortgage/charge/hypothecation over all or any part of the movable and / or immovable properties of the Company. As per the provisions of Section 293(1)(a) of the Companies Act, 1956, mortgage/Charge/Hypothecation by the Company on its Assets as aforesaid in favour of the Banks and Financial institutions may be regarded as disposal of the whole or substantially the whole of the Company's properties/undertaking which requires approval of the members of the Company. The Resolution is of an enabling nature.

Your Directors recommend the resolution for your approval.

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

ITEM NO: 8

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Public Company cannot borrow money (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is reserves not set apart for any specific purpose) without the consent of the shareholders in the General Meeting. The Company at its AGM held on 24.09.2010 obtained the members consent for borrowings up to a limit not exceeding twice the networth of the Company. The Bankers advised the Company to have an approval for a specific amount for borrowings instead of stating 'twice the networth' of the Company

Therefore, it is proposed to fix the borrowing limits of the Board of Directors under section 293(1) (d) of the Companies Act, 1956, not exceeding ₹. 100 crores keeping in view the current reserves which is ₹. 50.58 crores. The Resolution is of an enabling nature.

The Resolution set out at item No.8 of the notice is put forth for consideration of the members as a Special resolution pursuant to section 293(1)(d) of the Companies Act, 1956, authorizing the Board of Directors to borrow upto a sum of ₹.100 Crores.

Your Directors recommend the above Resolution for your approval.

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

By Order of the Board
for SURANA TELECOM AND POWER LIMITED

Place : Secunderabad
Date : July 30, 2012

VINAMRATA JODHANI
COMPANY SECRETARY



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 23rd Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2012.

FINANCIAL RESULTS

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

(₹. in Lakhs)

Particulars	Consolidated Results		Standalone Results	
	2011-12	2010-11	2011-12	2010-11
Sales and other Income	1288.86	7,711.82	1288.86	7,711.82
Profit before Depreciation and Interest	338.45	504.85	338.99	505.24
DEDUCT :				
Depreciation	255.63	220.16	255.63	220.16
Interest and Finance Cost	36.00	148.51	36.00	148.51
Profit for the year	46.82	136.18	47.38	136.57
Prior Period Adjustment	2.91	(2.51)	2.91	(2.51)
Profit before Taxation	49.73	133.67	50.29	134.06
Provision for Taxation : Income Tax	-	25.00	-	25.00
Deferred Tax	(18.60)	(9.04)	(18.60)	(9.04)
Profit after Tax	68.33	117.71	68.89	118.09
Surplus brought forward from previous year	2141.34	2,194.93	2142.18	2,195.38
Balance available for appropriation	2209.67	2,312.64	2211.07	2,313.48
APPROPRIATION:				
Dividend	104.02	104.02	104.02	104.02
Tax on Dividend	16.88	17.28	16.88	17.28
Transfer to General Reserves	50.00	50.00	50.00	50.00
Balance c/f to Balance Sheet	2038.77	2,141.34	2040.17	2,142.18
TOTAL	2209.67	2,312.64	2211.07	2,313.48

OPERATIONS

During the year under review, the Income from Operations is ₹. 1105.00 Lakhs as against ₹. 6244.52 Lakhs for the

corresponding previous year. The Profit Before Tax stood at ₹. 50.29 Lakhs as against ₹. 134.06 Lakhs for the previous year. The Profit After Tax stood at ₹. 68.89 Lakhs as against ₹. 118.09 Lakhs for the corresponding period. The Basic Earnings Per Share for the year-ended 31.03.2012 is ₹. 0.33 as against ₹. 0.57 for the corresponding previous year ended 31.03.2011. The drop in turnover and consequential drop in PAT is due to company's exit from telecom and power cable business. The turnover was mainly contributed from sale of aluminum rods, solar & wind power. In spite of substantial drop in turnover, the company earned net profit of ₹. 68.89 lacs as against ₹. 118.09 lacs for the previous year.

CONSOLIDATED FINANCIAL STATEMENTS:

The Ministry of Corporate Affairs (MCA) by General Circular No. 2/2011 dated 8th February, 2011, issued a direction under Section 212(8) of the Companies Act, 1956 that the provisions of Section 212 shall not apply to Companies in relation to their subsidiaries, subject to fulfilling certain conditions mentioned in the said circular with immediate effect. The Board of Directors of your Company at its meeting held on 28.04.2012 approved the Audited Consolidated Financial Statements for the financial year 2011-12 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as Clause 32 of the Listing Agreement, which include financial information of all its subsidiaries, and forms part of this report.

The annual accounts, financial statements and related detailed information of Company's subsidiary M/s Globecom Infotech Private Limited are available on the website of the Company and the same shall also be made available to members on request and are open for inspection at the Registered Office of your Company. Your Company has complied with all the conditions as stated in the circular and accordingly has not attached the financial statements of its subsidiary Company for the financial year 2011-12. A statement of summarized financials of subsidiary including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to the General Circular issued by Ministry of Corporate Office, forms part of this report.

SOLAR POWER PROJECT:

During the year under review, the Company commissioned Solar Power Plant with 5 MW capacity at Charanka Village, Santalpur Taluk, Patan District, Gujarat. The plant was commissioned within the control period on 16.01.2012. The grid connected to the Power Project was ready only on 04.03.2012 and as such the power project started supply of power to the grid from 04.03.2012.

FUTURE PROJECT INITIATIVES:

The year 2011-12 was a year of transitional period for the company as it made exit from the business of Telecom Products and Power Cable and entered into business of Solar Power Generation.



For the forecast period 2012-13, the company plans to continue with existing business of manufacturing Aluminum Rods. The company has further commenced the manufacture of the solar panels for off-grid application at Hardware Park. However the main focus of the company will be on the installation of Solar Power Projects in different parts of the country depending upon the Solar Policies of different State Governments, NVVN and under REC Mechanism.

DIVIDEND

Your Directors are pleased to recommend a Dividend @ 10% amounting to ₹.1.04 crores for the year ended 31st March 2012. This will entitle an out flow of ₹.1.21 crores including dividend tax.

RESERVES

During the year the Company has transferred an amount of ₹.50 lakhs to General Reserves Account.

FIXED DEPOSITS

The Company had not accepted any deposits and consequently no deposits had matured / become due for re-payment as on 31st March, 2012.

DIRECTORS

In order to comply with Section 256 of the Companies Act 1956 and Articles of Association of the Company Dr R.N. Sreenath and Shri D.Venkata Subbiah, Directors of the Company will retire by rotation at the ensuing Annual General meeting and being eligible, offer themselves for re-appointment.

Shri. N. Rajan Francis who was appointed as Additional Director on 30.07.2012 is hereby proposed to be appointed as Director and thereafter as Whole Time Director of the Company.

The brief particulars of the Directors seeking appointment / re-appointment at this Annual General Meeting is being annexed to the Annual 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, none of the employees who were under employment for whole of the year or part of the year, were in receipt of remuneration exceeding ₹.60,00,000 per annum or ₹.5,00,000 per month as set out in Section 217 (2A) of the Companies Act, 1956.

CREDIT RATING:

CRISIL has upgraded its rating outlook on the long-term bank facilities of Surana Telecom and Power Limited

(STPL) to 'Stable' from 'Negative', while reaffirming the rating at 'CRISIL BB+'; the rating on the short-term facilities has been reaffirmed at 'CRISIL A4+'. The up gradation in STPL's outlook reflects commissioning of, and stabilization of operations at STPL's 5 megawatt-(MW) solar power plant at Patan District (Gujarat). The company commissioned the project on January 16, 2012, without any time overrun. The project cost was about ₹.560 million, as against the previous estimate of ₹.630 million. The project was funded in a conservative debt-equity mix of 47:53. The revision also reflects CRISIL's belief that STPL will prudently fund its growth plans to keep it gearing below 1 time over the medium term. With constant changes in business models over the past eight years, any aggressive shift in STPL's core business could adversely affect its credit risk profile. The table mentioned below is the credit rating history of the Company:

Date	Long-Term	Fixed Deposit	Short-Term	Rating watch/ Outlook
12.04.2012	CRISIL BB+	-	CRISIL A4+	Stable
07.03.2011	BB+	-	P4+	Negative
01.12.2009	BBB+	-	P3+*	Stable

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, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year and of the Profit 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, 2012 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 : July 30, 2012

Narender 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.

A. CONSERVATION OF ENERGY :

NIL

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:	NIL
2. Benefits derived as a result of the above R & D for the Company:	NIL
3. Future plan of action:	Introduce more efficient solar modules and cells.

4. Expenditure on R&D:	As no significant amount has been spent, the same is not being shown separately.
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B) Technology absorption, adaptation and innovation:

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

C) Foreign Exchange Earnings and Outgo:

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

Total Foreign Exchange earned and used :

Earned : ₹. 41.55 lakhs

Used : ₹. 135.77 lakhs

For and on behalf of the Board of Directors

Place : Secunderabad

Date : July 30, 2012

Narender Surana

Chairman



REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

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

2. Board of Directors (Board):

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

- 3 Independent Non-executive Directors;
- 3 Executive Directors;

b) Attendance Record for 2011-12:

Sl. No	Name of Director	Category	Meetings attended	Attendance at last AGM on 21.09.2011	Remarks
1	Nirmal Kumar Jain	Independent Non-executive	5	Present	-
2	D Venkatasubbiah	Independent Non-executive	5	Present	-
3	R.N. Sreenath	Independent Non-executive	5	Present	-
4	Sanjay Kumar Sanghi	Executive	5	Present	Resigned w.e.f. 28.04.2012
5	Narender Surana	Executive	5	Present	-
6	Devendra Surana	Executive	4	Present	-

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

Sl. No.	Name of the Director	Other Directorship	Other Committee Membership	Other Committee Chairmanship
1	Narender Surana	24	2	None
2	Devendra Surana	27	2	None
3	Sanjay Kumar Sanghi	2	-	None
4	D Venkatasubbiah	2	-	None
5	Dr R.N. Sreenath	5	-	None
6	Nirmal Kumar Jain	-	-	None

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

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

28-05-2011	06-08-2011	21-09-2011	11-11-2011	27-01-2012
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e) Pecuniary relationship or transactions of Non-Executive Directors:

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



3) Audit Committee

a) **Composition, name of members and Chairperson:**

As on 31.03.2012, the Company's Audit Committee comprises of the following Directors all of whom are Independent Directors:

- | | | |
|---------------------------|---|----------|
| 1. Shri Nirmal Kumar Jain | - | Chairman |
| 2. Dr. R N Sreenath | - | Member |
| 3. Shri D Venkatasubbiah | - | Member |

Smt Pavani Akilla, Company Secretary, acted as Secretary to the Committee until 26.03.2012 and thereafter Smt Vinamrata Jodhani is appointed as secretary to the Audit Committee at its meeting held on 28.04.2012.

b) **Terms of reference:**

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

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions submitted by Management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal Audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of Audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- The annual financial statements before submission to the Board for approval, with particular reference to following with the Management:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by Management.
 - iv. Significant adjustments made in the financial statements arising out of Audit findings.
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any related party transactions.
 - vii. Qualifications in the draft Audit Report.
 - Reviewing, with the Management, the quarterly financial statements before submission to the board for approval.
 - Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
 - Reviewing the adequacy of internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of internal audit.
 - Discussion with Internal Auditors, any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - Discussion with Statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-Audit discussion to ascertain any area of concern.



- To look into the reasons for substantial defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non payment of declared dividends) and Creditors.

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

c) Meetings and attendance:

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

28-05-2011	06-08-2011	11-11-2011	27-01-2012
------------	------------	------------	------------

Attendance Record – 2011-2012

Sl No	Name of the Director	No. of Meetings Attended
1	Shri Nirmal Kumar Jain	4
2	Dr. R N Sreenath	4
3	Shri D Venkatasubbiah	4

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

4. Remuneration Committee:

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

a) Terms of Reference:

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

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

b) Composition, Name of the Chairman and Members:

- | | | |
|---------------------------|---|----------|
| 1. Shri Nirmal Kumar Jain | - | Chairman |
| 2. Dr. R N Sreenath | - | Member |
| 3. Shri D Venkatasubbiah | - | Member |

c) Remuneration to Non-executive Directors

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

Sl. No.	Name of Director	Commission	Sitting Fees paid (₹.)
1.	Dr. R.N. Sreenath	-	27,000
2.	Shri Nirmal Kumar Jain	-	27,000
3.	Shri D Venkatasubbiah	-	27,000
	Total	-	81,000

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

d) Remuneration to Executive Directors

Name of Director	Salary	HRA	Coveyance	Total
Shri Sanjay Kumar Sanghi	3,60,000	1,20,000	1,20,000	6,00,000
	TOTAL			6,00,000



5. Shareholders Grievance Committee:

The Shareholders Grievance Committee constituted by the Board of Directors comprises of Shri. D Venkatasubbiah (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 designated Smt Pavani Akilla, Company Secretary, as Compliance Officer to the Committee. Upon resignation of Smt Pavani Akilla, w.e.f. 26.03.2012, Smt Vinamrata Jodhani, Company Secretary was appointed as Compliance Officer to the Committee.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 32. There are no outstanding complaints as on 31st March 2012.

The Committee has received 1,900 Shares for Transfers of which all shares were approved and there were no rejections. The committee had received 300 Shares for Transmissions of which all shares were approved and there were no rejections during the year. The committee has also received 30,400 shares requesting for conversion of physical shares into Dematerialisation, out of which 22,900 Shares were approved and balance 7,500 were rejected on account of mismatch of quantity. There were no transfers or transmissions or de-mat requests pending as on 31st March 2012.

6. General Body Meetings:

i. Location and time for last 3 years General Meetings

Year	Locations	Date	Time
22 nd AGM (2010-11)	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016	21 st September, 2011	04.30 P.M.
21 st AGM (2009-10)	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016	24 th September, 2010	11.30 A.M.
20 th AGM (2008-2009)	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016	29 th September, 2009	10.30 A.M
Court Convened Meeting of Creditors. (2010-11)	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016	12 th April, 2010	2.00 P.M.
Court Convened Meeting of Members (2010-11)	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016	12 th April, 2010	10.30 A.M.

ii. Special Resolutions passed in last 3 Annual General Meetings

- In the AGMs held on 29th September, 2009, 24th September, 2010 and 21st September, 2011 the Company has not passed any special resolution.

iii Postal Ballot passed in last year i.e., 2011-12

During the year 2011-12 your Company had not passed any special resolution through postal ballot.

7. Disclosures:

- a) Disclosures on materially significant related party transactions, i.e., transactions of the Company of material nature with the Promoters, the Directors or the Management, their subsidiaries, Group Companies or relatives etc., that may have potential conflict with the interest of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

- b) There were no strictures or penalties imposed on the Company by Stock Exchanges or Securities Exchange Board of India (SEBI) or any other statutory authority for non-compliance of any matter related to Capital Markets, during the last 3 years.
- c) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as on 31st March, 2012.



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 "Suryaa" - Telugu
Website where the results and other official news releases are displayed	http: www.surana.com www.suranatele.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	:	September 29, 2012.
		Time	:	2.30 P.M.
		Venue	:	Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad - 500003.
Financial Calendar	:	April 1 st to March 31 st		
Date of Book Closure	:	September 26, 2012 to September 29, 2012 (both days inclusive)		
Dividend Payment Date	:	October 6, 2012		
Listing on Stock Exchanges	:	1. Bombay Stock Exchange Ltd., Mumbai 2. National Stock Exchange of India Limited, Mumbai		
Stock Code	:	517530 on BSE SURANAT&P on NSE		
ISIN Number for NSDL & CDSL	:	INE 130B01023		

Market Price Data:

Month	NSE		BSE	
	High (₹.)	Low (₹.)	High (₹.)	Low (₹.)
Apr '11	19.70	15.00	19.75	14.00
May'11	18.40	14.85	17.35	15.00
Jun'11	18.50	13.25	17.00	12.50
Jul'11	16.70	15.15	16.95	15.00
Aug'11	16.15	13.00	15.95	13.55
Sep'11	16.00	13.60	15.50	14.00
Oct'11	14.85	13.00	15.00	13.30
Nov'11	15.00	12.00	15.45	12.05
Dec'11	15.70	13.00	15.98	13.00
Jan'12	18.50	13.60	18.05	15.15
Feb'12	17.40	15.00	17.90	15.40
Mar'12	17.15	14.50	17.00	14.25



Registrars & Transfer Agents

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

KARVY COMPUTERSHARE PRIVATE LIMITED.

Plot No. 17-24, Vittalrao Nagar

Madhapur, Hyderabad- 500 081.

Tel No.040-44655000

Fax No.040-23420814, Toll Free No.1800-3454-001

E-mail : einward.ris@karvy.com

Web Site : www.karvy.com

Regd.Office : Karvy House 46, Avenue 4

Street No.1, Banjara Hills, Hyderabad - 500 034.

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 COMPUTERSHARE PRIVATE LIMITED**, as Share Transfer Agents.

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

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

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

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

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

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

Category	Total Shares	% To Equity
Promoters	1,10,18,993	52.96%
Resident Individuals	63,23,428	30.39%
Promoters Bodies Corporate	23,76,932	11.42%
Bodies Corporates	6,06,827	2.91%
Banks	4,200	0.02%
Non Resident Indians	1,78,928	0.86%
Trusts	5,818	0.27%
Overseas Corporate Bodies	58,500	0.28%
Mutual Funds	14,200	0.06%
Clearing Members	1,457	0.007%
Foreign Institutional Investors	1,12,800	0.54%
HUF	1,02,317	0.49%
Total	2,08,04,400	100.00 %



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

Category (Amount)	No. of Cases	% of Cases
1 - 5000	8325	84.45
5001 - 10000	827	8.38
10001 - 20000	347	3.52
20001 - 30000	143	1.45
30001 - 40000	43	0.43
40001 - 50000	49	0.49
50001 - 100000	52	0.52
100001 & Above	71	0.72
TOTAL	9857	100

14. Dematerialization of shares & Liquidity

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

15. Share Dematerialisation Records:

1,97,32,768 shares representing 94.85% 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, 2012.

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.

17. Secretarial Audit:

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

18. Plant Locations:

Solar Power Project Gujarat Solar Park, Charanka Village, Santalpur Taluk, Patan District, Gujarat	Aluminum Wire Rods Plot No. 215/D, Phase II, I.D.A., Cherlapally, Hyderabad - 500 051
Optic Fibre Cable Plant Plot No.214, Phase II, IDA Cherlapally Ghatkesar (M), Ranga Reddy District	Non- Conventional Energy (Wind) Kapatgudda, Gadag District, Karnataka
Solar Module Manufacturing Hard Ware Park, Plot No. 21B, Sy No. 1/1 Kanchaimarat, Raviryala Village, Maheswaram Mandal, R.R. District	



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 PRIVATE LIMITED. Plot No. 17-24, Vittalrao Nagar Madhapur, Hyderabad- 500 081. Tel No.040-44655000 Fax No.040-23420814, Toll Free No.1800-3454-001 E-mail : einward.ris@karvy.com Web Site : www.karvy.com Regd.Office : Karvy House 46, Avenue 4 Street No.1, Banjara Hills, Hyderabad - 500 034.
2.	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	VINAMRATA JODHANI Company Secretary M/s.Surana Telecom and Power Limited 5 th Floor, Surya Towers, S.P.Road, Secunderabad - 500 003. Ph Nos. 27845119/ 44665700 E-mail : cs@surana.com investorservices_stl@surana.com Website : www.surana.com www.suranatele.com

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 : +91-022-24994200
 Fax : +91-022-24972977 / 24976351
 Email : info@nsdl.co.in.

Central Depository Services (India) Ltd
 Phiroze Jeejeebhoy Towers,
 28th Floor,
 Dalal Street,
 Mumbai - 400 023
 Tel : +91-022-22723333/3224
 Fax : +91-022-22723199/2272
 Email : investors@cDSLindia.com

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 (form 2B of concerned act) 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 framed 'Code of Conduct'.

Smt. Vinamrata Jodhani, Company Secretary has been appointed as the Compliance Officer for this purpose. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.



23. 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.D.VENKATASUBBIAH	DR R.N. SREENATH	SHRI N. RAJAN FRANCIS
Expertise in specific functional areas	Graduate in Electronics and Communications, has held the post of Deputy Director General of Telecom Engg. Center, (TEC). He has wide experience in R&D work and engineering of Radio Relay systems covering VHF, UHF and Microwave Bands. He was also awarded the North East Telecom Award (1990) and Satellite Project Circle Award(1991) for meritorious services and outstanding contribution to Telecommunications. He has provided more than a decade of untiring service to Telecom Industry and service providers for basic telephony along with value added services covering Cellular Mobile, Radio Paging and Public Mobile Radio Trunking.	Dr R.N.Sreenath, has over 43 years of experience out of which 26 years of experience in Semiconductor technology and balance 17 years in Solar Photovoltaic Technology. Served on BEL, Bangalore for Over 33 years from 1966 to 1999. He has served on the following companies as Senior Vice President and head of solar factory: 1. BEL, Bangalore : Over 33 years from 1966 to 1999. 2. Maharishi Solar Technology Pvt Ltd, New Delhi (factory in A.P): 13 years from 1999 to till date He has expertise in the following areas i) Capability to set up any discrete semiconductor project and successful productionisation. ii) Capability to set up Solar Photovoltaic project and successful productionisation. iii) Capability for Commercial exploitation of any of the Semiconductor and Solar Photovoltaic projects & products	Holds post graduate degree in business Administration Has over 25 years of experience in running cable and solar industry. He is currently in charge of operations of 'Optical Fibre cable Plant and Aluminum Wire Rods.
Date of Birth	01.07.1942	18.03.1941	20.10.1959
Qualification	B.E.	M.Sc. Ph.D (I.I.S.C.) Field of Specialization Semiconductor & Solar Photo voltaic Technology	M.B.A
List of Other Companies in which Directorship is held as on 31 st March, 2012.	DIRECTOR 1. Aishwarya Telecom Limited. 2. Bhagyanagar India Limited	DIRECTOR 1. Surana Ventures Limited 2. Bhagyanagar India Limited 3. Udhaya Semiconductors Limited 4. USL Photovoltaics Pvt Ltd 5. Maharishi Solar Technology Pvt Ltd	NIL
Chairman / Member of the Committees of the Board of other Companies in which he is a Director as on 31 st March, 2012	Member of Remuneration Committee in M/s Bhagyanagar India Ltd	NIL	NIL

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

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

Place : Secunderabad
Date : July 30, 2012

NARENDER SURANA
DIRECTOR



AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE

To the Members of
Surana Telecom and Power Limited
Secunderabad.

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

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

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

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

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

Place : Secunderabad
Date : July 30, 2012

G.GANESH
Partner
Membership No. 211704



MANAGEMENT DISCUSSION & ANALYSIS

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

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

During the year 2009-2010, a Scheme of arrangement was entered by the Company with M/s Surana Ventures Limited which was sanctioned by Hon'ble High Court of A.P. on 28.06.2010 and became effective on 28.07.2010, pursuant to which the "Solar Undertaking" was merged with M/s Surana Ventures Limited.

The year 2011-12, was a year of transformation for the Company as it set up 5 MW Solar Power Project at Gujarat, and has successfully ventured into Solar Power Generation.

SOLAR POWER:

Introduction

Solar energy is genesis for all forms of energy. This energy can be made use of in two ways the Thermal route i.e. using heat for drying, heating, cooking or generation of electricity or through the Photovoltaic route which converts solar energy in to electricity that can be used for a myriad purposes such as lighting, pumping and generation of electricity. With its pollution free nature, virtually inexhaustible supply and global distribution- solar energy is very attractive energy resource.

Industry Analysis

India unveiled a US\$19 billion plan to produce 20 GW of solar power by 2020. Under the plan, the use of solar-powered equipment and applications would be made compulsory in all government buildings, as well as hospitals and hotels. On 18 November 2009, it was reported that India was ready to launch its National Solar Mission under the National Action Plan on Climate Change, with plans to generate 1,000 MW of power by 2013. According to a 2011 report by GTM Research and

Bridge, India is facing a perfect storm of factors that will drive solar photovoltaic (PV) adoption at a "furious pace over the next five years and beyond". The falling prices of PV panels, mostly from China but also from the U.S., have coincided with the growing cost of grid power in India. Government support and ample solar resources have also helped to increase solar adoption, but perhaps the biggest factor has been need. India, "as a growing economy with a surging middle class, is now facing a severe electricity deficit that often runs between 10 and 13 percent of daily need".

With about 300 clear, sunny days in a year, India's theoretical solar power reception, on only its land area, is about 5 Petawatt-hours per year (PWh/yr) (i.e. 5 trillion kWh/yr or about 600 TW). The daily average solar energy incident over India varies from 4 to 7 kWh/m² with about 1500-2000 sunshine hours per year (depending upon location), which is far more than current total energy consumption.

Today, the solar power, has an installed capacity of 979 MW which is about less than 7 percent of the total installed renewable energy of India's currently total installed renewable energy stands at 13,242.41 MW as per MNRE. For the growth of the Solar industry the National Solar Mission (NSM) has laid out an ambitious goal to make India the global leader in solar energy, and plans to develop capacity of 20 GW by 2020.

The government of India is promoting the use of solar energy through various strategies. In the latest budget for 2010/11, the government has announced an allocation of ₹10 billion (US\$199.5 million) towards the Jawaharlal Nehru National Solar Mission and the establishment of a clean energy fund. It is an increase of ₹ 3.8 billion (US\$75.8 million) from the previous budget. This new budget has also encouraged private solar companies by reducing customs duty on solar panels by 5% and exempting excise duty on solar photovoltaic panels. This is expected to reduce the cost of a roof-top solar panel installation by 15-20%. Additionally, the government has initiated a Renewable Energy Certificate (REC) scheme, which is designed to drive investment in low-carbon energy projects. The Ministry of New and Renewable Energy (MNRE) provides 70 percent subsidy on the installation cost of a solar photovoltaic power plant in North-East states and 30 percentage subsidy on other regions. The detailed outlay of the National Solar Mission highlights various targets set by the government to increase solar energy in the country's energy portfolio.

Power Shortage: Electricity losses in India during transmission and distribution have been extremely high over the years and this reached a worst proportion of about 24.7% during 2010-11. India is in a pressing need to tide over a peak power shortfall of 13% by reducing losses due to theft. Theft of electricity, common in most



parts of urban India, amounts to 1.5% of India's GDP. Due to shortage of electricity, power cuts are common throughout India and this has adversely affected the country's economic growth. Hence pioneering of corporate sector in promulgating the growth of this sector is vital.

Business Outlook:

For the forecast period 2012-13, the company plans to continue with existing business of manufacturing Aluminum Rods. The company has further commenced the manufacture of the solar panels for off-grid application at Hardware Park. However the main focus of the company will be on the installation of Solar Power Projects in different parts of the country depending upon the Solar Policies of different State Governments, NVVN and under REC Mechanism

Further, your Company owns 49% stake in JV M/s Radiant Alliance Limited. The JV has capacity of 15 MV module assembly line for solar modules. It also proposes to set up power projects of 250 KW - 5 MW (approx) in Bangladesh.

WIND POWER GENERATION:

Introduction

The development of wind power in India began in the 1990s, and has significantly increased in the last few years. Although a relative newcomer to the wind industry compared with Denmark or United States, India has the fifth largest installed wind power capacity in the world. In 2009-10 India's growth rate was highest among the other top four countries. As of 31 March 2011 the installed capacity of wind power in India was 14158.00 MW, mainly spread across Tamil Nadu (6007 MW), Maharashtra (2310.70 MW), Gujarat (2175.60 MW), Karnataka (1730.10 MW), Rajasthan (1524.70 MW), Madhya Pradesh (275.50 MW), Andhra Pradesh (200.20 MW), Kerala (32.8 MW), Orissa (2MW), West Bengal (1.1 MW) and other states (3.20 MW). It is estimated that 6,000 MW of additional wind power capacity will be installed in India by 2012. Wind power accounts for 6% of India's total installed power capacity, and it generates 1.6% of the country's power.

Industry Analysis

Wind power which has witnessed a phenomenal growth in India over the past few years could make a significant contribution towards the shift to a low-carbon and energy secure future. The country's current cumulative installed capacity is 14158.00 MW (as on March 31, 2011) reaching 64 GW by 2020 (as per GWEC estimates). The current annual wind power market is about 2200 MW with forecasts predicting a 5000 MW annual market by 2015 (research done by the World Institute of Sustainable Energy). As per The National Action Plan on Climate Change (NAPCC), if India needs to achieve 15% RE by 2020, wind's contribution to the total energy mix would need to transcend even greater heights, requiring an additional installed capacity of almost 50 GW by 2020, over and above the present level. Achievement of the NAPCC target thus poses several challenges to the states as well as policy

makers and regulators, and wind industry stakeholders in India, who would need to rise up to the occasion and develop suitable strategies, policies and regulations to meet the NAPCC target. This includes a major focus on augmenting the power evacuation/grid facilities and transmission planning, availability of non-recourse project financing and skilled manpower, speedy and appropriate implementation of the latest policy/regulatory measures such as renewable energy certificates (RECs) [linked with state-specific renewable purchase specification (RPS) with penal provisions for non-compliance], the Indian Electricity Grid Code (IEGC) 2010, etc.

The potential is far from exhausted. Indian Wind Energy Association has estimated that with the current level of technology, the 'on-shore' potential for utilization of wind energy for electricity generation is of the order of 65,000 MW. The unexploited resource availability has the potential to sustain the growth of wind energy sector in India in the years to come.

In order to meet the rising energy demand, power generation capacity must increase to nearly 800,000 MW by 2031-32, from the current capacity of around 14158.00 MW. With India facing an acute energy scarcity, which is hampering its industrial growth and economic progress, it is essential to tackle the energy crisis through judicious utilization of the abundant renewable energy resources, such as wind. Favourable government policies and incentives are the crucial key drivers in the Wind Sector.

Business Outlook

The Company currently has an installed capacity 1.25 MW at Kapatguda in the state of Karnataka for which Voluntary Emission Reductions (VER's) were gained through Voluntary Carbon Standards. During the current financial year the Company generated additional revenue by sale of VER's to appropriate buyers.

RISKS AND CONCERNS

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

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.

FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:

Financial Performance:

Capital Structure:

The Equity Share Capital of the Company as on 31st March 2012 is ₹.10,40,22,000/- comprising of 2,08,04,400 Equity Shares of ₹.5/- each fully paid.

Reserves and Surplus:

The Reserves and Surplus of the Company for the current year is ₹.5058.87 lakhs and in the previous year was ₹. 5601.02 lakhs.

Fixed Assets:

During the year, the Company has added Fixed Assets amounting to ₹.5371.52 lakhs making the gross fixed assets as on 31.03.2012 to ₹.11,258.49 lakhs.

Inventories:

Inventories, as on 31st March, 2012 amounted to ₹.119.83 lakhs and in the previous year is ₹.615.50 lakhs.

Sundry Debtors:

Sundry Debtors amounted to ₹.332.57 lakhs as on 31st March, 2012 and ₹.902.53 lakhs in the previous year.

Cash and Bank Balances:

Cash and Bank balances with Scheduled Banks, as on 31st March, 2012 amounted to ₹.174.12 lakhs which includes amounts deposited with banks as Security and margin Money Deposit and accrued interest.

Long Term Loans and Advances:

'Loans and Advances' as on 31st March, 2012 amounted to ₹.393.06 lakhs.

Short Term Loans and Advances:

'Loans and Advances' as on 31st March, 2012, amounted to ₹.1093.14 lakhs.

Current Liabilities:

'Current Liabilities' as on 31st March, 2012 amounted to ₹.2150.67 lakhs.

6.2. Operational Performance:

Turnover:

During the year 2011-12, the gross turnover of the Company was ₹.1105.00 lakhs and ₹.6244.52 lakhs in the previous year.

Other Income as on 31st March, 2012 is ₹.183.86 lakhs and ₹.1467.30 lakhs in the previous year.

Depreciation:

The Company has provided a sum of ₹.247.61 lakhs towards depreciation for the year and ₹.211.05 in the previous year.

Net Profit:

The Net Profit of the Company after tax is ₹.68.89 lakhs and ₹.118.10 in the previous year.

Earnings per Share:

Basic Earnings Per Share for the year ended 31.03.2012 is ₹. 0.33 Ps for Face Value of ₹.5/- and ₹.0.57 per share for the year ended 31.03.2011.

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 2012, the Company has a total strength of 5 employees.

8. CAUTIONARY STATEMENT:

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



Auditors Report

To the Members of
Surana Telecom and Power Limited

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

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

Secunderabad
Date: 28/04/2012

G.Ganesh
(Partner)
Membership No : 211704



Annexure to the Auditors' Report

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

1) **Fixed Assets**

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

2) **Inventories**

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

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

- a) The company has granted loans which are not secured to One Wholly owned subsidiary during the year The Maximum amount involved and the year end outstanding are ₹.400.93 Lacs and ₹.395.59 Lacs respectively.
- b) The Loan is an interest free loan without any specific period of repayment. However as the company is a wholly owned subsidiary, In our opinion, the rate of interest and other terms and conditions of such loan are not, *prima facie*, prejudicial to the interest of the Company.
- c) The loan being interest free and there being no specific term of re-payment of principal the question of default does not arise.
- d) There is no overdue amount in excess of ₹. 1 Lakh in respect of loans granted to parties listed in the register maintained under the Section 301 of the Act.
- e) The company has taken loan from three parties during the year. The Maximum amount involved and the year end outstanding are ₹.805.74Lacs.
- f) In our opinion the terms of interest and other terms and conditions on which the loan has been taken from such parties are not *prima facie* prejudicial to the interest of the Company.
- g) The loan is interest free and there is no specific term of repayment of principal hence we are of the opinion that there is no default by company..

4) **Internal Control:-** In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control of the company.

5) **Arrangement &/ Transactions with parties covered under Section 301 of the Act.**

- a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
- b) In respect of transactions made in pursuance of such contracts or arrangements exceeding the value of ₹. Five Lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

6) **Deposits from Public:** In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits covered under Section 58A and 58AA of the Act.



- 7) **Internal Audit:** In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- 8) **Cost Records:** We have broadly reviewed the books of account maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1) (d) of the Act in respect of products sold by the Company and are of the opinion that *prima facie*, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the records.
- 9) **Statutory Dues :**
- a) According to the information and explanations given to us and on the basis of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise duty, Investor Education and Protection Fund, Service tax, Cess and material statutory dues have been deposited regularly but for some minor delays during the year by the company with the appropriate authorities.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, Investor Education and Protection Fund, Service Tax, Cess and other material statutory dues which were in arrears as at March 31, 2012 for a period more than six months from the date they became payable.
 - c) According to the information and explanations given to us, the dues set out in "Appendix - I" in respect of Income Tax, Sales Tax, Service Tax, Excise Duty and such other taxes as detailed have not been deposited with appropriate authorities on account of disputes. According to the information and explanations given to us there are no other amounts not deposited with appropriate authorities on account of dispute.
- 10) **Accumulated Losses & Cash Loss:** As on date of Balance Sheet there are no accumulated Losses and the company has not incurred any cash loss during the year or the immediately preceding financial year.
- 11) **Dues to Banks and Financial Institutions:** In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures at the end of the year.
- 12) **Loans on Security of Shares, debentures and other Securities:** The Company has maintained adequate records for the loans granted loans and advances on the basis of security of shares and properties.
- 13) **Nidhi chit fund Companies:** In our opinion and according to the information and explanations given to us the company is not a nidhi / mutual benefit fund / society.
- 14) **Dealing in / Trading in Securities:** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- 15) **Guarantees on behalf of others:** In our opinion, the terms and conditions on which the company has given guarantee for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- 16) **Usage of Term Loans:** In our opinion the term loans raised during the year are applied for the purpose they are raise.
- 17) **Usage of Short Term Funds:** According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used for long term investment.
- 18) **Preferential allotments:** The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under Section 301 of the Act.
- 19) **Debentures:** The Company has not raised any money by issue of debentures during the year.
- 20) **Public Issue:** The Company has not raised any money by public issues during the year.
- 21) **Fraud:** According to the information and explanations given to us, no material fraud on the Company has been noticed or reported during the course of the Audit.

For Sekhar & Co

Chartered Accountants

Firm Registration No: 003695-S

Secunderabad

Date: 28/4/2012

G.GANESH

(Partner)

Membership No: 211704



**APPENDIX-I as referred to in Para ix (b) of Auditors Report of
Surana Telecom and Power Limited**

Name of the Statute	Nature of the dues	Amount in ₹	Period to which it relates	Forum where the dispute is pending
Central Excise & Custom Laws	Excise Duty	₹.22,75,654	2009-10	CESTAT - Bangalore
-do-	Excise Duty	₹.6,08,728	2003-04	CESTAT - Mumbai
-do-	Excise Duty	₹.1,40,32,981	2004-05	CESTAT- Mumbai
-do-	Custom Duty	₹.4,06,023	2007-08	CESTAT - Mumbai
Andhra Pradesh Sales Tax Act	Sales Tax	₹.1,15,288	2001-02	Remanded back to Assessing officer by Appellate tribunal
-do-	Sales Tax	₹.10,80,331	1994-95	A.P. Sales Tax Appellate Tribunal

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

Secunderabad
Date:28/4/2012

G.GANESH
(Partner)
MembershipNo:211704



Balance Sheet as at 31st March 2012

(Amount in ₹.)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	A	104,022,000	104,022,000
(b) Reserves and surplus	B	505,887,469	560,102,118
		609,909,469	664,124,118
(2) Non-current liabilities			
(a) Long-term borrowings	C	274,795,581	42,298,396
(b) Deferred tax liabilities (Net)		4,692,080	6,552,080
(3) Current liabilities			
(a) Short-term borrowings	D	7,076,343	50,192,070
(b) Trade payables	E	129,608,000	125,273,555
(c) Other current liabilities	F	66,292,821	31,389,153
(d) Short-term provisions	G	12,089,700	12,230,005
TOTAL		1,104,463,994	932,059,377
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	H	744,249,104	293,224,957
(ii) Capital work-in-progress		-	152,727,839
(b) Non-current investments	I	113,866,728	104,697,260
(c) Long-term loans and advances	J	39,306,076	42,054,535
(2) Current assets			
(a) Current Investments	K	-	29,400,000
(b) Inventories	L	11,982,857	61,550,375
(c) Trade receivables	M	33,257,040	90,252,900
(d) Cash and cash equivalents	N	17,412,333	27,209,881
(e) Short-term loans and advances	O	109,314,184	85,674,696
(f) Other current assets	P	35,075,672	45,266,934
TOTAL		1,104,463,994	932,059,377
Significant accounting policies and notes on accounts (1&2)			

As per our report of even date attached

For Surana Telecom and Power Limited

For Sekhar & Co

Chartered Accountants

Firm's Registration Number : 003695-S

G.Ganesh

Partner

Membership No: 211704

Narender Surana

Chairman

Devendra Surana

Director

Place: Secunderabad

Date: April 28, 2012

R. Lakshman Raju

Chief Financial Officer

Vinamrata Jodhani

Company Secretary



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

(Amount in ₹.)

	Note No.	For the year 31.03.2012	For the year 31.03.2011
I. REVENUE FROM OPERATIONS	1	110,500,098	624,451,510
II. OTHER INCOME	2	18,386,152	146,730,480
III. TOTAL REVENUE		128,886,250	771,181,990
IV. EXPENSES			
Cost of materials consumed	3	59,224,275	557,693,146
Changes in inventories of finished goods, work-in-progress and stock in trade	4	6,884,291	30,331,838
Employee benefit expenses	5	3,716,032	18,744,980
Finance costs	6	3,599,027	14,850,940
Depreciation and amortisation expenses	7	25,562,780	22,015,718
Other expenses	8	25,161,837	113,888,152
Total expenses		124,148,242	757,524,774
V. Profit before exceptional and extraordinary items and tax		4,738,008	13,657,216
VI. PRIOR PERIOD ADJUSTMENT		290,742	(251,288)
VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		5,028,750	13,405,928
IX. PROFIT BEFORE TAX		5,028,750	13,405,928
X. TAX EXPENSE:			
1. Current tax		-	2,500,000
2. Deferred tax		(1,860,000)	(904,000)
3. MAT Credit entitlement		-	-
XI. PROFIT AFTER TAX		6,888,750	11,809,928
Significant accounting policies and notes on accounts (1&2)			

As per our report of even date attached

For Surana Telecom and Power Limited

For **Sekhar & Co**

Chartered Accountants

Firm's Registration Number : 003695-S

G.Ganesh

Partner

Membership No: 211704

Place: Secunderabad

Date: April 28, 2012

Narender Surana

Chairman

R. Lakshman Raju

Chief Financial Officer

Devendra Surana

Director

Vinamrata Jodhani

Company Secretary



Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹.)

Particulars	2011-12	2010-2011
A. Cash Flow From Operating Activities		
Net Profit before tax as per annexed profit and loss account	5,028,750	13,405,928
Adjustments for :		
Depreciation & Amortisations	25,562,780	22,015,718
Bad Debts Written Off & Provision for Bad Debts	2,986,735	28,744,014
Balances / Provisions no longer required written back	(1,000,015)	(1,453,241)
(Profit)/Loss on Sale of Investments(Net)	18,403	(170,214)
Profit & Loss on Sale of Assets	(4,894,260)	(122,779,572)
Interest Expense	3,599,027	14,850,940
Interest Income	(6,110,878)	(12,239,678)
Dividend Income	(5,380,405)	(1,236,715)
Operating Profit before working Capital Changes	19,810,137	(58,862,820)
(Less)/ Add Adjustments for Working Capital Changes		
Inventories	49,567,518	11,870,217
Loans and Advances	(26,194,315)	4,641,133
Other Current Assets	12,199,741	3,838,358
Sundry Debtors	54,009,125	(47,668,746)
Trade Payables and other Liabilities	40,242,517	130,776,117
	129,824,586	103,457,079
Cash Generated from Operations	149,634,723	44,594,259
Income Taxes (Paid) /refund	3,247,338	(5,083,604)
	-	
Net Cash (used in)/from operating Activities (A)	152,882,061	39,510,655
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets & Changes in CWIP	(384,424,609)	(176,278,203)
Sale of Fixed Assets	18,246,086	134,417,305
Investment in Shares & Other Investments (Net)	(9,187,871)	(3,535,975)
Dividend Received	5,380,405	1,236,715
Interest Received	4,036,140	12,239,678
debentures refunded	29,400,000	-
Repayment of Loan from Associate Company		18,950,818
Net Cash (used in)/from Investing Activities (B)	(336,549,849)	(12,969,662)



Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹.)

Particulars	2011-12	2010-2011
C. Cash Flow From Financing Activities		
Increase/(Decrease) in Secured Loans	76,884,273	46,701,395
Increase/(Decrease) in Un Secured Loans	112,497,185	(32,061,472)
Interest Paid	(3,372,088)	(14,850,940)
Dividend Paid	(12,139,130)	(11,812,343)
Net Cash (used in)/from Financing Activities (C)	173,870,240	(12,023,360)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(9,797,548)	14,517,633
Cash and Cash Equivalents Opening Balance	27,209,881	12,692,248
Cash and Cash Equivalents Closing Balance	17,412,333	27,209,881
Net Increase/(Decrease) in Cash and Cash Equivalents	(9,797,548)	14,517,633

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 and Ministry of Company Affairs.

The Cash and Cash Equivalents as per the Balance Sheet	2011-2012	2010-2011	Change Over previous Year
Cash in Hand	86,652	283,793	(197,141)
Balances with Banks	17,325,681	26,926,088	(9,600,407)
Total	17,412,333	27,209,881	(9,797,548)

3 Previous Figures are regrouped wherever required to make them comparable with current year

4 The following items of Cash and Cash Equivalents are not available as free balances to the Company

Balances with Banks	2011-2012	2010-2011
In Dividend account	3,756,102	3,737,991
Deposit held to the extent of Margin Money	9,093,801	22,021,695
Total	12,849,903	25,759,686

5 Notes to Accounts form an integral part of Cash Flow Statement

As per our report of even date attached

For Surana Telecom and Power Limited

For Sekhar & Co

Chartered Accountants

Firm's Registration Number : 003695-S

G.Ganesh

Partner

Membership No: 211704

Place: Secunderabad

Date: April 28, 2012

Narender Surana

Chairman

R. Lakshman Raju

Chief Financial Officer

Devendra Surana

Director

Vinamrata Jodhani

Company Secretary



1. Significant Accounting Policies

i. Basis of Preparation of Financial Statements

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

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

ii. Use of Estimates

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

iii. Own Fixed Assets

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

iv. Leased Assets

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

v. 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 less any permanent diminution in value, determined separately for each individual investment. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.

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 releasable value whichever is lower. Cost includes Direct Material, Labour cost and appropriate overheads.

ix. Foreign Currency Transactions

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



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 actuarial valuation on actual entitlement of eligible employees at the end of the year.

xi. Provision, Contingent Liabilities and Contingent Assets :

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

xii. Turnover

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

xiii. Revenue Recognition

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

xiv. Government Grants

Grants received against capital items carrying cost of asset is adjusted against the cost of the asset on actual receipt of the money from the government. Assets received as grant free of cost are recorded at nominal value of transfer of possession. Compensation / Reimbursement of specific revenue items are adjusted in the year of receipt against the respective revenue items on receipt basis.

xv. Segment Reporting

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

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

xvi. 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.

xvii. 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.

xviii. Prior Period Expenses / Income :

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

xix. Sundry Debtors, Loans and Advances

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

xx. Earnings per Share

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



Notes to Balance Sheet

(Amount in ₹)

Note : A		As at 31.03.2012		As at 31.03.2011
Share Capital				
a. Authorized				
3,00,00,000 (March 31, 2011 : 3,00,00,000) equity shares of ₹.5/- each.		-		
TOTAL		150,00,000		150,00,000
b. Issued, subscribed and paid-up capital				
2,08,04,400 (March 31, 2011 : 2,08,04,400) equity shares of ₹.5/- fully paid up				
TOTAL		104,022,000		104,022,000
c. Bonus shares in Past five years -- Nil		-		-
d. Options, contracts and commitments outstanding Nil		-		-
e. Buyback of shares in past five years : 2008-09		1,800,000		1,800,000
f. Equity shareholders holding morethan 5% of issued shares are given below.				
Name of Shareholder	%	No of shares	%	No of shares
Bhagyanagar India Limited	8.83	1,837,262	8.83	1,837,262
Narender Surana	16.87	3,509,932	16.78	3,492,575
Devendra Surana	14.03	2,920,692	14.03	2,920,692
Total		104,022,000		104,022,000

Note : B		As at 31.03.2012	As at 31.03.2011
Reserves and surplus			
(i) General Reserves			
Balance at beginning of the year		240,570,967	235,570,967
Add: Transferred from Profit & Loss Account		5,000,000	5,000,000
Balance at the year end		245,570,967	240,570,967
(ii) Capitall Redemption Reserve			
Balance at beginning of the year		24,000,000	24,000,000
Balance at the year end		24,000,000	24,000,000
(iii) Revaluation Reserve			
Balance at beginning of the year		77,812,909	101,191,775
Adjusted against sale of Plant & Machinery/ Building		(10,505,286)	(13,228,583)
Adjusted against Revaluation of Plant & Machinery		(33,521,059)	-
Adjusted against Depreciation		(4,987,354)	(10,150,283)
Balance at the year end		28,799,210	77,812,909
(iv) Central Subsidy		3,500,000	3,500,000
(v) Surplus			
Balance of Profit and Loss account available for appropriation		214,218,242	219,538,319
Add: Profit during the year		6,888,750	11,809,928
Amount available for appropriation		221,106,992	231,348,247
Less : Appropriations			
Proposed equity Dividend		10,402,200	10,402,200
Tax on Proposed equity dividend		1,687,500	1,727,805
Transfer to General Reserve		5,000,000	5,000,000
Balance at the year end		204,017,292	214,218,242
Total		505,887,469	560,102,118



Notes to Balance Sheet

(Amount in ₹)

Note : C	As at 31.03.2012	As at 31.03.2011
Long-Term Borrowings		
Secured		
(a) Term Loan from Bank (Refer note: 1)	120,000,000	-
Un Secured		
(a) Loan from Body Corporate	115,574,077	-
(b) Deferred Sales tax (Refer note: 2)	39,221,504	42,298,396
Total	274,795,581	42,298,396

Notes:

Term Loan from Indian Overseas Bank is secured by way of first charge on the Solar Power Project assets, Wind Power Turbine and second charge on fixed assets of the company presently charged to Corporation Bank and State Bank of India. Further, it has been guaranteed by the some of the directors of the company. The loan is repayable in 25 quarterly installments beginning from April 2013.

Represents the interest free sales tax deferment (loan) availed from Government of Andhra Pradesh and the repayment is based on regulations specified in the eligibility certificates issued by Department of Industries. Due with in a year is ₹. 30,76,892/- is classified and shown under "**Other current liabilities**".

Note: D	As at 31.03.2012	As at 31.03.2011
Short-term borrowings		
Secured		
(a) Cash Credit (Refer note: 1)	7,076,343	50,192,070
Total	7,076,343	50,192,070

Notes:

Cash Credit facilities from Scheduled Banks are secured against certain fixed assets and current assets of the company on pari-pasu-basis. Further it has been guaranteed by the some of the directors of the company.

Note: E	As at 31.03.2012	As at 31.03.2011
Trade Payables		
Sundry Creditors - Others	2,945,772	96,778,242
Sundry Creditors - Capital Goods	126,662,228	28,495,313
Total	129,608,000	125,273,555

Notes:

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



Notes to Balance Sheet

(Amount in ₹)

Note: F	As at 31.03.2012	As at 31.03.2011
Other Current liabilities		
(a) Unclaimed dividends (Refer note: 1)	3,756,102	3,737,991
(b) Other payables		
-Other Liabilities	4,313,981	4,433,752
-Deferred Sales tax	3,076,892	6,601,026
-Lease Deposits	4,124,396	2,114,395
- Advance from Customers	51,021,450	14,501,989
Total	66,292,821	31,389,153

Notes:

Secion 205 of the companies Act, 1956 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to the Investor Education and Protecion Fund (IEPF). Accordingly, dividend pertaining to the year 2003-04 at ₹.3,02,066/- has been transferred to IEPF.

Note: G	As at 31.03.2012	As at 31.03.2011
Short-term provisions		
(a) Provision for employee benefits-Bonus	-	100,000
(b) Proposed Dividend	10,402,200	10,402,200
(c) Tax on Dividend	1,687,500	1,727,805
Total	12,089,700	12,230,005



Note: H
Fixed Assets - Tangible Assets
(Amount in ₹)

Sl. No	Description	AT COST			DEPRECIATION/ AMORTISATION			NET BOOK VALUE			
		As at 01.04.11	Additions during the year	Deletions during the year	As at 31.03.12	Up to 01.04.11	Provided during the year	Deletions during the year	Up to 31.03.12	As at 31.03.12	As at 31.03.11
1	Free hold Land	35,644,899	-	-	35,644,899	-	-	-	-	35,644,899	35,644,899
2	Lease hold land	38,851,209	15,843,939	-	54,695,148	860,065	800,952	-	1,661,017	53,034,131	37,991,144
3	Buildings	66,318,126	3,400,000	-	69,718,126	31,540,497	3,524,790	-	35,065,287	34,652,839	34,777,629
4	Plant & Machinery - Gujarat	-	515,537,519	-	515,537,519	-	6,585,992	-	6,585,992	508,951,527	-
5	Plant & Machinery	529,071,373	2,370,990	117,281,807	414,160,556	359,781,714	17,082,995	61,990,172	314,874,536	99,286,018	169,289,657
6	Office Equipment	4,741,109	-	-	4,741,109	3,023,669	238,896	-	3,262,565	1,478,544	1,717,440
7	Office Equipment- Leased	13,235,621	-	-	13,235,621	7,029,083	863,329	-	7,892,412	5,343,209	6,206,538
8	Furniture & Fittings	11,376,825	-	-	11,376,825	4,910,171	1,170,464	-	6,080,636	5,296,189	6,466,654
9	Vehicles	4,711,934	-	1,254,925	3,457,009	3,811,325	190,560	968,392	3,033,493	423,516	900,609
10	Computers	3,282,619	-	-	3,282,619	3,052,232	92,155	-	3,144,387	138,232	230,387
	TOTAL	707,233,715	537,152,448	118,536,732	1,125,849,431	414,008,756	30,550,133	62,958,564	381,600,325	744,249,104	293,224,957
	Previous Year	739,331,901	23,550,364	55,648,550	707,233,715	412,624,989	32,166,001	30,782,233	414,008,758	293,224,957	

Note: 1. Deletion in Plant & Machinery includes reduction on account of revaluation of the assets as carried out independent valuer. Brief details of the reductions are given below.

Particulars	Amount in ₹
a) Revalued Component as reduced on sale of Machinery from the Gross Block	10,505,286
b) Revalued Component as reduced on revaluation of Plant & Machinery from the Gross Block	33,521,059
c) Total reduction from the Gross Block of the Assets	44,026,345



Notes to Balance Sheet

(Amount in ₹)

Note: I	As at 31.03.2012	As at 31.03.2011
Non-current investments		
(Long term at cost, unless otherwise specified)		
A) Unquoted Investments (at cost)		
a) In Subsidiary Companies		
50,000 (March 31, 2011: 50,000) equity shares of ₹.10/- each of Globecom Infotech Private Ltd Partly paid up @ 2/- each.	100,000	100,000
-	-	-
b) In Companies under the same management		
1,50,000 (March 31, 2011: 1,50,000) equity shares of ₹.10/- each of Bhagyanagar Securities Pvt Ltd	18,000,000	18,000,000
c) In Joint Venture Company (foreign)		
1,49,745 (March 31, 2011: NIL) equity shares of 100 taka each in Bangladesh Currency) of Radiant Alliance Ltd.	9,212,065	-
Sub Total	27,312,065	18,100,000
B) Quoted Investments (at cost)		
a) In Companies under the same management		
22,80,831 (March 31, 2011: 22,80,831) equity shares of ₹.2/- each of Bhagyanagar India Ltd	35,068,207	35,068,207
44,10,000 (March 31, 2011: 44,10,000) equity shares of ₹.10/- each of Surana Ventures Ltd	44,100,000	44,100,000
Sub Total	79,168,207	79,168,207
b) In Other Companies (at cost)		
200 (March 31, 2011: 200) equity shares of ₹.10/- each of BOC India Ltd	45,510	45,510
50,000 (March 31, 2011: 50,000) equity shares of ₹.10/- each of Dolphin Medical Services Limited	600,000	600,000
Nil (March 31, 2011: 100) equity shares of ₹.10/- each of DLF Ltd.	-	38,097
300 (March 31, 2011: 300) equity shares of ₹.10/- each of Parry Sugar Industries Ltd (formerly GMR Industries Ltd)	25,482	25,482
1,50,000 (March 31, 2011: 1,50,000) equity shares of ₹.10/- each of Indosolar Limited	3,650,713	3,650,713
100 (March 31, 2011: 100) equity shares of ₹.10/- each of Indswift Laboratories Limited	14,700	14,700
17,315 (March 31, 2011: 17,315) equity shares of ₹.10/- each of Megasoft Limited	2,407,415	2,407,415
45 (March 31, 2011: 45) equity shares of ₹.10/- each of Mahindra Lifespace Developers Limited	23,307	23,307
610 (March 31, 2011: 610) equity shares of ₹.10/- each of Mahanagar Telephone Nigam Limited	85,368	85,368
6 (March 31, 2011: 6) equity shares of ₹.10/- each of Prithvi Information Solutions Limited	301	301
300 (March 31, 2011: 300) equity shares of ₹.10/- each of Suzlon Energy Limited	17,382	17,382
10,000 (March 31, 2011: 10,000) equity shares of ₹.10/- each of Sree Shakti Paper Mills Limited	300,000	300,000
2,107 (March 31, 2011: 2,107) equity shares of ₹.10/- each of Talbors Automotive Components Limited	214,915	214,915
100 (March 31, 2011: 100) equity shares of ₹.10/- each of Vaibhav Gems Limited	1,363	1,363
Sub Total	7,386,456	7,424,553



Notes to Balance Sheet

(Amount in ₹)

Note: I	As at 31.03.2012	As at 31.03.2011
c) In Government Securities (at cost)		
National saving certificates	-	4,500
Sub Total	-	4,500
Grand Total	113,866,728	104,697,260
Aggregate Market Value of Quoted Investments	120,821,446	246,591,469

Note: J	As at 31.03.2012	As at 31.03.2011
Long term Loans and advances		
Unsecured, Considered good)		
a) Loans and advances to related parties		
i) Loan to subsidiary Company	36,958,740	40,092,740
b) Loans and advances to Others		
i) Other advances	397,692	-
ii) Deposits	1,949,644	1,961,795
Total	39,306,076	42,054,535

Note: K	As at 31.03.2012	As at 31.03.2011
Current Investments		
Investment in Debentures		
Nil (March 31, 2011: 29,40,000) 12% non-convertible debentures of ₹.10/- each allotted as per scheme of demerger	-	29,400,000
Total	-	29,400,000

Note: L	As at 31.03.2012	As at 31.03.2011
Inventories		
(As taken, Valued and Certified by the Management)		
(Valued at lower of cost or net realizable value)		
a) Raw materials	11,982,857	54,666,084
b) Work-in-progress	-	1,510,964
c) Finished Goods	-	5,373,327
Total	11,982,857	61,550,375

Note: M	As at 31.03.2012	As at 31.03.2011
Trade receivables		
(Unsecured, considered good unless stated otherwise)		
(i) Aggregate amount of Trade Receivables outstanding for a period less than six months	19,450,175	79,039,929
(ii) Aggregate amount of Trade Receivables outstanding for a period exceeding six months	13,806,865	11,212,971
Total	33,257,040	90,252,900

Note:

In case of Trade receivables letters for confirmation of year end balances are sent. Hence, the balances as on the date of Balance Sheet are subject confirmation and reconciliation.



Notes to Balance Sheet

(Amount in ₹)

Note: N	As at 31.03.2012	As at 31.03.2011
Cash and cash equivalents		
(a) Balance with banks		
In current account	4,475,778	1,166,402
In Dividend account (Refer Note: 1)	3,756,102	3,737,991
Deposit held to the extent of margin money	9,093,801	22,021,695
(b) Cash on hand	86,652	283,793
Total	17,412,333	27,209,881

Notes:

Section 205 of the companies Act, 1956 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, dividend pertaining to the year 2003-04 at ₹.3,02,066/- has been transferred to IEPF.

Note: O	As at 31.03.2012	As at 31.03.2011
Short-term loans and advances		
(Unsecured, considered good)		
(a) Advance tax & TDS (Net of Provisions)	33,009,913	38,246,941
(b) Taxes paid under protest	32,396,411	31,883,360
(c) Advances to suppliers	1,143,903	7,862,096
(d) Other Advances	40,465,354	4,797,005
(e) Deposits		
- E.M.D	656,612	656,612
- Other Deposit	1,641,990	2,228,682
Total	109,314,183	85,674,696

Note: P	As at 31.03.2012	As at 31.03.2011
Other current assets:		
(Considered good unless otherwise stated)		
(a) Loans Against pledge of Securities (Secured, considered good)	17,390,889	17,057,873
(b) Balances with statutory authorities (Unsecured, Considered good)	17,684,783	28,209,061
Total	35,075,672	45,266,934



Notes to Profit & Loss Account

(Amount in ₹)

Note: 1	For the year 31.03.2012	For the year 31.03.2011
REVENUE FROM OPERATIONS		
(a) Sale of products		
Solar Power	11,454,345	-
Wind Power	6,534,580	5,630,428
Verified Emmission Reduction	4,154,976	2,117,452
Electric Power Cable / Components	59,247,355	299,414,994
Jelly Filled Telephone Cables	4,425,253	110,037,858
Jointing Kits	-	3,763,779
Telecom accessories	228,055	3,220,854
Optical Fibre/ Cables	2,335,169	1,941,690
Scrap & Misc	16,603,676	12,048,874
Traded Goods/ Solar Modules	1,327,995	222,621,866
Sub Total	106,311,404	660,797,795
Less: Inter Unit Sales	-	3,743,576
Gross Sales	106,311,404	657,054,219
Less: Excise Duty	7,029,367	37,641,509
Net Sales	99,282,037	619,412,710
(b) Infrastructure Leasing	11,218,061	5,038,800
TOTAL	110,500,098	624,451,510

Note: 2	For the year 31.03.2012	For the year 31.03.2011
OTHER INCOME		
(a). Interest Income		
Interest on Loans, Deposits and Others	6,110,878	12,239,678
(b). Dividend Income	5,380,405	1,236,715
(c) Profit on sale of Investments	-	170,214
(d) Gain on foreign exchange fluctuation	-	7,479,563
(e) Other non-operating income		
Miscellaneous income	78,311	1,177,710
Miscellaneous rental income	48,000	-
Balances no longer payable written back	1,000,015	1,453,241
Balances written off in earlier years received back	874,283	193,787
Profit on sale of Sundry Assets	4,894,260	447,840
(f) Premium on transfer of Leased Land	-	122,331,732
TOTAL	18,386,152	146,730,480

Note: 3	For the year 31.03.2012	For the year 31.03.2011
Cost of Raw Material/ Traded Goods		
Opening Stock - Raw Materials	54,666,084	36,204,463
Purchases - Raw Material including incidental Expenses (net of Modvat)	12,856,188	366,460,460
Less: Closing Stock- Raw Materials	11,982,857	54,666,084
Less: Inter-Unit Purchases	-	3,743,576
Raw Material Consumed (A)	55,539,415	344,255,263
Purchases - Traded Goods (Net of Modvat)	3,684,860	213,437,883
Cost of Traded Goods (B)	3,684,860	213,437,883
Grand Total (A+B)	59,224,275	557,693,146



(Amount in ₹)

Note: 4	For the year 31.03.2012	For the year 31.03.2011
Changes in Inventories		
Opening Stock WIP	1,510,964	22,051,950
Opening Stock Finished Goods	5,373,327	15,164,179
Less: Closing Stock WIP	-	1,510,964
Less: Closing Stock Finished Goods	-	5,373,327
Increase/(Decrease) in Stock	6,884,291	30,331,838

Note: 5	For the year 31.03.2012	For the year 31.03.2011
Employee Benefits Expense		
Salaries and wages	3,160,435	17,051,784
Contribution to provident and other funds	291,719	1,255,901
Staff welfare expenses	263,878	437,295
TOTAL	3,716,032	18,744,980

Note: 6	For the year 31.03.2012	For the year 31.03.2011
Finance Costs		
Interest Expense		
On Cash credit & others	786,812	9,128,251
On Term Loan	139,189	-
Financial Charges	2,673,026	5,722,689
TOTAL	3,599,027	14,850,940

Note: 7	For the year 31.03.2012	For the year 31.03.2011
Depreciation and amortisation expenses		
Depreciation	24,761,828	21,105,583
Amortisation expenses - Lease Premium	800,952	910,135
TOTAL	25,562,780	22,015,718



(Amount in ₹)

Note: 8	For the year 31.03.2012	For the year 31.03.2011
Other Expenses		
Consumption of stores and spare parts	323,149	1,870,422
Processing & conversion charges	5,128,657	2,430,500
Travelling & Conveyance	1,240,055	2,466,257
Director's Remuneration	600,000	441,935
Director's Sitting Fees	90,000	135,000
Power and fuel	3,403,015	7,486,707
Rent	-	196,550
Repairs		
Buildings	392,023	1,948,713
Machinery	416,341	3,947,465
Others	117,906	757,102
Insurance	532,869	421,109
Rates and taxes	449,742	3,988,973
Packing & Forwarding	1,462,945	9,347,551
Testing/ Inspection Charges	18,820	1,081,509
Loss on Foreign exchange fluctuation	348,363	-
Loss of Material in Transit	-	21,435,325
Taxes paid		
Service Tax	111,725	612,318
Sales Tax	3,206,506	18,283,653
Entry Tax	-	38,483
Sundry balances written off	2,986,735	28,744,014
Miscellaneous Expenses	4,276,806	8,204,566
Payments to the auditor		
for Statutory audit	33,708	30,000
for tax audit	22,472	20,000
TOTAL	25,161,837	113,888,152



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

9 Commitments and Contingent Liabilities

(Amount in ₹)

	As at 31.03.12	As at 31.03.11
i Commitments/ Contingent Liabilities		
a Unexpired Letters of Credit	5,290,487	110,901,697
b Counter Guarantees given to the Bankers	32,676,633	68,357,203
ii Claims against the company not acknowledged as debts in respect of		
a Excise matters, under dispute	17,317,656	17,317,656
b Sales tax matters, under dispute	1,195,331	1,195,331

10 Earnings per share (EPS)

	for the year ended 31.03.12	for the year ended 31.03.11
Particulars	Basic and diluted	Basic and diluted
Net Profit after tax	6,888,750	11,809,928
Net Profit available for equity share-holders	6,888,750	11,809,928
No of Equity shares- Basic	20,804,400	20,804,400
Nominal Value of each equity share (₹.	5.00	5.00
Basic Earning per share	0.33	0.57

11 Deferred Tax liability

	As at 31.03.12	As at 31.03.11
Deferred tax adjustments recognised in the financial statements are as under		
Deferred tax liability as at the beginning of the year	6,552,080	7,456,080
Liability / (Asset) arising during the year	(1,860,000)	(904,000)
Deferred tax liability as at the end of the year	4,692,080	6,552,080

12 Related Party disclosures

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

a Companies where principal shareholders have significant influence

1 Bhagyanagar India Ltd.	18 Innova Technologies Pvt. Ltd.
2 Bhagyanagar Metals Ltd.	19 Majestic Logistics Pvt. Ltd.
3 Bhagyanagar Properties Pvt. Ltd.	20 Advantage Real Estate India Pvt. Ltd.
4 Metropolitan Ventures India Ltd.	21 Bhagyanagar Capital Pvt. Ltd.
5 Scientia Infocom India Pvt. Ltd.	22 Bhagyanagar Foods & Beverages Pvt. Ltd.
6 Bhagyanagar Infrastructure Ltd.	23 Bhagyanagar Energy & Telecom Pvt. Ltd.
7 Green Energy Systems Pvt. Ltd.	24 Bhagyanagar Entertainment Ltd.
8 GMS Realtors Pvt. Ltd.	25 Bhagyanagar Ventures Pvt. Ltd.
9 Surana Infocom Pvt. Ltd.	26 Bhagyanagar Entertainment and Infra Development Co. Pvt. Ltd.
10 AP Golden Apparels Pvt. Ltd.	27 Everytime Foods Industries Pvt. Ltd.



- | | |
|--------------------------------------|--|
| 11 Blossom Residency Pvt. Ltd. | 28 Royal Skyscrapers India Pvt. Ltd. |
| 12 Epicentre Entertainment Pvt. Ltd. | 29 Surana Boichemicals Pvt. Ltd. |
| 13 Innova Biotech India Pvt. Ltd. | 30 Sitetonic Websolutions Pvt. Ltd. |
| 14 Innova Infrastructure Pvt. Ltd. | 31 Stealth Energy Pvt. Ltd. |
| 15 Shresht Energy Pvt. Ltd. | 32 Value Infrastructure & Properties Pvt. Ltd. |
| 16 Tranquil Avenues India Pvt. Ltd. | 33 Andhra Electro Galvanising works |
| 17 Surana Ventures Ltd. | |

b Subsidiary Company

Globecom Infotech Pvt. Ltd.

c Joint Venture Company

Radiant Alliance Ltd.

d Key Managerial Personnel

Narender Surana

Devendra Surana

e The following is the summary of related party transactions

(Amount in ₹)

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
i Sale of Goods	23,909,813	202,788,747
ii Purchase of Goods	78,803,090	72,791,448
iii Jobwork (Purchases)	105,236,000	736,707
iv Interest paid	3,222,009	7,657,479
v Dividend Income	5,322,333	912,333
vi Loans/ advances taken	196,127,764	347,855,000
vii Loans/ advances repaid	121,334,070	369,355,000

f. The following are the significant related parties

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

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
i Sales to		
Bhagyanagar India Ltd	4,176,594	82,032,000
Surana Ventures Ltd	19,733,219	120,756,747
Total	23,909,813	202,788,747
ii Purchases from		
Bhagyanagar India Ltd	5,769,530	13,686,675
Surana Ventures Ltd	70,544,020	53,973,773
Total	76,313,550	67,660,448



(Amount in ₹)

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
iii Jobwork (Purchases)		
Surana Ventures Ltd	105,236,000	-
Bhagyanagar India Ltd	-	736,707
Total	105,236,000	736,707
iv Interest paid		
Bhagyanagar India Ltd	3,222,009	5,548,354
Value Infrastrasture & Properties Pvt Ltd	-	1,938,404
Total	3,222,009	7,486,758
v Loans/ advances taken		
Bhagyanagar India Ltd	196,127,764	214,310,000
Surana Infocom Pvt Ltd	-	109,545,000
Value Infrastrasture & Properties Pvt Ltd	-	24,000,000
Total	196,127,764	347,855,000
vi Loans/ advances repaid		
Bhagyanagar India Ltd	121,334,070	235,810,000
Surana Infocom Pvt Ltd	-	109,545,000
Value Infrastrasture & Properties Pvt Ltd	-	24,000,000
Total	121,334,070	369,355,000
vii Remuneration		
Remuneration to relatives of Key Managerial Personnel		
Ms. Sunita Surana	-	300,000
Ms. Vinita Surana	-	176,775
Ms. Manish Surana	-	441,935

g The company has the following amounts due to related parties

Due to related Parties	As at 31.03.12	As at 31.03.11
Bhagyanagar India Ltd	80,574,077	1,814,959



13 Raw Material Consumed during the year

(Amount in ₹)

	for the year ended 31.03.12	for the year ended 31.03.11
Raw Material		
i Copper	9,801,207	105,060,500
ii Polythene Granules	6,351,055	49,418,000
iii G S Tape	3,954,808	21,255,143
iv Alluminium Scrap	32,487,119	122,583,000
v Others including incidental charges	2,945,226	45,939,100
Total	55,539,415	344,255,743

Note : Others include items which do not individually exceed 10 % of total Consumption

14 Detailed of Imported and indigenous raw materials, spares and packing materials consumed

Particulars	for the year ended 31.03.12		for the year ended 31.03.11	
	Value	% of total Consumption	Value	% of total Consumption
Raw materials				
Imported	32,487,119	58.49	150,210,553	43.63
Indigenous	23,052,296	41.51	194,045,190	56.37
Total	55,539,415	100.00	344,255,743	100.00

15 CIF Value of imports

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
Raw Material	13,577,070	369,240,100
Total	13,577,070	369,240,100

16 Expenditure in foreign Currency

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
Travelling	-	762,404
Total	-	762,404

17 Earnings in foreign Currency

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
Exports on FOB basis	4,154,976	2,117,452
Total	4,154,976	2,117,452



18 Retirement and Other Employees Benefits

The Company's employee benefits primarily cover provident fund, gratuity and leave encashment. Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the Profit & Loss account in the year in which they accrue.

Gratuity liability is a defined benefit obligation and is based on the actuarial valuation done by the Life

Insurance Corporation of India. The gratuity liability and the net periodic gratuity cost is actually determined after considering discounting rates, expected long term return on plan assets and increase in compensation level. All actuarial gain/ losses are immediately charged to the Profit & Loss account and are not deferred. The following table summarises the components of Net Benefit expenses recognised in the Profit & Loss account and amount recognised in the Balance Sheet for the respective plans.

a Expenses recognised in the Profit & Loss Account (Amount in ₹)

Particulars	Gratuity
Current service cost	185,464
Interest cost	83,068
Expected Return on Planned assets	6,562
Net actuarial loss/ (gain) recognized in the year	1,001,688

b Change in Present value of obligation during the year ended 31st March, 2012

Particulars	Gratuity
Present Value of obligation as at beginning of the year	1,038,352
Interest cost	83,068
Current service cost	185,464
Benefits Paid-Actuals	249,755
Expected Liability at the year end	1,057,129
Actuarial loss	1,001,688
Present Value of obligation as at end of the year	55,441

c Change in fair value of Plan Assets during the year ended 31st March, 2012

Particulars	Gratuity
Fair value of Plan Assets as at the beginning of the year	143,715
Expected return on plan assets	6,562
Contributions	191,016
Benefits Paid	249,755
Actuarial gain/ loss on plan assets	-
Fair value of Plan Assets as at the end of the year	91,538

d Actuarial Gain/ loss recognized

Particulars	Gratuity
Actuarial (gain) / loss for the year -Obligation	1,001,688
Actuarial (gain) / loss for the year -plant assets	-
Total Loss for the Year	1,001,688
Actuarial (gain) / loss recognized in the year	1,001,688



19 Segment Information

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

(Amount in ₹)

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
Segment Revenue (Net of Excise duty)		
a Power (Solar)	11,454,345	-
b Power (Wind)	10,689,556	7,747,880
c Others	88,356,197	616,703,630
Net Sales/ Income from operations	110,500,098	624,451,510
Segmental Results		
(Profit before Tax & Interest)		
a Power (Solar)	4,745,453	-
b Power (Wind)	3,130,567	3,472,684
c Others	(4,849,946)	(29,562,000)
Total	3,026,074	(26,089,316)
Less: Interest		
Unallocable Expenditure	3,599,027	14,850,940
Net of unallocable Income	(5,601,703)	(54,346,184)
Total Profit before tax	5,028,750	13,405,928
Capital employed		
a Power (Solar)	428,622,979	143,632,526
b Power (Wind)	48,802,879	49,204,474
c Others	180,817,409	322,456,201
d Unallocated	157,656,205	197,729,689
Total	815,899,472	713,022,890

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

As per our report of even date attached

For Surana Telecom and Power Limited

For Sekhar & Co

Chartered Accountants

Firm's Registration Number : 003695-S

G.Ganesh

Partner

Membership No: 211704

Place: Secunderabad

Date: April 28, 2012

Narender Surana

Chairman

R. Lakshman Raju

Chief Financial Officer

Devendra Surana

Director

Vinamrata Jodhani

Company Secretary



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, 2012 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.
 1. In the case of consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2012.
 2. In the case of consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 3. In the case of Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

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

Place: Secunderabad
Date: 28/04/2012

G.Ganesh
(Partner)
M.No: 211704



Consolidated Balance Sheet as at 31st March, 2012

(Amount in ₹.)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
I 1 EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	A	104,022,000	104,022,000
(b) Reserves and surplus	B	505,747,608	560,017,849
		609,769,608	664,039,849
(2) Non-current liabilities			
(a) Long-term borrowings	C	274,795,581	42,308,396
(b) Deferred tax liabilities (Net)		4,692,080	6,552,080
(3) Current liabilities			
(a) Short-term borrowings	D	7,076,343	50,192,070
(b) Trade payables	E	129,608,000	125,273,555
(c) Other current liabilities	F	66,298,388	31,391,911
(d) Short-term provisions	G	12,089,700	12,230,005
TOTAL		1,104,329,700	931,987,866
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	H	744,249,104	293,224,957
(ii) Capital work-in-progress		36,842,000	192,727,839
(b) Non-current investments	I	113,766,728	104,597,260
(c) Long-term loans and advances	J	2,347,336	1,961,795
(2) Current assets			
(a) Current Investments	K	-	29,400,000
(b) Inventories	L	11,982,857	61,550,375
(c) Trade receivables	M	33,257,040	90,252,900
(d) Cash and cash equivalents	N	17,423,618	27,224,364
(e) Short-term loans and advances	O	109,314,181	85,674,696
(f) Other current assets	P	35,146,836	45,373,680
TOTAL		1,104,329,700	931,987,866
Significant accounting policies and notes on accounts			

As per our report of even date attached

For Surana Telecom and Power Limited

For Sekhar & Co

Chartered Accountants

Firm's Registration Number : 003695-S

G.Ganesh

Partner

Membership No: 211704

Place: Secunderabad

Date: April 28, 2012

Narender Surana

Chairman

R. Lakshman Raju

Chief Financial Officer

Devendra Surana

Director

Vinamrata Jodhani

Company Secretary



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

(Amount in ₹.)

	Note No.	For the year 31.03.2012	For the year 31.03.2011
I REVENUE FROM OPERATIONS	1	110,500,098	624,451,510
II OTHER INCOME	2	18,386,152	146,730,756
III TOTAL REVENUE		128,886,250	771,182,266
IV EXPENSES			
Cost of materials consumed	3	59,224,275	557,693,146
Changes in inventories of finished goods, work-in-progress and stock in trade	4	6,884,291	30,331,838
Employee benefit expenses	5	3,716,032	18,744,980
Finance costs	6	3,599,512	14,850,940
Depreciation and amortisation expenses	7	25,562,780	22,015,718
Other expenses	8	25,216,943	113,927,512
Total expenses		124,203,833	757,564,134
V Profit before exceptional and extraordinary items and tax		4,682,417	13,618,132
VI PRIOR PERIOD ADJUSTMENT		290,742	(251,288)
VII PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		4,973,159	13,366,844
IX PROFIT BEFORE TAX		4,973,159	13,366,844
X TAX EXPENSE:			
1. Current tax		-	2,500,000
2. Deferred tax		(1,860,000)	(904,000)
XI PROFIT AFTER TAX		6,833,159	11,770,844

Significant accounting policies and notes on accounts

As per our report of even date attached

For Surana Telecom and Power Limited

For Sekhar & Co

Chartered Accountants

Firm's Registration Number : 003695-S

G.Ganesh

Partner

Membership No: 211704

Place: Secunderabad

Date: April 28, 2012

Narender Surana

Chairman

R. Lakshman Raju

Chief Financial Officer

Devendra Surana

Director

Vinamrata Jodhani

Company Secretary



Consolidated Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹.)

Particulars	2011-12	2010-2011
A. Cash Flow From Operating Activities		
Net Profit before tax as per annexed profit and loss account	4,973,159	13,366,844
Adjustments for :		
Depreciation & Amortisations	25,562,780	22,015,718
Preliminary and Pre-operative expenses	35,582	35,582
Bad Debts Written Off & Provision for Bad Debts	2,986,735	28,744,014
Balances / Provisions no longer required written back	(1,000,015)	(1,453,241)
(Profit)/Loss on Sale of Investments(Net)	18,403	(170,214)
Profit & Loss on Sale of Assets	(4,894,260)	(122,779,572)
Interest Expense	3,599,027	14,850,940
Interest Income	(6,110,878)	(12,239,678)
Dividend Income	(5,380,405)	(1,236,715)
	14,816,969	(72,233,166)
Operating Profit before working Capital Changes	19,790,128	(58,866,322)
(Less)/ Add Adjustments for Working Capital Changes		
Inventories	49,567,518	11,870,217
Loans and Advances	(26,170,314)	4,641,133
Other Current Assets	12,199,741	3,838,358
Sundry Debtors	54,009,125	(47,668,746)
Trade Payables and other Liabilities	40,245,326	130,776,117
	129,851,396	103,457,079
Cash Generated from Operations	149,641,524	44,590,757
Income Taxes (Paid) / refund	3,247,338	(5,083,604)
	3,247,338	(5,083,604)
Net Cash (used in)/from operating Activities (A)	152,888,862	39,507,153
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets & Changes in CWIP	(384,424,609)	(176,278,203)
Sale of Fixed Assets	18,246,086	134,417,305
Investment in Shares & Other Investments (Net)	(9,187,871)	(3,535,975)
Dividend Received	5,380,405	1,236,715
Interest Received	4,036,140	12,239,678
debentures refunded	29,400,000	-
Repayment of Loans from Associate company	-	18,950,818
Net Cash (used in)/from Investing Activities (B)	(336,549,849)	(12,969,662)



Consolidated Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹.)

Particulars	2011-12	2010-2011
C. Cash Flow From Financing Activities		
Increase/(Decrease) in Secured Loans	76,884,273	46,701,395
Increase/(Decrease) in Un Secured Loans	112,487,185	(32,051,472)
Interest Paid	(3,372,088)	(14,850,940)
Dividend Paid	(12,139,130)	(11,812,343)
Net Cash (used in)/from Financing Activities (C)	173,860,240	(12,013,360)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(9,800,747)	14,524,131
Cash and Cash Equivalents Opening Balance	27,224,365	12,700,234
Cash and Cash Equivalents Closing Balance	17,423,618	27,224,365
Net Increase/(Decrease) in Cash and Cash Equivalents	(9,800,747)	14,524,131

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 and Ministry of Company Affairs.

2 The Cash and Cash Equivalents as per the Balance Sheet	2011-2012	2010-2011	Change Over previous Year
Cash in Hand	97,937	283,793	(185,856)
Balances with Banks	17,325,681	26,940,572	(9,614,891)
Total	17,423,618	27,224,365	(9,800,747)

3 Previous Figures are regrouped wherever required to make them comparable with current year

4 The following items of Cash and Cash Equivalents are not available as free balances to the Company

Balances with Banks	2011-2012	2010-2011
In Dividend account	3,756,102	3,737,991
Deposit held to the extent of Margin Money	9,093,801	22,021,695
Total	12,849,903	25,759,686

5 Notes to Accounts form an integral part of Cash Flow Statement

As per our report of even date attached

For Surana Telecom and Power Limited

For Sekhar & Co

Chartered Accountants

Firm's Registration Number : 003695-S

G.Ganesh

Partner

Membership No: 211704

Narender Surana

Chairman

Devendra Surana

Director

Place: Secunderabad

Date: April 28, 2012

R. Lakshman Raju

Chief Financial Officer

Vinamrata Jodhani

Company Secretary



1. Significant Accounting Policies

- i. 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.
- ii. 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.
- iii. 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.
- iv. Investments other than in subsidiary and associates has been accounted as per AS-13 “Accounting for Investments”
- v. 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**.



Notes to Consolidated Balance Sheet

(Amount in ₹.)

Note : A		As at 31.03.2012	As at 31.03.2011
Share Capital			
a. Authorized			
3,00,00,000 (March 31, 2011 : 3,00,00,000) equity shares of ₹.5/- each.		-	
TOTAL		150,000,000	150,000,000
b. Issued, subscribed and paid-up capital			
2,08,04,400 (March 31, 2011 : 2,08,04,400) equity shares of ₹.5/- fully paid up			
TOTAL		104,022,000	104,022,000
c. Bonus shares in Past five years -- Nil			
		-	-
d. Options, contracts and commitments outstanding -Nil			
		-	-
e. Buyback of shares in past five years : 2008-09			
		1,800,000	1,800,000
f. Equity shareholders holding more than 5% of issued shares are given below.			
Name of Shareholder	%	No of shares	No of shares
Bhagyanagar India Limited	8.83	1,837,262	1,837,262
Narender Surana	16.87	3,509,932	3,492,575
Devendra Surana	14.03	2,920,692	2,920,692
Total		104,022,000	104,022,000



(Amount in ₹.)

Note : B	As at 31.03.2012	As at 31.03.2011
Reserves and surplus		
(i) General Reserves		
Balance at beginning of the year	240,570,967	235,570,967
Add: Transferred from Profit & Loss Account	5,000,000	5,000,000
Balance at the year end	245,570,967	240,570,967
(ii) Capital Redemption Reserve		
Balance at beginning of the year	24,000,000	24,000,000
Balance at the year end	24,000,000	24,000,000
(iii) Revaluation Reserve		
Balance at beginning of the year	77,812,909	101,191,775
Adjusted against sale of Plant & Machinery/ Building	(10,505,286)	(13,228,583)
Adjusted against Revaluation of Plant & Machinery	(33,521,059)	-
Adjusted against Depreciation	(4,987,354)	(10,150,283)
Balance at the year end	28,799,210	77,812,909
(iv) Central Subsidy	3,500,000	3,500,000
(v) Surplus		
Balance of Profit and Loss account available for appropriation	214,133,973	219,493,134
Add: Profit during the year	6,833,158	11,770,844
Amount available for appropriation	220,967,131	231,263,978
Less : Appropriations		
Proposed equity Dividend	10,402,200	10,402,200
Tax on Proposed equity dividend	1,687,500	1,727,805
Transfer to General Reserve	5,000,000	5,000,000
Balance at the year end	203,877,431	214,133,973
Total	505,747,608	560,017,849

Note : C	As at 31.03.2012	As at 31.03.2011
Long-Term Borrowings		
Secured		
(a) Term Loan from Bank (Refer note: 1)	120,000,000	-
Un Secured		
(a) Loan from Body Corporate	115,574,077	-
(b) Deferred Sales tax (Refer note: 2)	39,221,504	42,308,396
Total	274,795,581	42,308,396

Notes:

1. Term Loan from Indian Overseas Bank is secured by way of first charge on the Solar Power Project assets, Wind Power Turbine and second charge on fixed assets of the company presently charged to Corporation Bank and State Bank of India. Further, it has been guaranteed by some of the directors of the company. The loan is repayable in 25 quarterly installments beginning from April 2013.
2. Represents the interest free sales tax deferment (loan) availed from Government of Andhra Pradesh and the repayment is based on regulations specified in the eligibility certificates issued by Department of Industries. Due within a year of ₹.30,76,892/- is classified and shown under "Other Current Liabilities".



(Amount in ₹.)

Note: D	As at 31.03.2012	As at 31.03.2011
Short-term borrowings		
Secured		
(a) Cash Credit (Refer note: 1)	7,076,343	50,192,070
Total	7,076,343	50,192,070

Notes:

1. Cash Credit facilities from Scheduled Banks are secured against certain fixed assets and current assets of the company on pari-pasu-basis. Further it has been guaranteed by some of the directors of the company.

Note: E	As at 31.03.2012	As at 31.03.2011
Trade Payables		
Sundry Creditors - Others	2,945,772	96,778,242
Sundry Creditors - Capital Goods	126,662,228	28,495,313
Total	129,608,000	125,273,555

Notes:

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

Note: F	As at 31.03.2012	As at 31.03.2011
Other Current liabilities		
(a) Unclaimed dividends (Refer note: 1)	3,756,102	3,737,991
(b) Other payables		
-Other Liabilities	4,319,548	4,436,510
-Deferred Sales tax	3,076,892	6,601,026
-Lease Deposits	4,124,396	2,114,395
- Advance from Customers	51,021,450	14,501,989
Total	66,298,388	31,391,911

1. Section 205 of the companies Act, 1956 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, dividend pertaining to the year 2003-04 at ₹.3,02,066/- has been transferred to IEPF.

Note: G	As at 31.03.2012	As at 31.03.2011
Short-term provisions		
(a) Provision for employee benefits-Bonus	-	100,000
(b) Proposed Dividend	10,402,200	10,402,200
(c) Tax on Dividend	1,687,500	1,727,805
Total	12,089,700	12,230,005



Note: H
Fixed Assets -Tangible Assets
(Amount in ₹.)

Sl. No	Description	AT COST			DEPRECIATION/ AMORTISATION				NET BOOK VALUE		
		As at 01.04.11	Additions during the year	Deletions during the year	As at 31.03.12	Up to 01.04.11	Provided during the year	Deletions during the year	Up to 31.03.12	As at 31.03.12	As at 31.03.11
1	Free hold Land	35,644,899	-	-	35,644,899	-	-	-	-	35,644,899	35,644,899
2	Lease hold land	38,851,209	15,843,939	-	54,695,148	860,952	800,952	-	1,661,017	53,034,131	37,991,144
3	Buildings	66,318,126	3,400,000	-	69,718,126	31,540,497	3,524,790	-	35,065,287	34,652,839	34,777,629
4	Plant & Machinery - Gujarat	-	515,537,519	-	515,537,519	-	6,585,992	-	6,585,992	508,951,527	-
5	Plant & Machinery	529,071,373	2,370,990	117,281,807	414,160,556	359,781,714	17,082,995	61,990,172	314,874,536	99,286,018	169,289,657
6	Office Equipment	4,741,109	-	-	4,741,109	3,023,669	238,896	-	3,262,565	1,478,544	1,717,440
7	Office Equipment- Leased	13,235,621	-	-	13,235,621	7,029,083	863,329	-	7,892,412	5,343,209	6,206,538
8	Furniture & Fittings	11,376,825	-	-	11,376,825	4,910,171	1,170,464	-	6,080,636	5,296,189	6,466,654
9	Vehicles	4,711,934	-	1,254,925	3,457,009	3,811,325	190,560	968,392	3,033,493	423,516	900,609
10	Computers	3,282,619	-	-	3,282,619	3,052,232	92,155	-	3,144,387	138,232	230,387
	TOTAL	707,233,715	537,152,448	118,536,732	1,125,849,431	414,008,756	30,550,133	62,958,564	381,600,325	744,249,104	293,224,957
	Previous Year	739,331,901	23,550,364	55,648,550	707,233,715	412,624,989	32,166,001	30,782,233	414,008,758	293,224,957	

Note: 1. Deletion in Plant & Machinery includes reduction on account of revaluation of the assets as carried out independent valuer. Brief details of the reductions are given below.

Particulars	Amount in ₹
a) Revalued Component as reduced on sale of Machinery from the Gross Block	10,505,286
b) Revalued Component as reduced on revaluation of Plant & Machinery from the Gross Block	33,521,059
c) Total reduction from the Gross Block of the Assets	44,026,345



(Amount in ₹.)

Note: I	As at 31.03.2012	As at 31.03.2011
Non-current investments		
(Long term at cost, unless otherwise specified)		
A) Unquoted Investments (at cost)		
a) In Companies under the same management		
1,50,000 (March 31, 2011: 1,50,000) equity shares of ₹.10/- each of Bhagyanagar Securities Pvt Ltd	18,000,000	18,000,000
b) In Joint Venture Company (foreign)		
1,49,745 (March 31, 2011: NIL) equity shares of 100 taka each in Bangladesh Currency) of Radiant Alliance Ltd.	9,212,065	-
Sub Total	27,212,065	18,000,000
B) Quoted Investments (at cost)		
a) In Companies under the same management		
22,80,831 (March 31, 2011: 22,80,831) equity shares of ₹.2/- each of Bhagyanagar India Ltd	35,068,207	35,068,207
44,10,000 (March 31, 2011: 44,10,000) equity shares of ₹.10/- each of Surana Ventures Ltd	44,100,000	44,100,000
Sub Total	79,168,207	79,168,207
b) In Other Companies (at cost)		
200 (March 31, 2011: 200) equity shares of ₹.10/- each of BOC India Ltd	45,510	45,510
50,000 (March 31, 2011: 50,000) equity shares of ₹.10/- each of Dolphin Medical Services Limited	600,000	600,000
Nil (March 31, 2011: 100) equity shares of ₹.10/- each of DLF Ltd.	-	38,097
300 (March 31, 2011: 300) equity shares of ₹.10/- each of Parry Sugar Industries Ltd (formerly GMR Industries Ltd)	25,482	25,482
1,50,000 (March 31, 2011: 1,50,000) equity shares of ₹.10/- each of Indosolar Limited	3,650,713	3,650,713
100 (March 31, 2011: 100) equity shares of ₹.10/- each of Indswift Laboratories Limited	14,700	14,700
17,315 (March 31, 2011: 17,315) equity shares of ₹.10/- each of Megasoft Limited	2,407,415	2,407,415
45 (March 31, 2011: 45) equity shares of ₹.10/- each of Mahindra Lifespace Developers Limited	23,307	23,307
610 (March 31, 2011: 610) equity shares of ₹.10/- each of Mahanagar Telephone Nigam Limited	85,368	85,368
6 (March 31, 2011: 6) equity shares of ₹.10/- each of Prithvi Information Solutions Limited	301	301
300 (March 31, 2011: 300) equity shares of ₹.10/- each of Suzlon Energy Limited	17,382	17,382
10,000 (March 31, 2011: 10,000) equity shares of ₹.10/- each of Sree Shakti Paper Mills Limited	300,000	300,000
2,107 (March 31, 2011: 2,107) equity shares of ₹.10/- each of Talbors Automotive Components Limited	214,915	214,915
100 (March 31, 2011: 100) equity shares of ₹.10/- each of Vaibhav Gems Limited	1,363	1,363
Sub Total	7,386,456	7,424,553



(Amount in ₹.)

Note: I	As at 31.03.2012	As at 31.03.2011
c) In Government Securities (at cost)		
National saving certificates	-	4,500
Sub Total	-	4,500
Grand Total	113,766,728	104,597,260
Aggregate Market Value of Quoted Investments	120,821,446	246,591,469

Note: J	As at 31.03.2012	As at 31.03.2011
Long term Loans and advances		
Unsecured, Considered good)		
a) Loans and advances to Others		
i) Other advances	397,692	-
ii) Deposits	1,949,644	1,961,795
Total	2,347,336	1,961,795

Note: K	As at 31.03.2012	As at 31.03.2011
Current Investments		
Investment in Debentures		
Nil (March 31, 2011: 29,40,000) 12% non-convertible debentures of ₹.10/- each allotted as per scheme of demerger	-	29,400,000
Total	-	29,400,000

Note: L	As at 31.03.2012	As at 31.03.2011
Inventories		
(As taken, Valued and Certified by the Management)		
(Valued at lower of cost and net realizable value)		
a) Raw materials	11,982,857	54,666,084
b) Work-in-progress	-	1,510,964
c) Finished Goods	-	5,373,327
Total	11,982,857	61,550,375

Note: M	As at 31.03.2012	As at 31.03.2011
Trade receivables		
(Unsecured, considered good unless stated otherwise)		
(i) Aggregate amount of Trade Receivables outstanding for a period less than six months	19,450,175	79,039,929
(ii) Aggregate amount of Trade Receivables outstanding for a period exceeding six months	13,806,865	11,212,971
Total	33,257,040	90,252,900

Note:

- In case of Trade receivables letters for confirmation of year end balances are sent. Hence, the balances as on the date of Balance Sheet are subject confirmation and reconciliation



(Amount in ₹.)

Note: N	As at 31.03.2012	As at 31.03.2011
Cash and cash equivalents		
(a) Balance with banks		
In current account	4,475,778	1,180,886
In Dividend account (Refer Note: 1)	3,756,102	3,737,991
Deposit held to the extent of margin money	9,093,801	22,021,695
(b) Cash on hand	97,937	283,793
Total	17,423,618	27,224,365

Notes:

- Section 205 of the companies Act, 1956 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, dividend pertaining to the year 2003-04 at ₹.3,02,066/- has been transferred to IEPF.

Note: O	As at 31.03.2012	As at 31.03.2011
Short-term loans and advances		
(Unsecured, considered good)		
(a) Advance tax & TDS (Net of Provisions)	33,009,913	38,246,941
(b) Taxes paid under protest	32,396,411	31,883,360
(c) Advances to suppliers	1,143,903	7,862,096
(d) Other Advances	40,465,354	4,797,005
(e) Deposits		
- E.M.D	656,612	656,612
- Other Deposit	1,641,990	2,228,682
	109,314,183	85,674,696

Note: P	As at 31.03.2012	As at 31.03.2011
Other current assets:		
(Considered good unless otherwise stated)		
(a) Loans Against pledge of Securities		
(Secured, considered good)	17,390,889	17,057,873
(b) Balances with statutory authorities	17,684,783	28,209,061
(Un Secured, considered good)		
(c) Preliminary Expenses to the extent not written off		
Opening Balance	106,746	142,328
Less: written off during the year	35,582	35,582
Closing Balance	71,164	106,746
Total	35,146,836	45,373,680



Notes to Consolidated Profit & Loss Account

(Amount in ₹.)

Note: 1	For the year 31.03.2012	For the year 31.03.2011
REVENUE FROM OPERATIONS		
(a) Sale of products		
Solar Power	11,454,345	-
Wind Power	6,534,580	5,630,428
Verified Emmission Reduction	4,154,976	2,117,452
Electric Power Cable / Components	59,247,355	299,414,994
Jelly Filled Telephone Cables	4,425,253	110,037,858
Jointing Kits	-	3,763,779
Telecom accessories	228,055	3,220,854
Optical Fibre/ Cables	2,335,169	1,941,690
Scrap & Misc	16,603,676	12,048,874
Traded Goods/ Solar Modules	1,327,995	222,621,866
Sub Total	106,311,404	660,797,795
Less: Inter Unit Sales	-	3,743,576
Gross Sales	106,311,404	657,054,219
Less: Excise Duty	7,029,367	37,641,509
Net Sales	99,282,037	619,412,710
(b) Infrastructure Leasing	11,218,061	5,038,800
TOTAL	110,500,098	624,451,510

Note: 2	For the year 31.03.2012	For the year 31.03.2011
Other Income		
(a) Interest Income		
Interest on Loans, Deposits and Others	6,110,878	12,239,678
(b) Dividend Income	5,380,405	1,236,715
(c) Profit on sale of Investments	-	170,214
(d) Gain on foreign exchange fluctuation	-	7,479,563
(e) Other non-operating income		
Miscellaneous income	78,311	1,177,710
Miscellaneous rental income	48,000	-
Balances no longer payable written back	1,000,015	1,453,517
Balances written off in earlier years received back	874,283	193,787
Profit on sale of Sundry Assets	4,894,260	447,840
(f) Premium on transfer of Leased Land	-	122,331,732
TOTAL	18,386,152	146,730,756



(Amount in ₹.)

Note: 3	For the year 31.03.2012	For the year 31.03.2011
Cost of Raw Material / Traded Goods		
Opening Stock - Raw Materials	54,666,084	36,204,463
Purchases - Raw Material including incidental expenses (net of Modvat)	12,856,188	366,460,460
Less: Closing Stock- Raw Materials	11,982,857	54,666,084
Less: Inter-Unit Purchases	-	3,743,576
Raw Material Consumed (A)	55,539,415	344,255,263
Purchases - Traded Goods (Net of Modvat)	3,684,860	213,437,883
Cost of Traded Goods (B)	3,684,860	213,437,883
Grand Total (A+B)	59,224,275	557,693,146

Note: 4	For the year 31.03.2012	For the year 31.03.2011
Changes in Inventories		
Opening Stock WIP	1,510,964	22,051,950
Opening Stock Finished Goods	5,373,327	15,164,179
Less: Closing Stock WIP	-	1,510,964
Less: Closing Stock Finished Goods	-	5,373,327
Increase/(Decrease) in Stock	6,884,291	30,331,838

Note: 5	For the year 31.03.2012	For the year 31.03.2011
Employee Benefits Expense		
Salaries and wages	3,160,435	17,051,784
Contribution to provident and other funds	291,719	1,255,901
Staff welfare expenses	263,878	437,295
TOTAL	3,716,032	18,744,980

Note: 6	For the year 31.03.2012	For the year 31.03.2011
Finance Cost		
Interest Expense		
On Cash credit & others	786,812	9,128,251
On Term Loan	139,189	-
Financial Charges	2,673,511	5,722,689
TOTAL	3,599,512	14,850,940



(Amount in ₹.)

Note: 7	For the year 31.03.2012	For the year 31.03.2011
Depreciation and amortisation expenses		
Depreciation	24,761,828	21,105,583
Amortisation expenses - Lease Premium	800,952	910,135
TOTAL	25,562,780	22,015,718

Note: 8	For the year 31.03.2012	For the year 31.03.2011
Other Expenses		
Consumption of stores and spare parts	323,149	1,870,422
Processing & conversion charges	5,128,657	2,430,500
Travelling & Conveyance	1,240,055	2,466,257
Director's Remuneration	600,000	441,935
Director's Sitting Fees	90,000	135,000
Power and fuel	3,403,015	7,486,707
Rent	-	196,550
Repairs		
Buildings	392,023	1,948,713
Machinery	416,341	3,947,465
Others	117,906	757,102
Insurance	532,869	421,109
Rates and taxes	449,742	3,988,973
Packing & Forwarding	1,462,945	9,347,551
Testing/ Inspection Charges	18,820	1,081,509
Loss on Foreign exchange fluctuation	348,363	-
Loss of Material in Transit	-	21,435,325
Taxes paid		
Service Tax	111,725	612,318
Sales Tax	3,206,506	18,283,653
Entry Tax	-	38,483
Sundry balances written off	2,986,735	28,744,014
Miscellaneous Expenses	4,329,103	8,241,168
Payments to the auditor		
for Statutory audit	36,517	32,758
for tax audit	22,472	20,000
TOTAL	25,216,943	113,927,512



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

9 Commitments and Contingent Liabilities

(Amount in ₹.)

	As at 31.03.12	As at 31.03.11
i Commitments/ Contingent Liabilities		
a Unexpired Letters of Credit	5,290,487	110,901,697
b Counter Guarantees given to the Bankers	32,676,633	68,357,203
ii Claims against the company not acknowledged as debts in respect of		
a Excise matters, under dispute	17,317,656	17,317,656
b Sales tax matters, under dispute	1,195,331	1,195,331

10 Earnings per share (EPS)

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
	Basic and diluted	Basic and diluted
Net Profit after tax	6,833,159	11,770,844
Net Profit available for equity share-holders	6,833,159	11,770,844
No of Equity shares- Basic	20,804,400	20,804,400
Nominal Value of each equity share (₹.)	5.00	5.00
Basic Earning per share	0.33	0.57

	As at 31.03.12	As at 31.03.11
11 Deferred Tax liability		
Deferred tax adjustments recognised in the financial statements are as under		
Deferred tax liability as at the beginning of the year	6,552,080	7,456,080
Liability / (Asset) arising during the year	(1,860,000)	(904,000)
Deferred tax liability as at the end of the year	4,692,080	6,552,080

12 Related Party disclosures

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

a Companies where principal shareholders have significant influence

1 Bhagyanagar India Ltd.	18 Innova Technologies Pvt. Ltd.
2 Bhagyanagar Metals Ltd.	19 Majestic Logistics Pvt. Ltd.
3 Bhagyanagar Properties Pvt. Ltd.	20 Advantage Real Estate India Pvt. Ltd.
4 Metropolitan Venuturs India Ltd.	21 Bhagyanagar Capital Pvt. Ltd.
5 Scientia Infocom India Pvt. Ltd.	22 Bhagyanagar Foods & Beverages Pvt. Ltd.
6 Bhagyanagar Infrastructure Ltd.	23 Bhagyanagar Energy & Telecom Pvt. Ltd.
7 Green Energy Systems Pvt. Ltd.	24 Bhagyanagar Entertainment Ltd.
8 GMS Realtors Pvt. Ltd.	25 Bhagyanagar Ventures Pvt. Ltd.
9 Surana Infocom Pvt. Ltd.	26 Bhagyanagar Entertainment and Infra Development Co. Pvt. Ltd.
10 AP Golden Apparels Pvt. Ltd.	27 Everytime foods Industries Pvt. Ltd.
11 Blossom Residency Pvt. Ltd.	28 Royal Skyscrapers India Pvt. Ltd.



- | | |
|--------------------------------------|--|
| 12 Epicentre Entertainment Pvt. Ltd. | 29 Surana Biochemicals Pvt. Ltd. |
| 13 Innova Biotech India Pvt. Ltd. | 30 Sitetonic Websolutions Pvt. Ltd. |
| 14 Innova Infrastructure Pvt. Ltd. | 31 Stealth Energy Pvt. Ltd. |
| 15 Shresht Energy Pvt. Ltd. | 32 Value Infrastructure & Properties Pvt. Ltd. |
| 16 Tranquil Avenues India Pvt. Ltd. | 33 Andhra Electro Galvanising works |
| 17 Surana Ventures Ltd. | |

b Subsidiary Company

Globecom Infotech Pvt. Ltd.

c Joint Venture Company

Radiant Alliance Ltd.

d Key Managerial Personnel

Narender Surana

Devendra Surana

e The following is the summary of related party transactions

(Amount in ₹.)

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
i Sale of Goods	23,909,813	202,788,747
ii Purchase of Goods	78,803,090	72,791,448
iii Jobwork (Purchases)	105,236,000	736,707
iv Interest paid	3,222,009	7,657,479
v Dividend Income	5,322,333	912,333
vi Loans/ advances taken	196,127,764	347,855,000
vii Loans/ advances repaid	121,334,070	369,355,000

f The following are the significant related parties

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

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
i Sales to		
Bhagyanagar India Ltd	4,176,594	82,032,000
Surana Ventures Ltd	19,733,219	120,756,747
Total	23,909,813	202,788,747
ii Purchases from		
Bhagyanagar India Ltd	5,769,530	13,686,675
Surana Ventures Ltd	70,544,020	53,973,773
Total	76,313,550	67,660,448
iii Jobwork (Purchases)		
Surana Ventures Ltd	105,236,000	-
Bhagyanagar India Ltd	-	736,707
Total	105,236,000	736,707



(Amount in ₹.)

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
iv Interest paid		
Bhagyanagar India Ltd	3,222,009	5,548,354
Value Infrastrasture & Properties Pvt Ltd	-	1,938,404
Total	3,222,009	7,486,758
v Loans/ advances taken		
Bhagyanagar India Ltd	196,127,764	214,310,000
Surana Infocom Pvt Ltd	-	109,545,000
Value Infrastrasture & Properties Pvt Ltd	-	24,000,000
Total	196,127,764	347,855,000
vi Loans/ advances repaid		
Bhagyanagar India Ltd	121,334,070	235,810,000
Surana Infocom Pvt Ltd	-	109,545,000
Value Infrastrasture & Properties Pvt Ltd	-	24,000,000
Total	121,334,070	369,355,000
vii Remuneration		
Remuneration to relatives of Key Managerial Personnel		
Ms. Sunita Surana	-	300,000
Ms. Vinita Surana	-	176,775
Ms. Manish Surana	-	441,935

g **The company has the following amounts due to/ from related parties**

<u>Due to related Parties</u>	As at 31.03.12	As at 31.03.11
Bhagyanagar India Ltd	80,574,077	1,814,959

13 List of subsidiary companies considered for consolidation

Name of the company	Paid up Capital	Companies Interest	Advances
Globecom Infotech Pvt. Ltd.	100,000	100.00%	36,958,740



14 Raw Material Consumed during the year

(Amount in ₹.)

Raw Material	for the year ended 31.03.12	for the year ended 31.03.11
i Copper	9,801,207	105,060,500
ii Polythene Granules	6,351,055	49,418,000
iii G S Tape	3,954,808	21,255,143
iv Alluminium Scrap	32,487,119	122,583,000
v Others including incidental charges	2,945,226	45,939,100
Total	55,539,415	344,255,743

Note : Others include items which do not individually exceed 10 % of total Consumption

15 Detailed of Imported and indigenous raw materials, spares and packing materials consumed

Particulars	for the year ended 31.03.12		for the year ended 31.03.11	
	Value	% of total Consumption	Value	% of total Consumption
Imported	32,487,119	58.49	150,210,553	43.63
Indigenous	23,052,296	41.51	194,045,190	56.37
Total	55,539,415	100.00	344,255,743	100.00

16 CIF Value of imports

	for the year ended 31.03.12	for the year ended 31.03.11
Particulars		
Raw Material	13,577,070	369,240,100
Total	13,577,070	369,240,100

17 Expenditure in foreign Currency

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
Travelling	-	762,404
Total	-	762,404

18 Earnings in foreign Currency

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
Exports on FOB basis	4,154,976	2,117,452
Total	4,154,976	2,117,452



19 Retirement and Other Employees Benefits

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

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

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

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

a Expenses recognised in the Profit & Loss Account

(Amount in ₹.)

Particulars	Gratuity
Current service cost	185,464
Interest cost	83,068
Expected Return on Planned assets	6,562
Net actuarial loss/ (gain) recognized in the year	1,001,688

b Change in Present value of obligation during the year ended 31st March, 2012

Particulars	Gratuity
Present Value of obligation as at beginning of the year	1,038,352
Interest cost	83,068
Current service cost	185,464
Benefits Paid-Actuals	249,755
Expected Liability at the year end	1,057,129
Actuarial loss	1,001,688
Present Value of obligation as at end of the year	55,441

c Change in fair value of Plan Assets during the year ended 31st March, 2012

Particulars	Gratuity
Fair value of Plan Assets as at the beginning of the year	143,715
Expected return on plan assets	6,562
Contributions	191,016
Benefits Paid	249,755
Actuarial gain/ loss on plan assets	-
Fair value of Plan Assets as at the end of the year	91,538

d Actuarial Gain/ loss recognized

Particulars	Gratuity
Actuarial (gain) / loss for the year -Obligation	1,001,688
Actuarial (gain) / loss for the year -plant assets	-
Total Loss for the Year	1,001,688
Actuarial (gain) / loss recognized in the year	1,001,688



20 Segment Information

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

(Amount in ₹.)

Particulars	for the year ended 31.03.12	for the year ended 31.03.11
Segment Revenue (Net of Excise duty)		
a Power (Solar)	11,454,345	-
b Power (Wind)	10,689,556	7,747,880
c Others	88,356,197	616,703,630
Net Sales/ Income from operations	110,500,098	624,451,510
Segmental Results		
(Profit before Tax & Interest)		
a Power (Solar)	4,745,453	-
b Power (Wind)	3,130,567	3,472,684
c Others	(4,905,000)	(29,602,000)
Total	2,971,020	(26,129,316)
Less: Interest		
Unallocable Expenditure	3,599,512	14,850,940
Net of unallocable Income	(5,601,651)	(54,347,100)
Total Profit before tax	4,973,159	13,366,844
Capital employed		
a Power (Solar)	428,622,979	143,632,526
b Power (Wind)	48,802,879	49,204,474
c Others	180,817,409	322,456,201
d Unallocated	157,656,205	197,729,689
Total	815,899,472	713,022,890

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

As per our report of even date attached

For Surana Telecom and Power Limited

For Sekhar & Co

Chartered Accountants

Firm's Registration Number : 003695-S

G.Ganesh

Partner

Membership No: 211704

Place: Secunderabad

Date: April 28, 2012

Narender Surana

Chairman

R. Lakshman Raju

Chief Financial Officer

Devendra Surana

Director

Vinamrata Jodhani

Company Secretary



**Information related to the subsidiary company
for the year ended 31 March, 2012**

M/s. GLOBECOM INFOTECH PRIVATE LIMITED

Particulars	Amount in ₹
Capital	1,00,000
Reserves	(139,859)
Unsecured Loans	36,958,740
Total Assets	36,924,448
Total Liabilities	36,924,448
Details of Investment	--
Turnover	--
Profit before taxation	(55,591)
Provision for taxation	--
Profit after taxation	(55,951)
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, 2012
(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	(55,951)
ii) for the previous financial years of the subsidiary	(39,084)
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



Green Initiative in Corporate Governance: Go Paper Less

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

Members e-mail Registration Form

Name: e-mail:

Address:

.....

.....

DP ID : Client ID:

Folio No:

(in case of physical holding)

No. of equity shares held:



Signature

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

M/s Karvy Computershare Private Limited
17-24, Vittal Rao Nagar,
Madhapur, Hyderabad-500 081

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

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

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

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

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

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

Place :

Date :

Signature of First Holder

Note:

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



Surana Telecom and Power Limited

(Formerly Surana Telecom Limited)

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

ATTENDANCE SLIP

23rd Annual General Meeting on September 29, 2012.

DP.Id*
Client Id*

Reg. Folio No.

Name and Address of the Shareholder : _____

No. of Share(s) held : _____

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at 23rd Annual General Meeting of the members of **SURANA TELECOM AND POWER LIMITED**, will be held on September 29, 2012 at 2.30 pm at Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad-500003.

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

** Member's/Proxy's Signature

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

2. NO GIFTS WILL BE GIVEN

* Applicable for Investors holding shares in electronic form.

** Strike out whichever is not applicable.

NO GIFTS WILL BE GIVEN



Surana Telecom and Power Limited

(Formerly Surana Telecom Limited)

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

PROXY FORM

DP.Id*
Client Id*

Reg. Folio No.

I/We.....

of

being member/members of M/s. Surana 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 23rd Annual General Meeting of the members of **SURANA TELECOM AND POWER LIMITED**, will be held on September 29, 2012 at 2.30 pm at Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad-500003 and at every adjournment thereof.

Signed thisday of....., 2012.

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

* Applicable for Investors holding shares in electronic form.

NO GIFTS WILL BE GIVEN



**PRINTED MATTER
BOOK - POST**



If undelivered please return to:
Secretarial Department

SURANA TELECOM AND POWER LIMITED

(Formerly Surana Telecom Limited)

REGISTERED OFFICE:

5th Floor, Surya Towers

Sardar Patel Road, Secunderabad - 500 003, India

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

Fax: +91-040-27818868

E-mail: surana@surana.com

Investor Complaints: cs@surana.com, investorservices_stl@surana.com

Website: www.surana.com, www.suranatele.com

INVESTOR INFORMATION

DIVIDEND

The Dividend at 10% (Rs.0.50/- per share) will be paid to the shareholders whose names appear on the Register of Members as on 26.09.2012 and to those shareholders whose names appear as Beneficial owners as on 26.09.2012 as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in Electronic Form.

PAYMENT OF DIVIDEND

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

SHARE REGISTRY

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

LISTING

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

DEMATERIALISATION OF SHARES

The shares of the Company are under compulsory dematerialised trading since 8th May, 2000. The Company has entered into a tripartite agreement with the National Securities Depository Limited, Central Depository Services (India) Limited and the Company's Depository Registrars, M/s KARVY COMPUTERSHARE PRIVATE LIMITED, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, for induction of the Company's shares into the depository system. The ISIN number allocated to the Company's securities is INE130B01023. Those shareholders, who have not dematerialised their shares, may send their shares / Option letters to the Company, through their Depository Participants with whom they hold an account, for getting the shares dematerialised.

QUALITY OBJECTIVE

*An effective and clearly understood quality system by employees.
Teamwork to build-up quality consciousness amongst all our employees.
Continuous improvement in every activity for achieving excellence.
Timely corrective action to prevent anticipated factors affecting quality & productivity.*