

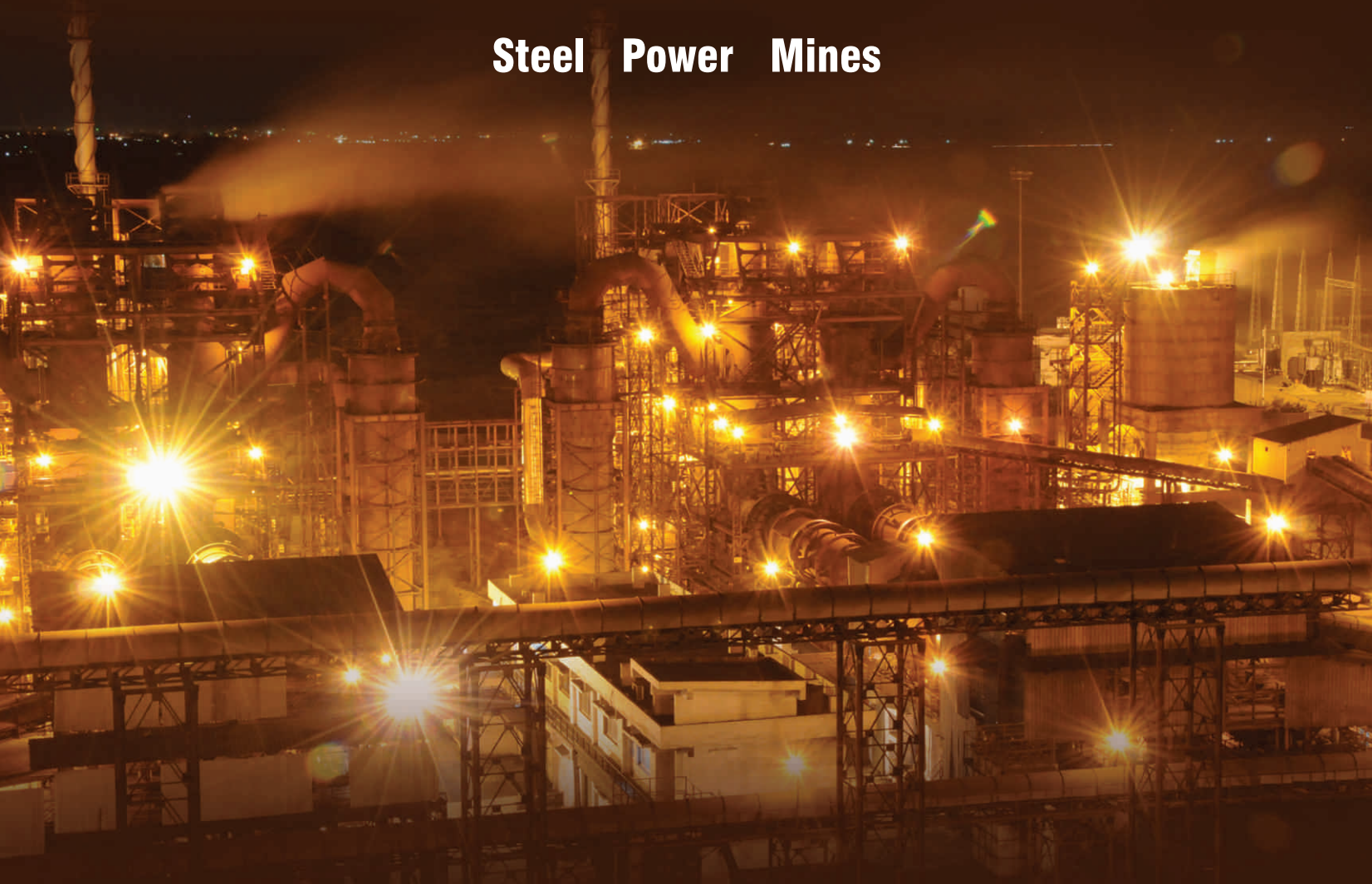
GURUDEV



SURANA INDUSTRIES LIMITED

(An ISO Certified & Integrated Special Steel Manufacturing Company)

Steel Power Mines



**22nd Annual Report
2012 - 13**

Forward Looking Statements:

Statements in the Directors Report and other parts of the Annual Report may be forward looking within the meaning of the applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

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BOARD OF DIRECTORS:

Shri. G.R. SURANA	: Chairman
Shri. DINESHCHAND SURANA	: Managing Director
Shri. V.M. SWAMI	: Wholetime Director
Shri. KRISHNA UDUPA	: Director - Project
Shri. V. ARANGANATHAN	: Director - Finance & Accounts
Dr. B. SAMAL	: Director
Dr. S.K. GUPTA	: Director
Shri. K.N. PRITHVIRAJ	: Director
Shri. B.S. PATIL	: Director
Shri. G.A. TADAS	: Nominee Director (IDBI Bank)

MANAGEMENT

Shri. R.K. CHOUHAN	: Chief Executive Officer
Shri. VIJAY CHORDIA	: Asst. Vice President
Shri. V. RAMAN	: General Manager - Finance
Shri. S.S. DESHPANDE	: General Manager - Accounts & Taxation & Legal
Shri. AJAY KUMAR SHUKLA	: Jt. General Manager - Projects
Shri. V.K. VENKAT RAO	: Deputy General Manger - Exim & Admin.
Shri. B. SUDHARSAN	: Deputy General Manger - Systems
Shri. V. SURESH	: Deputy General Manger - M.D. Secretariat
Shri. AJAY CHATURVEDI	: Deputy General Manger - Purchase
Shri. V.J. ARUNKUMAR	: Deputy General Manger - Marketing
Shri. VENKATRAMAN	: Company Secretary

STATUTORY AUDITORS:

M/s. C.S.P Jain & Co.,
Chartered Accountants
No.60 NSC Bose Road,
Chennai - 600 079

M/s. R. Subramanian & Co.,
Chartered Accountants
No.6 Krishnaswamy Avenue,
Luz, Mylapore, Chennai - 600 004.

COST AUDITORS

Mr. R. Sivasubramanian
Flat No.15, Anand Apartments,
New No.11, (Old No.7) 9th Street,
Dr. Radhakrishnan Salai,
Mylapore, Chennai - 600 014.

REGISTRARS AND SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Ltd
"Subramanian Building", 5th Floor,
No.1, Club House Road,
Chennai - 600 002.

REGISTERED CUM CORPORATE HEAD OFFICE :-

No.29, Whites Road, 2nd Floor,
Royapettah, Chennai - 600 014.
Phone : 044 - 28525127(3 Lines)
Fax : 044 - 28520713
Email : surana@suraind.com
Web : www.suranaind.com

BRANCH OFFICE :

1. No. 303, Ritual Park, Arumugam Circle,
Basavangudi, Bangalore - 560 004.
2. No.20-171/2, 1st Floor,
Sama Venkat Reddy Building,
Ralla Guda Road, Shamshabad,
Hyderabad - 501 218.

FACTORY & WORKS ADDRESS :

1. F-67, 68 & 69, Sipcot Industrial Complex
Gummidipoondi - 601 201. Tamilnadu.
2. Plot No. 231-234, Raichur Growth Centre, KIADB,
Raichur District, Raichur - 584 102, Karnataka.
(Integrated Steel Complex)
3. No. 30, G.N.T. Road,
Madhavaram, Chennai - 600 110.
4. No. 144, Kondakarai (NTPC) Road,
Ponneri Taluk, Chennai - 600 120.
5. "Anugraha" No.6, 2nd Main Road,
Behind Govt. School, Byalarayanapura,
Mysore Road, Bangalore - 560 026.

BANKERS & FINANCIAL INSTITUTIONS :

ALLAHABAD BANK	: Chennai Main Branch, 41, Mount Road, Chennai - 600 002.
BANK OF BARODA	: Corporate Financial Services Branch, No. 21, Gopalakrishnan Street, T. Nagar, Chennai - 600 017.
BANK OF INDIA	: Large Corporate Banking Branch, IV th Floor, Tarapore Tower, 826, Anna Salai, Chennai - 600 002.
BANK OF MAHARASTRA	: 116, Sri Gujarati Mandal Bhavan, Broadway Branch, Chennai - 600 108.
CANARA BANK	: Teynampet Branch, 574, Anna Salai, Chennai – 600 018
CENTRAL BANK OF INDIA	: Corporate Finance Branch, Addison Building, No. 803, Mount Road, Chennai -600 002.
DENA BANK	: Dena Corporate Centre, C-10, G Block, Bandra Kurla Complex, Bandra East Mumbai - 400 051.
IDBI BANK LTD.	: Chennai Main Branch, No.115, Anna Salai, Saidapet, Chennai - 600 015.
INDIAN OVERSEAS BANK	: C& IC Branch, No. 98-A, Dr. Radhakrishnan Salai, Chennai - 600 004.
ORIENTAL BANK OF COMMERCE	: Mylapore Branch, No. 63, Dr. Radhakrishnan Salai, Chennai - 600 004.
PUNJAB NATIONAL BANK	: Mint Street Branch, No. 35, Mint Street, Sowcarpet, Chennai - 600 079.
STATE BANK OF INDIA	: Industrial Finance Branch, No. 155, Anna Salai, Chennai - 600 002.
SYNDICATE BANK	: Corporate Finance Services Branch, No. 170, Eldams Road, Teynampet, Chennai - 600 018.
UCO BANK	: Flagship Corporate Branch, PLA Towers, No. 212, Anna Salai, Chennai - 600 006.
IFCI LTD.	: Continental Chambers, 142, Mahatma Gandhi Road, Post Box No.3318, Chennai - 600 034.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Second Annual General Meeting of M/s. Surana Industries Limited will be held at the –The Music Academy, “Kasturi Srinivasan Hall”, No.168, T.T.K. Road, Royapettah, Chennai 600 014 on Monday the 29th July, 2013 at 11 .00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors’ and the Auditors’ thereon.
2. To declare a dividend on the equity shares for the year ended 31st March, 2013.
3. To appoint a Director in the place of Shri. G.R. Surana who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Shri. Dineshchand Surana who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Shri. Krishna Udupa who retires by rotation and being eligible, offers himself for re-appointment.
6. To re-appoint the Joint Auditors M/s. C.S.P. Jain & Company and M/s. R. Subramanian & Company, Chartered Accountants for the year 2013-2014 to hold office from the conclusion of the ensuing Annual General meeting to the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RE-APPOINTMENT OF SHRI. G.R. SURANA AS WHOLETIME DIRECTOR DESIGNATED AS EXECUTIVE CHAIRMAN

RESOLVED THAT subject to the approval of shareholders at the ensuing Annual General Meeting, pursuant to provisions of section 198, 269, 309, 310, 311 and 314 read with Schedule XIII, including modification, amendment and re-enactment thereof of the Companies Act, 1956 and the Memorandum and Articles of Association consent of the Company be and is hereby accorded for the re-appointment of Shri. G.R Surana, as Wholetime Director designated as Executive Chairman of the Company for a period of 5 (five) years with effect from 2nd May, 2013 on the terms and conditions as detailed below.

RESOLVED FURTHER THAT Shri. G.R Surana is entitled to the following:

A. Remuneration:

- I. Salary:
Rs. 3,00,000/- (Three Lakh Rupees only) per month with minimum annual graded increment of 10% every year.
- II. Bonus:
As per the rules framed by the Company.

B. Perquisites:

- I. Petrol and Mobile Reimbursement:
Petrol expenses and mobile expenses will be reimbursed based on actual expenditure incurred.
- II. Medical Reimbursement:
Medical expenses incurred by Shri. G.R Surana and his family subject to ceiling of one months’ salary in a year or accumulated three months salary over a period of three years shall be reimbursed.

- III. Leave Encashment: Encashment of leave at the end of the year will be allowed as per the rules of the Company.
- IV. Leave Travel Concession: Leave Travel Concession for self and family, once in a year in accordance with rules that may be framed by the Company.
- V. Contribution to Provident Fund: Contribution to Provident Fund, Superannuation fund / Annuity fund as per the rules that may be framed by the Company shall not be included in the computation of the ceiling on perquisites to the extent of these either singly or put together are not taxable under the Income Tax Act, 1961.
- VI. Gratuity: Gratuity payable as per Act shall not exceed half a month salary for each completed year of service.
- VII. Car and Telephone facility: The Company shall provide car for use of official & business purpose and telephone at residence for official purpose. These will not be treated as perquisites. However, the cost of personal long distance calls on the telephone and use of car for private purposes shall be recovered by the Company. The Salary of the driver will be borne by the Company.

C. Notice Period and Severance Fees: As per the policy of the Company.

RESOLVED FURTHER THAT in the event of there being any loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri. G. R Surana, Executive Chairman shall be the minimum remuneration payable to him in terms of the provisions of Part II of Schedule XIII to the Companies Act, 1956 subject to the approval of the Central Government required, if any, from time to time.

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RE-APPOINTMENT OF SHRI. DINESHCHAND SURANA AS MANAGING DIRECTOR

RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310, 311 and 314 read with Schedule XIII, including modification, amendment and re-enactment thereof of the Companies Act, 1956 and the Memorandum and Articles of Association consent of the Company be and is hereby accorded for the re-appointment of Shri. Dineshchand Surana, as Managing Director of the Company for a period of 5 (five) years with effect from 2nd May, 2013 on the terms and conditions as detailed below:

RESOLVED FURTHER THAT Shri. Dineshchand Surana is entitled to the following:

A. Remuneration:

I. Salary:

Rs. 3,00,000/- (Three Lakh Rupees only) per month with minimum annual graded increment of 10% every year.

II. Bonus:

As per the rules framed by the Company.

B. Perquisites:

I. Petrol and Mobile Reimbursement:

Petrol expenses and mobile expenses will be reimbursed based on actual expenditure incurred.

II. Medical Reimbursement:

Medical expenses incurred by Shri. Dineshchand Surana and his family subject to ceiling of one months' salary in a year or accumulated three months salary over a period of three years shall be reimbursed.

III. Leave Encashment:

Encashment of leave at the end of the year will be allowed as per the rules of the Company.

IV. Leave Travel Concession:

Leave Travel Concession for self and family, once in a year in accordance with rules that may be framed by the Company.

V. Contribution to Provident Fund:

Contribution to Provident Fund, Superannuation fund / Annuity fund as per the rules that may be framed by the Company shall not be included in the computation of the ceiling on perquisites to the extent of these either singly or put together are not taxable under the Income Tax Act, 1961.

VI. Gratuity:

Gratuity payable as per Act shall not exceed half a month salary for each completed year of service.

VII. Car and Telephone facility:

The Company shall provide car for use of official & business purpose and telephone at residence for official purpose. These will not be treated as perquisites. However, the cost of personal long distance calls on the telephone and use of car for private purposes shall be recovered by the Company. The Salary of the driver will be borne by the Company.

C. **Notice Period and Severance Fees:** As per the policy of the Company.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri. Dineshchand Surana, Managing Director shall be the minimum remuneration payable to him in terms of the provisions of Part II of Schedule XIII to the Companies Act, 1956 subject to the approval of the Central Government required, if any, from time to time.

By Order of the Board

For SURANA INDUSTRIES LIMITED

Sd/

**DINESHCHAND SURANA
MANAGING DIRECTOR**

Place: Chennai

Date: 29th May 2013

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED TO BE A MEMBER. PROXY FORMS, IN ORDER TO BE VALID SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members / Proxies should bring the attendance slip duly filed in for attending the meeting.
3. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of Board Resolution authorizing such representative(s) to attend and vote on their behalf at the Meeting.
4. Members are advised to quote the Registered Folio Numbers/ DPID & client ID Number in all correspondence with the company.
5. All documents referred to in the above notice are open for inspection at the Registered Office of the company between 10 a.m. to 1.00 p.m.
6. The register of members of the company will remain closed from 26th July, 2013 to 29th July, 2013 (both days inclusive).
7. The dividend, if declared at the meeting will be credited / dispatched on and from 2nd August, 2013 to those members (or their mandatories) whose names appear on the Company's Register of members on 25th July, 2013; in respect of demat shares, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the depositories for this purpose as on the said date.

8. Members are requested to contact the Registrar and Transfer Agent for all matters relating to Company's shares at:

M/s. Cameo Corporate Services Limited
No.1, Club House Road, 5th Floor
"Subramanian Building", Chennai 600 002

9. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agents to facilitate better services:

- i. Any change in their address, mandates, Bank details.
- ii. Share certificates held in multiple accounts names or joint names in the same order of names for consolidation of such shareholding into one account.
- iii. Details of Nomination in respect of their share holding in the company.

10. Dividend for the financial year ended 31.03.2006 which remains unpaid and unclaimed, will be due for transfer to the Investor Education and Protection Fund of Central Government in June, 2013, pursuant to provisions of Section 205A of the Companies Act, 1956. Members who have not encashed their dividend warrant(s) for the financial year(s) are requested to approach Company's Register and Share Transfer Agent for duplicate warrants. Pursuant to the provisions

of Investor Education & Protection Fund (Uploading of information regarding Unpaid and unclaimed amounts lying with the companies) Rules 2012, the company has uploaded the details of unpaid and unclaimed amounts lying with the company on the website of Company and the Ministry of Corporate Affairs.

11. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agent of the Company, immediately of the change in their residential status on return to India for Permanent settlement together with the particulars of their Bank Account maintained in India with complete Name, Branch, Account type, account number and address of the Bank with PIN code number if not furnished earlier.

12. SEBI has mandated the submitting of PAN by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN details to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to M/s. Cameo Corporate Services Limited, Chennai - 2 (RTA).

13. Green Initiative :

Members who have not registered their email addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other Communication from the Company electronically.

By Order of the Board
For **SURANA INDUSTRIES LIMITED**
Sd/
DINESHCHAND SURANA
Managing Director

Place: Chennai

Date: 29th May, 2013

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

The following explanatory statement sets out the material facts relating to the Special Business mentioned at Item no.7 and 8 of the accompanying Notice:

Item no.7

Shri. G.R Surana (aged 61 years) is the founder promoter and Chairman of Surana Industries Limited (SIL). Shri.G.R.Surana belongs to a business family hailing from Rajasthan. He has a rich and vast experience of over 37 years in the jewellery business and over 27 years in the steel industry. Shri. G.R.Surana has been instrumental in the steady growth of the Company.

Shri. G.R. Surana was re-appointed as Whole-time Director and re-designated as Executive Chairman of the Company at the 17th Annual General Meeting of the members for a period of 5 years ending 1st May 2013. As part of the initiative for creating enduring guidance for the Company, the Board of Directors at their meeting held on 14th February 2013, had re-appointed Shri. G.R.Surana as Wholetime Director designated as Executive Chairman of the Company for a further period of five years commencing on 2nd May 2013, on the terms and conditions and remuneration as set out in item no.7 of the accompanying notice. The remuneration Committee of the Board of Directors have also recommended the terms of the remuneration. The appointment is subject to approval of the members and is subject to the provisions of Articles of Association of the Company which deals with retirement of directors by rotation.

Information pursuant to Clause 49 IV (G)(i) of the Listing Agreement:

Name	G.R.Surana
Father's Name	Late Udairaj Surana
Age	23 rd October, 1952
Expertise in specific functional area	Vast experience of over 37 years in the Jewellery business and over 27 years in the steel industry.
Other Company Directorships	Surana Power Limited Uday Energy Private Limited
Membership of Board Committees	NIL
No.of Shares	2356625

The above details may be treated as an abstract of the terms of appointment of Shri. G.R. Surana under Section 302 of the Companies Act, 1956.

Your Directors recommend the re-appointment of Shri. G.R.Surana, as above.

None of the Directors other than Shri. G.R.Surana, Shri. Dineshchand Surana are deemed to be concerned or interested in this resolution.

Item no.8

Shri. Dineshchand Surana (aged 48 years) is one of the founder promoters of Surana Industries Limited (SIL). Shri. Dineshchand Surana has a wide experience of over 27 years in the Steel Industry. He also has considerable experience in managing the affairs of the Company. He has extensively travelled across many countries such as Taiwan, Russia, Romania and has gained considerable expertise in the steel making process. Shri. Dineshchand Surana has played a key role in evolution of Surana Industries Ltd from a small sized steel manufacturer and trader to one of the major Integrated Special Steel manufacturers in the Country.

Shri. Dineshchand Surana was re-appointed as Managing Director of the Company at the 17th Annual General Meeting of the members for a period of 5 years ending 1st May, 2013. Considering the contributions of Shri. Dineshchand Surana and his experience in steering the Company on an aggressive growth path, the Board of Directors at their meeting held on 14th February 2013, had re-appointed Shri. Dineshchand Surana as Managing Director of the Company for a further period of five years commencing on 2nd May 2013, on the terms and conditions and remuneration as set out in item no.8 of the accompanying notice. The remuneration Committee of the Board of Directors have also recommended the terms of the remuneration. The appointment is subject to approval of the members and is subject to the provisions of Articles of Association of the Company which deals with retirement of directors by rotation.

Information pursuant to Clause 49 IV (G)(i) of the Listing Agreement:

Name	Dineshchand Surana
Father's Name	Late Udairaj Surana
Age	31 st December, 1965
Qualification	B.Sc., D.Pharm.
Expertise in specific functional area	Over 27 years of rich and varied experience in the Steel Industry.
Other Company Directorships	Surana Power Limited Surana Green Power Limited Surana Green Energy Limited Uday Energy Private Limited 6 th Sense Infrastructure Private Limited Surana Mines & Minerals Limited Surana Holdings Pte Limited
Membership of Board & Committees	Surana Industries Limited Remuneration Committee Surana Power Limited Audit Committee Surana Green Power Limited Audit Committee
No.of Shares	2433164

The above details may be treated as an abstract of the terms of appointment of Shri. Dineshchand Surana under Section 302 of the Companies Act, 1956.

Your Directors recommend the re-appointment of Shri. Dineshchand Surana, as above.

None of the Directors other than Shri. G.R.Surana, Shri. Dineshchand Surana are deemed to be concerned or interested in this resolution.

By Order of the Board
For **SURANA INDUSTRIES LIMITED**
Sd/
DINESHCHAND SURANA
Managing Director

Place: Chennai
Date: 29th May, 2013

Registered Office :
No.29, Whites Road,
II Floor, Royapettach,
Chennai - 600 014.

DIRECTORS' REPORT

To

The Members

The Directors of your Company have great pleasure in presenting to you the 22nd ANNUAL REPORT of the Company, together with the Audited Balance Sheet as on 31st March, 2013 and the Profit and Loss Account for the year ending on 31st March, 2013.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year under review is summarized below for your perusal and consideration.

PARTICULARS 2012-2013 2011-2012
(Rs. in Crores)

Net Sales	1425.00	1351.42
Profit before Tax and Depreciation	66.53	77.47
profit before tax	27.50	44.74
provision for current tax + FBT	2.69	8.95
Deferred Tax Provision	14.55	11.29
Profit after Taxes	10.24	32.76
Proposed Dividend	3.11	3.48
Dividend Tax	0.52	0.56
Transfer to General Reserves	1.02	3.28
Balance carried forward from previous year	203.29	177.85
Balance Carried Forward to Balance Sheet	206.71	203.29

1.1 Financial Performance

Your Directors are pleased to state that the Company achieved Net sales of Rs. 1424.60 Crores for the year ending on 31st March, 2013 as compared to Rs.1351.42 crores in the previous year despite a very difficult period.

Profits after taxes (PAT) amounted to Rs.10.25 Crores as compared to Rs. 32.76 crores for the previous year.

The decrease in PAT on yoy basis is mainly on account of increase in cost of raw materials and other inputs due to inconsistency in the supply of iron ore, higher finance cost

and depreciation. The sale prices of end products was also volatile. At times the billet prices increased substantially resulting in thin margins. The power situation in Tamilnadu was also very unsatisfactory resulting in lesser production. Further, your company had to make more provisions for depreciation in view of increase in fixed assets.

1.2. Key Financial Ratios

The salient features of the performance of the Company can be seen from the following key ratios:

	2012- 2013	2011-2012
Earnings Per Share (Rs)	2.36	11.90
Dividend per Share (Rs)	0.70	1.20
Dividend Payout Ratio (%)	30.43	10.64
Return on Net Worth (%)	0.94	5.45

2. DIVIDEND

Your Directors have recommended a final dividend of Rs.0.70/- per equity share (7 percent) for the financial year ended on 31st March, 2013 as against 10% declared last year. A lesser percentage of dividend is recommended due to a reduction in profitability this year as well as the need to conserve resources for the expansion programme. The dividend distribution would result in a cash outflow of Rs.3.12 crores and tax on dividend of Rs. 0.53 crore as against Rs.3.48 crores, and tax on dividend of Rs. 0.56 crore, in the previous year.

3. MANAGEMENT DISCUSSION AND ANALYSIS

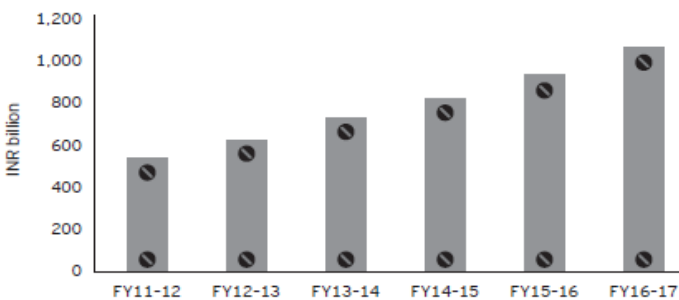
3.1 Steel Industry Outlook:

India has emerged as the fourth largest steel producing nation in the world. India's production grew constantly in the last five years from 57.8 MT in 2008 to 63.5 MT in 2009, 69 MT in 2010, 73.6 MT in 2011 and 76.7 MT in 2012 as per the data from World Steel Association (WSA). India is expected to become the second largest producer of crude steel by 2015-16. Consumption of steel follows the GDP growth of any country. As per Ministry of Steel estimates, the Iron and Steel Industry contributes around 2% of the GDP and its weight in the Index of Industrial Production is 6.2%.

The demand for steel in the country is currently growing at the rate of over 8% and it is expected that the demand would grow to over 10% in the next five years. This indicates that there is a lot of potential for increasing the steel consumption in India. In the years 2011-12 and 2012-13, the growth rate slowed to 6.2 per cent and 5.0 per cent respectively, as per the Economic survey for 2012-13. The compound annual growth rate (CAGR) for gross domestic product (GDP) at factor cost, over the decade ending 2012-13 is 7.9 per cent.

The growth in India's industry is a result of domestic steel consumption, which has been driven primarily by infrastructure related investments and consumer durables. The 12th (Five Year Plan) FYP projects an investment of US\$1t in infrastructure alone, which will accelerate steel consumption. As an estimate, this increase in infrastructure spends may itself lead to additional demand of approximately 40 million tonnes per annum during 2012–13 to 2016–17.

Projected infrastructure investment during the 12th FYP

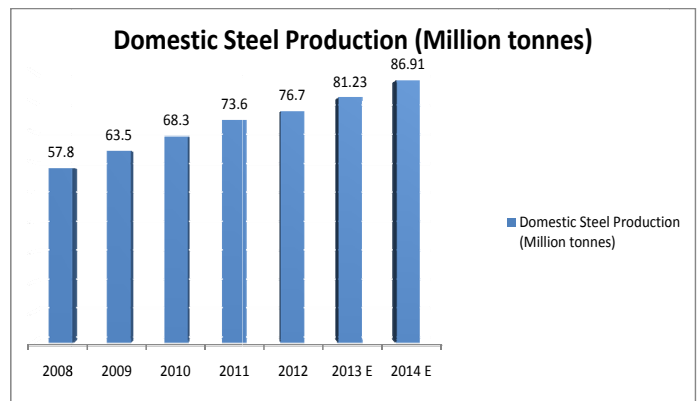


Source : Committee on Infrastructure/Planning Commission

Indian steel consumption growth has an elasticity of about 1.1 to growth in GDP. In other words, if the Indian economy grows at 7% per year, steel demand is likely to grow by 7.7% during the same time, from the current 68 million tonnes to around 132 million tonnes by 2020.

In line with GDP growth, Indian steel demand has immense opportunities to grow across sectors in the mid- to long term. The rapid rise in production over the last few years has resulted in India becoming the the largest producer of sponge iron or direct-reduced iron (DRI) in the world. The country has the opportunity of becoming the second largest producer of steel by 2015-16 and per capita consumption of steel in India, which is only 55kg (2011) — significantly lower than global averages — suggests a potential to close the gap in future.

3.2 The Domestic Steel Production Forecast upto 2014 is given below :



Source: World Steel Association

In India, steel demand is also expected to pick up and will grow by 5.9% in 2013 as monetary easing is expected to support investment activities. In 2014, growth in steel demand is expected to further accelerate to 7.0% thanks to the reform measures aimed at narrowing the fiscal deficit, coupled with measures to improve the foreign direct investment climate.

3.3 Projected Demand-Supply Scenario

The following are the primary levers of demand growth:

Increase in Rural demand: Currently, per capita rural consumption of steel in India stands at around 13kg. This is significantly lower than urban per capita consumption. Projects like Bharat Nirman and Rajiv Gandhi Awaas Yojana have led to increased demand for construction steel like thermo-mechanically treated (TMT) bars and galvanized plain and corrugated (GP/GC) sheets, but there remains a significant opportunity to increase rural steel demand by widening the distribution network and by providing customized solutions catering to the needs of 70% of the population.

An investment worth US\$132b has been planned for the 12th FYP. The Government has launched many road investment programs, namely the National Highways Development Project (NHDP) and Pradhan Mantri Gram Sadak Yojana (PMGSY), to increase the connectivity of roads to ports and plant sites.

Indian Railways has an ambitious investment plan to invest US\$328b through 2020 under its 'Vision 2020' programme. The organization's plan is to invest around US\$42.6b out of the total allocated budget in laying down new lines. Many of the investments will have high steel intensity.

Automobile and power sectors offer opportunity for specialized steel. As India is currently short of electricity, there are plans to exponentially increase investment in power projects, which will also drive steel demand.

The Government's plan to re-energize manufacturing will lead to accelerated demand from the capital goods sector and projects

3.4 Challenges:

Slowing GDP growth and concerns around economic policy-making have affected overall investment in infrastructure and steel projects. Many projects have not started due to delays in environmental and forest clearance, land acquisition, mining leases and other regulatory issues.

Land acquisition and environment regulations Rules to calculate adequate compensation to the landowners have been unclear. Additionally, the number of approvals like environmental and forest clearances required from the authorities has made land acquisition and setting up projects the top issues in building up large new capacity.

The availability of inexpensive, good-quality iron ore is one of the positive factors for growth of India's domestic steel industry. However, the sector has more recently come under the scrutiny of authorities due to widespread illegal mining. As a result, the state of Karnataka faced a ban on iron ore mining in 2011. Shortage of iron ore due to mining bans in key iron ore producing states such as Karnataka, Goa and Odisha has also led to a rise in domestic iron ore-prices that is in contrast to a falling trend in export iron ore prices; this also is creating disturbances in the supply chain. In fact there is little to no expectation of Indian iron ore exports during 2013.

Insufficient infrastructure and logistics. The steel industry is a major user of infrastructure resources like railways, roads and ports. A growth in steel production will increase

the burden of the country's already stretched logistics infrastructure. To meet the needs of a growing steel industry, major improvements in various infrastructure facilities are required.

3.5 Outlook :

The installed capacity for crude steel is projected to be 200 MTPA by FY 2020 as per the National Steel Policy, formulated by the Ministry of Steel.

The long-term outlook for steel demand in India is quite robust due to increasing demand from several sectors, including automotive, consumer durables, oil and gas, industrial machinery, real estate and infrastructure. Though there could be supply constraints in India in 2013, steel prices are likely to remain under pressure due to a steady stream of imports. The new capacity in India will be vertically integrated and have the ability to use fines as raw material.

4. OPERATIONAL ISSUES:

4.1 Gummidipoondi Plant & Madhavaram Service Centre:

The production at Gummidipoondi Plant has been affected for the last couple of years due to severe power cut in Tamil Nadu. There is a 40% power cut for the industries in Tamil Nadu and this situation continued for most part of the financial year. The Plant is purchasing additional power from the Grid and this has increased the input costs. Despite the power cuts the plant is running at around 80% capacity. The processing and trading activity at the Madhavaram Service Centre has been a major contributor to the sales for the FY 2012-13.

4.2 Integrated Steel Plant at Raichur:

The Integrated Steel Complex at Raichur was implemented in two phases. The first phase comprising of Sponge Iron Plant (Direct Reduction of Iron) and Steel Melting Shop were completed in June 2008 and February, 2009 respectively. The Rolling Mill operation was taken up in the second phase in as much the capacity of the rolling mill was increased from 0.2 million tonnes per annum to 0.3 million tonnes per annum which has become fully operational. Currently, all four kilns of the DRI plant are operational. The company is using high grade iron ore fines in the form of pellets to

produce sponge iron. During the year the SMS plant and Rolling Mill had taken a shutdown due to maintenance and non-availability of certain balancing equipments. However, the Company is now procuring billets from the market for operation of the Rolling Mill.

4.3 Phase I- Beneficiation & Pellet Plant at Raichur

Earlier in terms of the order of the Hon'ble Supreme Court all the illegal mines were closed down in Karnataka. The Court wanted that the mining activities. As a result, there was a shortage of iron ore supply in the State of Karnataka. Your company resorted to buy pellets instead of iron ore blocks. In order to obviate this difficulty the company is going for a backward integration by setting up a Beneficiation and Pelletisation Plant. This expansion envisages beneficiation of iron ore fines which will then be converted into Pellets which in turn will be utilized for the production of Sponge Iron. In other words, the Pellets which will be produced, will become the raw materials for the manufacture of Sponge Iron in our Direct Reduction of Iron (DRI) Kilns.

4.4 Project details

Your company is currently into manufacturing of long products out of its facility at Raichur & Gummidipoondi. In its endeavour to bring economies of scale and product diversification, the Company intends to set up new facilities through an expansion plan in phases, envisaged at Raichur adjacent to the existing plant. As a part of this strategy, the Company intends to set up iron ore beneficiation & pelletisation facilities of capacities 1.3 MTPA & 1.2 MTPA respectively. The project is under implementation following facilities :

MTPA

Facility	Existing	Expansion	Total
A. Raw Material Preparation Unit			
Beneficiation Plant	-	1.30	1.30
Pellet Plant	-	1.20	1.20
B. Iron making Unit			
DRI Plant	0.16	-	0.16
C. Liquid Steel & Semis making Unit			
Electric Arc Furnace	0.25	-	0.25
Billet Caster	0.24	-	0.24
D. Rolling Unit			
Bar Mill	0.40*	-	0.40

4.5 Project Cost

The total Project cost is estimated at Rs.1,253 Crore. The break-up of the Project cost is as under:

Particulars	Amount
Land & Site Development	100
Building & Civil Works	121
Plant & Machinery	861
Contingencies	37
Hard Cost	1119
Pre-operative Expenses	17
Interest During Construction	78
Margin Money for Working Capital	39
Total	1253

4.6 Means of Finance

The Project is proposed to be financed in the debt equity ratio of 1.5:1. The proposed means of finance has been given in the table below:

Particulars	Amount
Equity	
Promoters/PE Investors	471
Internal accruals	100
Sub Total (A)	571
Debt	
Rupee Term Loan (B)	682
Total (A+B)	1253

5. SUBSIDIARIES:

5.1 Surana Power Limited

Surana Power Limited is in the process of setting up of 2 x 210 MW Thermal Power Plant at Raichur at a total cost of Rs.2900 crores. SPL already has an existing 35MW Power Plant. After completion of the 420 MW Thermal Power Plant, the generation capacity of Surana Power Limited will be increased to 455 MW.

Surana Industries Limited has already infused a capital contribution of Rs.391 crores and the Foreign Private Equity Investors are expected to bring in additional equity very shortly.

The funding requirement for the 420 MW Power plant was earlier estimated at Rs.2400 crores. This has now been revised to Rs. 2900 crores. The revision in project cost is on account of Interest during Construction for period commencing from Jan 2013. The revised project cost is proposed to be tied up by equity contribution of Rs. 725 crores and debt funding of Rs. 2175 crores. Surana Industries Ltd has already infused Rs. 391 crores as equity. The Company has already spent around Rs. 1500 crores as on 31st March 2013. This has been met out of the equity contribution of around Rs. 400 crores and term loan of Rs. 1100 crores. The project is now expected to go on stream by January 2015.

5.2 Surana Mines and Minerals Limited Singapore:

Surana Mines and Minerals Ltd, SMML is the wholly owned subsidiary of Surana Industries Ltd at Singapore.

The Company is expected to commence trading activities in coal as well as scraps in the global market for supply to steel and power plants in the group. SMML has a step down subsidiary PT Borneo Mines & Minerals Ltd which has acquired mining rights in the Sassanga coal mines in Indonesia. The 2640 acres of the Sassanga coal mines have proven reserves of 60-70 million tonnes of coal. The first consignment of coal are expected to commence in FY 2013.

5.3 Surana Green Power Limited:

SGPL, a 100% subsidiary of Surana Industries Limited, is in the business of Power Generation. SGPL has currently 7 windmills.

SGPL has step down subsidiary (wholly owned subsidiary) M/s. Surana Green Energy Limited, an SPV through which the Company intends to avail the Group Captive Scheme (GCS), whereby the SGEL shall be able to sell electricity to other Captive users.

SGPL has also been registered under the UNFCCC (United Nations Framework Convention on Climate Change) Clean Development Mechanism Scheme(CDM). The project is eligible for Carbon Credits which are sold in the international markets. This has provided additional revenue to SGPL.

The Company has plans to setup a 101 MW windmill project and also has plans to enter the Solar Energy space. However, these are yet to take off.

6. FUTURE OUTLOOK AND COMPANY'S EXPANSION PLANS:

The World Steel Production and Consumption have recorded a continuous increase since 1995. There was a remarkable increase in the growth rate with the start of the 21st Century. According to economists, the growth trend is likely to continue well past these years with global production and consumption estimated to increase at least at a rate of 6% per annum.

Though a number of green field steel plants have been announced, because of various constraints there is likely to be delay in creation of new capacities. Thus, the supply side may not meet the growth in domestic demand.

Taking into account the above factors and as there will be a large scale demand for special steels, your Company has embarked upon an expansion programme by way of backward integration. The details are given below:

SIL is currently into manufacturing of long products out of its facility at Raichur & Gummidipoondi. In its endeavour to bring economies of scale and product diversification, the Company intends to set up new facilities through an expansion plan in phases, envisaged at Raichur adjacent to the existing plant. As a part of this strategy, the Company intends to set up iron ore beneficiation & pelletization facilities of capacities 1.3 MTPA & 1.2 MTPA respectively as Phase I of the Expansion of project. Upon implementation of the Project, SIL would have the following facilities:

(MTPA)

Facility	Existing	Expansion	Total
A. Raw Material Preparation Unit			
Beneficiation Plant	-	1.30	1.30
Pellet Plant	-	1.20	1.20
B. Iron making Unit			
DRI Plant	0.16	-	0.16
C. Liquid Steel & Semis making Unit			
Electric Arc Furnace	0.25	-	0.25
Billet Caster	0.24	-	0.24
D. Rolling Unit			
Bar Mill	0.40	-	0.40
E. Oxygen Plant	500 TPD	-	500

The proposed site is located within the Industrial Growth Centre developed by KIADB in Raichur. The connectivity of the site to the key logistic/raw material/utility centres has been tabulated below:

Connectivity	Details
Rail	The nearest Railway station is Yeramaras on Guntakal – Wadi section of South Central Railway, which is located at a distance of 7 Km from plant site. SPL is in possession of 42 acres of land near the railway station for setting up railway siding. SIL proposes to enter into a MoU with SPL for use the railway siding.
Road	NH 7 is located at a distance of about 120 Km from the plant site while the nearest state highway SH 13 passes about 1.5 Km from the site.
Airport	The nearest airport is Rajeev Gandhi International Airport, Hyderabad located at a distance of about 151 Km.
Port	The Company proposes to utilize the Krishnapatnam port for import of non-coking coal. The port has dedicated berths for handling coal cargo. The port is located at a distance of 480 Km from the plant site.
Mines	SIL would purchase iron ore fines from the nearby mines in Bellary-Hospet region, NMDC, Mysore Minerals Limited etc.
Water	The Krishna River is at a distance of 8 km from the Project site and SIL has obtained GoK approval for drawing 60 MLD of water from the river.
Power	The State DISCOM grid at Chiksugur having 33 KV sub – station is about 1.5 Km away from the site.

Earlier it was estimated that additional Land would be needed for development of Phase I of the project. However, Phase I of the project can now be accommodated in the existing layout of 131.55 acres. An aggregate of 280 acres has been identified for the entire expansion project. Land acquisition is being done through KIADB. Govt. of Karn

taka vide Gazette Notification in 2011 has identified the land parcel for the Project for industrial use. Final notification is pending from KIADB.

7. OPPORTUNITIES:

The steel production capacity in the country has increased substantially and the production may touch around 200 million tonnes by the year 2020. The country has the necessary iron ore reserves to achieve this level of steel production.

Due to expected acceleration in GDP growth rate in the medium and long term, the demand for steel is bound to go up significantly. This will benefit all steel producers including your Company.

8. THREAT PERCEPTION:

Your Directors feel that the Company will have to gear up its marketing activities so as to compete effectively with the established producers. Marketing of Alloy Steel and Special Steels needs concerted efforts and experience. In the Raichur steel plant, the Company will be manufacturing Special Alloy Steels which are mostly meant for Automobile Manufacturers who will demand strict adherence to the quality of the products. Therefore, it is essential for the Company's marketing team to aggressively and effectively market the products.

Similarly, in the case of TMT Bars, there can be good competition from the various producers. Builders and contractors are the ultimate end users of TMT Bars and it is necessary for the Company to aggressively market these products.

Shortage of quality raw materials, surging freight costs and escalation of the costs of inputs, fuels etc. will continue to keep the cost of production high for steel manufacturers.

The main threat perception is linkage of iron ore and coal.

Further, in regards to financial implications, there can be threat perceptions in hardening of interest rates which will also pose a problem for the Company. The Company has not received any major reduction in the interest rates on the loans. At the same time, due to tough competition it would be difficult for the Company to pass on the entire cost push

to the Customers by way of increased finished steel prices. Faced with aggressive marketing strategy and cost cutting initiatives, the Company constantly reviews/monitors the costs of various inputs and finds out ways (either technological or commercial) to reduce the cost of steel production, wherever it is possible. The Directors have been taking requisite measures to overcome various impediments which may come in the way of smooth functioning of the Company.

The Company also undertakes Cold Rolling operations. There is a good margin available on these transactions. The Company procures materials mainly from Rashtriya Ispat Nigam and Steel Authority of India and after cold rolling, sells the same in the market.

9. RISK PERCEPTION

The Directors are constantly assessing the business risks pertaining to the performance of the Company. The following are the important risks perceptions:

- Quality Maintenance of the End Products
- Adequate availability of Raw Materials
- Requisite Power Supply
- Removal of Transport Bottlenecks
- Sudden Increase in Prices of Inputs
- Customers Default
- Inadequacy of Finance Arrangement
- Statutory Policies
- Events Due to Unforeseen Circumstances
- Global Recession

Your Directors are fully conscious of the various business risks and have taken adequate care to tackle any situation. Strict controls are enforced on the quality front and all other matters for smooth operation of the steel plants.

10. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Directors are pleased to state that the Company has a very good internal control mechanism. All transactions are subjected to strict scrutiny. The Company has appointed

Internal Auditors who regularly audit the various transactions in the company and report back to the Management about any deficiencies noticed. There is a system of monthly review of the performance of the Company at the highest level. The following aspects are monitored.

- Actual production achieved vis-à-vis Targets
- Sales vis-à-vis Targets
- Reasons for deviations from targets
- Inventory Holding
- Realization of Book Debts and NPAs
- Identification of slow moving items
- Expenditure control
- Cost analysis of various inputs
- Power and oil consumption
- Bank limits and drawings their against
- Monthly budgets and their analysis

Accordingly, strategies are drawn to improve upon the working of the company.

11. IMPLEMENTATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS:

Your Directors are pleased to state that the Company has fully geared up its activities to meet International Financial Reporting Standards. The effective implementation date has been deferred. Your Company will be able to implement the same immediately once the date is announced.

12. SAP-ERP:

Your Directors take pleasure in stating that the Company is completely integrated on SAP-ERP system across all its plants in the Country. SAP-ERP supports and meets the requirements of a changing industry. As a result, it helps in curbing costs through increased flexibility and leverages productivity and insight. It also improves financial management and corporate governance. Customers and Vendors are facilitated with automated alert facilities on their business activities with the Company.

13. HUMAN RESOURCES:

The Company has been giving due attention for the development of Human Resources. A trained and motivated employee is the backbone of the Company. Adequate attention is given to this aspect. The Company has been recruiting trained, experienced and qualified personnel for its Raichur Project. The Company is fully aware of the necessity for the same. Special attention is given to recruit trained and experienced personnel not only in the production department but also in marketing and finance and accounts. Motivation is the most important factor. The Company strives very hard to retain and improve employee morale.

For the last three years a certain section of the workers of our Raichur Integrated Steel Plant have been resorting to illegal activities and have not been discharging the duties in terms of the service regulations of the company. The local management in Raichur has been constantly in touch with the workers so that their pending issues could be resolved.

We have been negotiating with the workers, pointing out that the company has commenced commercial production only in 2008-09 and the Integrated Steel Plant is yet to be stabilized. A Number of meetings took place and minutes were drawn.

Further, as you are aware the company is having a cash flow problem on account of the expansion project and at times there has been delay in the matter of providing increments to the workers in time. However increments have always been defrayed.

In terms of the Company's understanding with the Karnataka Government 75% of the work force from the local population whose land has been acquired are to be employed. This has been complied with. Infact we have rehabilitated all the affected people belonging to Wadaloor village, a nearby hamlet.

However for the last one year, there have been many instances of activities in the factory which have been detrimental to the peaceful working atmosphere. Some local political elements have instigated the work force.

This section of workers forcibly closed down one of the factories belonging to a subsidiary company. This resulted in the company making a police complaint. The workers then went

on an illegal strike. The workers who indulged in arson and other illegal activities were issued termination notices.

Subsequently a detailed letter was sent to the Asst. Labour Commissioner, who intervened and thereafter conciliation proceedings concluded. We identified 57 employees who indulged in unlawful activities and they were dismissed. They were paid their terminal dues in full. Out of total 371 employees, 314 persons joined back. The factory has none reopened and normalcy has been restored in the operations.

14. ASPIRATIONS OF THE SHARE HOLDERS:

The Board is fully aware of the excellent support given to the Company by its esteemed shareholders. Their valuable suggestions and guidance have given the Directors much impetus for undertaking constant review of the Company's working and its growth. The Directors are all the time considering the necessity of adding value for the shareholder's wealth.

15. CORPORATE GOVERNANCE:

The Directors pay special attention to ensure that the guidelines given for the corporate governance are strictly adhered to. All possible steps are being taken to this effect. The Directors are also fully aware of their responsibilities towards:

- Shareholders of the Company.
- Customers of the Company.
- Government of India, State Governments, as well as various statutory bodies for following strictly, their rules and regulations.
- Implementation of Government Guidelines.
- Strict adherence to the Environmental Regulations and Guidelines.
- Following strictly the various labour laws.
- Ensuring transparency.
- Strict abeyance of all the Rules and Regulations of SEBI and Stock Exchanges and also Company Authorities.
- Corporate Social Responsibility.

Certificates of the Auditors of your Company regarding compliance of the conditions of the Corporate Governance as stipulated in Clause 49 of the Listed Agreement with the Stock Exchanges is attached. A separate report on the Corporate Governance is also annexed as part of the Annual Report.

16. DEPOSITORY SYSTEM / DEMATERIALIZATION OF SHARES:

As indicated in the last Annual Report, the Company has entered into Tripartite Agreement with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (I) Ltd (CSDL) along with Registrars M/s Cameo Corporate Service Ltd, Chennai for providing electronic connectivity for dematerialization on the Company's shares facilitating the investors to hold the shares in electronic form and trade in those shares. The shares of your Company are being traded on the National Stock Exchange, the Bombay & Madras Stock Exchanges under compulsory demat form.

17. AUDITORS:

M/s CSP Jain & Co., Chartered Accountants, Chennai and M/s. R Subramanian & Company, Chartered Accountants, Joint Auditors of the Company retire from their Office. They are however eligible for reappointment.

17.1 Auditors Report

With regard to VIII of the Auditors Report, we submit that the delay, if any, was on account of mismatch in cashflows. The company has subsequently deposited the statutory dues and has taken necessary steps to prevent re-occurrence of the same.

18. ADDITIONAL INFORMATION:

18.1 Conservation of Energy and Technology Absorption:

A statement containing the particulars relating to conservation of energy, research and development and technology absorption as required under Section 217 (1)(e) of the

Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules 1988 are annexed herewith.

18.2 Directors:

Shri. G.R.Surana and Shri. Dineshchand Surana and Shri. Krishna Udupa, Directors of the Company are eligible to retire by Rotation and offer themselves for re-appointment.

18.3 Particulars of Employees:

Particulars of those employees who were in receipt of remuneration to be disclosed pursuant to Section 217 (2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975 are furnished separately in the Balance Sheet.

18.4 Directors' Responsibility Statement:

Pursuant to the requirements under Section 217 (2AA) of the Companies Act 1956 the Board of Directors hereby confirm:

That in the preparation of Annual Accounts of the Company for the financial year ending on 31st March, 2013 the applicable accounting standards have been strictly followed along with proper explanations and that no material departures have been made from the same.

That the Directors have taken such accounting policies and these have been applied consistently. The estimates and judgments have been 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 2012-2013 and profits of the Company for the year which ended on 31st March, 2013. That the Directors have taken proper and sufficient care for the maintenance of the accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, if any.

That the Directors have caused preparation of the Annual Accounts for the financial year which ended on 31st March, 2013 on a going concern basis.

19. ACKNOWLEDGEMENT

The Board of Directors of the Company wish to express their deep sense of appreciation and proffer their sincere thanks to all the Shareholders of the Company for their unstinted support to the Company.

The Board also wishes to express their sincere thanks to all the esteemed Customers for their support to the Company's products

The Board would also like to place on record their deep sense of gratitude to the Financial Institutions and Banks for their timely support to the Company not only for the working capital needs but also for the implementation of the various projects. The Company would also like to thank

all the Bankers/Institutions who have sanctioned the facilities for our expansion programme. We are also grateful to SBI Capital Markets Limited for appraising our expansion project and also for syndication of the necessary term loans for the same.

But for their active support of all these Institutions and Banks, the fast growth of the Company would not have been possible.

In the end, the Board would like to place on record their deep sense of appreciation to all the Executives, Officers, Employees, Staff Members, and Workers at the Factory. Their active and loyal involvement in the Company's working has enabled your Company to achieve these heights.

By Order of the Board
For SURANA INDUSTRIES LIMITED
Sd/
DINESHCHAND SURANA
Managing Director

Place: Chennai

Date: 29th May, 2013

ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Sec 217(1)(e) of the Companies Act, 1956 read with the companies (Disclosure of Particulars in the Report of Director) Rules 1988 for the year ended at 31st March 2013.

A. CONSERVATION OF ENERGY:

		(Amount in Rs.)	
		2012-13	2011-12
1. ELECTRICITY			
	Purchased		
	a) Total units consumed	12,118,237	1,71,92,090
	b) Total Amount (Rs.)	81,273,578	10,62,31,211
	c) Rate per unit (Rs.)	6.70	6.17
	Own Generation (Units)	-	-
2 FURNACE OIL			
	a) Total Consumption(lts)	680,900	463,824
	b) Total Amount(Rs.)	29,795,847	1,52,52,368
	c) Rate per Litre(Rs.)	43.75	32.88
3 COAL			
	a) Total Consumption(Tonnes)	41,880.39	29,021.97
	b) Total Amount(Rs.)	3,08,942,795	16,09,76,126
	c) Rate per Tonne (Rs.)	5,376.78	5,546.69

NOTES :

1. Total amount of electricity charges paid includes demand charges, belated payment charges, peak hour charges and meter rent.

B. RESEARCH AND DEVELOPMENT **NIL**

C. TECHNOLOGY ABSORPTION **NIL**

D. FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

		(Amount in Rs.)	
		2012 - 13	2011-12
Earnings			
	Export of goods	2,83,65,045	-
Expenditure			
	Travel Expenditure	60,993	7,44,056
	Interest on FCCB Loan	-	24,554,302
	Import Material	-	14,25,01,691

For and on behalf of the Board
For SURANA INDUSTRIES LIMITED

Place: Chennai
Date: 29.05.2013

DINESHCHAND SURANA
MANAGING DIRECTOR

ANNEXURE TO DIRECTORS' REPORT

Information as per Sec 217(2A) read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2013

<i>Name</i>	<i>Designation</i>	<i>Age</i>	<i>Gross Rs.</i>	<i>Net Rs.</i>	<i>Qualification</i>	<i>Experi-ence</i>	<i>Last employment held</i>	<i>Commencement of employment</i>
R.K. Chouhan	Chief Executive Officer	62	1,00,00,000	82,37,013	B.E., (Mech)	38	Abul Khair Group Bangladesh	Sep. 2010

NOTES :

1. The gross remuneration shown above is subject to tax and comprises salary, allowances, Variable remuneration monetary value of perquisites as per income tax rules and Company's contribution to provident and superannuation funds.
2. Net remuneration is arrived at by deduction from the gross remuneration, income tax, Company's contribution to provident and superannuation funds and the monetary value of non-cash perquisites wherever applicable.
3. All employees have adequate experience to discharge their responsibilities.

**REPORT ON CORPORATE GOVERNANCE
ANNEXURE TO DIRECTORS' REPORT**

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Your Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. The basic philosophy of corporate governance in your company has been to achieve business excellence, to enhance shareholder value keeping in view the needs and interest of all its stakeholders. Surana Industries Limited believes that good governance stems from the culture and mindset of the organization and generates goodwill among business partners, customers, investors and earns respect from society at large. Your Company is committed to the principles of good governance. The Company's policy is reflected by the very values of transparency, professionalism and accountability. The Company constantly strives towards betterment of these aspects. The Company also endeavors to enhance long-term shareholder value. Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd (NSE) & Madras Stock Exchange Ltd (MSE), the details of which are given below.

2. BOARD OF DIRECTORS:

2.1 Appointment and Tenure:

The Directors of the Company are appointed by Shareholders at General Meetings. All the Directors except the Nomi- nee Director are subject to retirement by rotation and at every Annual General Meeting one third of such Directors as are liable to retire by rotation, if eligible, may offer themselves for re-election, in accordance with the provisions of Section 256 and 257 of the Companies Act 1956 and that of the Articles of Association of the Company.

2.2 Composition and Category of the Board:

Surana Industries Limited is managed by the Board of Directors which formulates strategies, policies and procedures and reviews its performance periodically. The strength of your Company's Board is 12 (Twelve) Directors as on 31st March 2013, out of which five Directors are Non-Executive Directors, and the remaining seven are Executive Directors. The Company's policy is to maintain an optimum combination of Executive & Non-Executive Directors.

The seven Executive Directors are the Chairman, the Managing Director and five wholtime Directors who are in whole time employment of the Company. They are actively involved in the day to day functioning of the organization and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company.

Category	Name	Age / Qualification	Designation / Induction in Board / Nature of Directorship	Brief profile
Promoter Director	Shri. G.R. Surana	62 years Secondary Certificate	Chairman; April 1, 2004 (Promoter Director)	Shri. G.R. Surana belongs to a business family hailing from Rajasthan. He has 35 years of experience in jewellery business and over 25 years experience in the steady growth of the company. (Shareholding : 235625 shares)
	Shri. Dineshchand Surana	48 years B.Sc., D. Pharm.	Managing Director; August 5, 2000 (Promoter Director)	Shri. Dineshchand Surana manages the entire operations of the Company. He started his career in industry and has over 25 years of experience. He has travelled across countries such as Taiwan, Russia and Romania and gained expertise in steel making processes. (Shareholding : 2433164 shares)

Category	Name	Age / Qualification	Designation / Induction in Board / Nature of Directorship	Brief profile
	Shri. Rajesh Surana*	39 years Commerce Graduate	Executive Director March 26, 2012	Shri. Rajesh Surana is the Director commercial of the Company. Having more than 19 years of diversified operational experience including Purchase Management, Production Management, Marketing Management and Import/Export Management. He is currently looking after the entire operation of Company's Steel Manufacturing Plant at Gummidipoondi. (Shareholding : 279100 shares)
	Shri. Rajiv Surana*	33 years B.E., Master of International Business	Executive Director March 26, 2012	Shri. Rajiv Surana is the Executive Director of the company. Having more than 7 years experience in the Iron & Steel Business and has diversified experience in Projects & Steel operation activities. He is currently looking after the Backward integration project of setting up the Beneficiation & Pelletisation plant at Raichur and also manages the corporate affairs of the Company. Execution of the 0.3 MTPA Steel plant at Raichur was also assigned to him. (Shareholding : 350900 shares)
Executive Directors	Shri. V.M.Swami	73 years M.com, LLB, CAIIB	Wholetime Director August 5, 2000	Shri.VM.Swami is the Whole time Director of the Company. Having worked with Allahabad Bank for 42 years, he retired as the General Manager of the Bank. He held temporary charge as the Chairman & Managing Director of the Bank. During his career with Allahabad Bank, he underwent extensive training in Germany and USA in the field of international (Banking. Shareholding : NIL shares)
	Shri. Krishna Udupa	61 years M.Sc, CAIIB	Director- Projects; October 29, 2002	Shri. Krishna Udupa looks after the Project implementation of ongoing and expansion projects. He has been with Surana Group since 1997. Prior to joining SIL he was working in Punjab National Bank, as Regional Manager. He has over 34 years experience out of which 25 years have been in the banking industry. (Shareholding : 32400 shares)
	Shri. V. Aranganathan	46 years B.Com., FCA	Director (Finance & Accounts); May 2, 2008	Shri. V. Aranganathan was previously a partner in accounting firm D.P. Sen & Co. He has been associated with this group for the last 15 years. He has 20 years of experience in Auditing, Taxation, Finance and banking. (Shareholding : 100 shares)

Category	Name	Age / Qualification	Designation / Induction in Board / Nature of Directorship	Brief profile
Independent Directors	Dr. S.K. Gupta	74 years B.Sc. (Met Engg.), Ph.D., D.Sc.	Independent Director; Jan 27, 2007	Dr. S.K. Gupta is the Chairman of BMM Ispat Ltd. And has earlier been Vice Chairman of Jindal Vijayanagar Steel. He has also held the position of Managing Director of Rourkela Steel Plant and Chairman of Mecon India Ltd in the past. He is an advisor to the Government of India and Ministry of Steel. (Shareholding 7 shares)
	Dr. B. Samal	71 years M.Sc., Ph.D.	Independent Director May 15, 2006	Dr. B.Samal was the Chairaman and Managing Director of Allahabad Bank of India. He has also been a Member of the Appellate Tribunal of SEBI. With his rich experience in Banking and SEBI he has contributed significantly towards the business growth of the Company. He has an experience of over 41 years in the banking sector. (Shareholding : NIL shares)
	Shri. K.N. Prithviraj	67 years M.A., CAIIB	Independent Director May 31, 2008	Shri. K.N. Prithviraj served Oriental Bank of Commerce as Chairman and Managing Director. He has also served in the capacity of Executive Director for United Bank of India. He has a cumulative experience of 41 years in the banking industry. (Shareholding : NIL shares)
	Shri. B.S. Patil	68 years B.A., I.A.S. (Retd)	Independent Director Oct 30, 2009	Shri. B.S. Patil has served as the Chief Secretary to Govt. of Karnataka. He has also headed KSFC & KSIIDC for a period of 7 years. He held the position of the Principal Secretary to Govt. in Department of Commerce and Industries on three occasions spanning across 8 years. His career has helped him establish contacts with eminent people and institutions across the country, that hold him in very high regard. He has an experience of over 40 years in administrative services. (Shareholding : NIL shares)

Category	Name	Age / Qualification	Designation / Induction in Board / Nature of Directorship	Brief profile
Nominee Director	Shri.G.A.Tadas,	53 years M.A., MBA., CAIIB	Nominee Director IDBI Bank June 6, 2012	<p>Shri. G.A.Tadas is currently working in the capacity of C.G.M. at IDBI Bank. During the past 17 years at IDBI Bank, served in various Depts. viz. Corporate Banking, Risk Dept., Project Appraisal, Corporate Strategy & Planning, In-charge of Pune Corporate Finance Branch, Corporate branding and communications, Organisation Development, Systems & procedures. Appointed as MD & CEO of IDBI Gilts Ltd in June 2009, dealing with debt market, Govt. securities/ T-Bills/ Corporate bonds, Secondary market trading in debt securities, Money market borrowings.</p> <p>Prior to joining IDBI Bank, served (for 10 years) at Research and Information System for Non-aligned & Other Developing Countries (RIS), (Autonomous body of Ministry of External Affairs, Govt. of India), New Delhi, and Fertiliser Association of India (for over one year), New Delhi.</p> <p>An extensive experience in Project implementation, maintenance and planning. He has previously worked with Excel Glass Ltd., Chennai Refinery and Binani Zinc Ltd., He has been with IDBI Bank since 2001. He has a total experience of 22 years. (Shareholding : NIL shares)</p>

*** have resigned from the Board of Directors with effect from 1st April 2013.**

The Independent Directors on the Board are experienced, competent and highly respected persons in their respective fields. They take active part in the Board and Committee meetings. None of the Directors on the Board is a Member on more than 10 Committees. Necessary disclosures have been made by the Directors in this regard. As on 31st March 2013, the number of independent directors is less than that prescribed under Clause 49 of the Listing Agreement. The Company is however taking necessary steps to ensure compliance with the Clause 49 of the listing Agreement pertaining to composition of directors.

2.3 Board Meetings, Committee Meetings and procedures:

The Board of Directors oversees the entire functioning and operations of the Company. They evaluate performance

of the Company and provide direction and guidance to the Company for undertaking the business of the Company in accordance with its corporate goals and statutory requirements. They also give valuable advice and monitor that the Management Policies and their effectiveness and ensures that the long term interests of the shareholders are being served. The Managing Director is being assisted by the other Whole Time Directors, Executive Directors and other Senior Management Staff and Officers to ensure proper functioning of the Company in terms of set guidelines.

The Board has constituted other Committees viz Audit Committee, Shareholders/Investors Grievances Committee, Remuneration Committee, Share Allotment Committee, Project Monitoring Committee etc. The Board constitutes additional functional committees from time to time depending upon the necessities.

A minimum of four Board Meetings are held every year. At times more meetings are convened depending upon the requirements. Dates for the Board Meetings are decided well in advance. In fact the Board Meetings for the whole year is decided on the first Board Meeting of the Company in the financial year itself.

The Board Meetings are usually held at the Corporate Head Office/ Registered Office at Chennai. At times the meetings are held at the factories of the Company viz at Gummudi-pondi or at Raichur.

The Board/Committee meetings are conducted as per well-defined procedures and systems. The information placed before the Board includes:

- o Annual Operating Plans,
- o Capital Budgets and updates on the same,
- o Compliance with Statutory/Regulatory requirements and review of major legal issues
- o Quarterly / Half yearly / Annual financial results of the company,
- o Operational and Accounting Policies
- o Monitoring of Performance
- o Noting of the proceedings of the Meeting of Audit committee and other Committees of the Board and other items as mentioned under Clause 49 of the Listing Agreement.
- o Review of Board minutes of material subsidiary companies.
- o Detailed analysis on the Steel Market Position and Economic Scenario.
- o Delegation of Authorities/ Authorizations and renewal thereof.

2.4 Distribution of Board Agenda papers:

Board Notes are circulated well advance in the devised agenda format. All material information is incorporated in

the agenda notes so that there can be meaningful discussions in the Board Meetings.

2.5 Minutes of the Board Meetings:

Board Meeting Minutes are recorded immediately after the Board Meetings are over and these are sent to the Directors in draft form for their approval. Any changes suggested by them in the draft are incorporated and then final minutes are prepared and circulated.

2.6 Follow up of decisions taken at the Board Meetings:

The Company has an effective system of follow up of the decisions taken at the Board Meeting. An Action Taken Report is prepared and circulated to the Board in the next Meeting. Departmental notes are prepared based on the observations made by the Board and these are sent to respective functional heads for follow up.

2.7 Compliance with the Statutory Requirements:

At the time of preparation of agenda notes it is ensured that all the statutory requirements are complied with under Companies Act, SEBI Regulations and guidelines from other statutory bodies.

2.8 Attendance of each Director at the Board of Directors meetings held during 2012-13 and at the last Annual General meeting:

During the year 2012-2013, the Board met 4 (Four) times on 28.5.2012, 31.07.2012, 30.10.2012, 14.02.2013. The Annual General Meeting for the financial year ended 31.03.2012 was held on 10.07.2012.

Particulars of attendance of Directors at the Board Meetings and at the last Annual General Meeting and the number of memberships held by the directors in the Boards of other companies and memberships/chairmanships held by them across the committees of all the companies for the year 2012-2013 are furnished in the table given below:

Name of Directors	Category	Attendance particulars		Number of Directorships and committee memberships/chairmanships.		
		Board Meeting	Last AGM	Other Directorship/Chairmanship	Committee Memberships	Committee Chairmanships
Shri.G.R.Surana	Promoter Executive	2	Yes	3	Nil	Nil
Shri.Dineshchand Surana	Promoter Executive	4	Yes	6	1	Nil
Shri.V.M.Swami	Executive	4	Yes	2	2	Nil
Shri.Krishna Udupa	Executive	2	Yes	Nil	2	1
Dr.B.Samal	Independent Non-Executive	3	Yes	14	2	3
Dr.S.K.Gupta	Independent Non-Executive	3	No	6	-	Nil
Shri.K.N. Prithviraj	Independent Non-Executive	4	Yes	9	1	Nil
Shri.V.Aranganathan	Executive*	4	Yes	Nil	Nil	Nil
Shri.B.S.Patil	Independent Non-Executive Director	2	Yes	Nil	Nil	Nil
Shri.G.A.Tadas	Nominee Director	1	No	Nil	Nil	Nil
Shri.Rajesh Surana	Promoter Executive	2	Yes	Nil	Nil	Nil
Shri. Rajiv Surana	Promoter Executive	2	Yes	Nil	Nil	Nil

* Appointed as Director (Finance & Accounts) with effect from 03.05.2011.

In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committee and Shareholder/Investor Grievance of all Public Limited Companies is included.

2.9 Details of Directors seeking appointment / re-appointment in the 22nd Annual General Meeting (in pursuance of Clause 49 of the listing Agreement)

i] Name: **Shri. G.R.Surana**

Age : 61 years

Qualification: S.S.L.C

Present Position: Executive Chairman

Experience: Shri. G. R. Surana belongs to business family hailing from Rajasthan. He has over 35 years of experience in jewellery business. He is one of the founder promoters of the Company.

ii] Name: **Shri. Dineshchand Surana**

Age : 49 years

Qualification : B.Sc., D.Pharm

Present Position : Managing Director

Experience : Shri. Dineshchand Surana manages the entire operations of the Company. He started his career in industry and has over 25 years of experience. He has travelled across countries such as Taiwan, Russia and Romania and gained expertise in steel making processes.

iii] Name: **Shri. Krishna Udupa**

Age : 61 years

Qualification: M.Sc, CAIIB

Present Position : Director Projects

Experience: Shri. Krishna Udupa looks after the Project implementation of on - going and expansion projects. He has been with Surana Group since 1997. Prior to joining SIL he was working in Punjab National Bank, as Regional Manager. He has over 34 years experience out of which 25 years have been in the banking industry

- ☞ Inter-Corporate Investments
- ☞ Policies relating to award of contracts, purchase and sale of raw materials, finished goods, etc.
- ☞ Overview of different items of expenditure incurred by the Company and whether any instance of diversion of funds, not directly relating to the affairs of the Company, has taken place and to do such other acts, deeds or things, as may be necessary from time to time, to fulfill the objectives aforementioned.

3. AUDIT COMMITTEE:

The Company has an Audit Committee with the scope of activities as set out in the clause 49 of the Listing Agreement (as amended from time to time) with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The broad terms of reference of the Audit Committee are as under:

- ◆ The Committee oversees the company's financial reporting process and the disclosure of its financial information to ensure the correctness, credibility and adequacy of the financial statements.
- ◆ It recommends the appointment of and removal of external auditors, fixation of audit fees and approval of payment for any other services rendered by the Auditors.
- ◆ The Committee reviews with the management the annual and half yearly financial statements before submission to the Board.
- ◆ To undertake periodical review of Company's operations and more particularly in the following areas:
 - ☞ Financial performance of the Company
 - ☞ Payment of dues to Institutions, both interest and principal
 - ☞ Payment of Government dues, such as customs duties, excise duties, sales tax, income tax, etc.

The Audit Committee was re-constituted on 27.01.2007. The present Audit Committee consists of the following members.

- | | |
|----------------------|----------------------------------|
| Dr.B.Samal | - Chairman, Independent Director |
| Shri. K.N.Prithviraj | - Member, Independent Director |
| Shri. S.K Gupta | - Member, Independent Director |
| Shri. Krishna Udupa | - Member, Executive Director |

The Audit Committee met 4 times during the year under review i.e. 28.5.2012, 31.07.2012, 30.10.2012, 14.2.2013. Except Shri. Krishna Udupa, and Dr.S.K. Gupta, all the members of the Committee attended all the meetings.

The Chairman of the Audit Committee has attended the last Annual General Meeting held on 10.07.2012

4. SHARE TRANSFER AND INVESTOR GRIEVANCES COMMITTEE:

The company has a Share Transfer Committee and Investor Grievance Committee to specifically look into matter relating to Share Transfers, Redressal of Shareholders/ Investor Complaints.

The Shareholders'/Investors' Grievance Committee deals with various matters relating to :-

- o transfer / transmission of shares / debentures,
- o issue of duplicate share certificate,
- o review of shares dematerialised and all other related matters,

- o monitors expeditious redressal of investors grievances,
- o all other matters related to shares/ debentures.

The Share Transfer Committee comprises of two directors viz. Shri. Krishna Udupa and Shri.V.M.Swami.

The Investor Grievance Committee comprises of three directors, Shri. Dr.S.K.Gupta, Dr.B.Samal and Shri. Krishna Udupa.

During the year ended 31st March, 2013 the Share Transfer Committee met 6 times during the year under review i.e. 30.6.2012,16.8.2012,14.9.2012,26.11.2012 and approved Share Transfers (both Physical and Demat) and splitting / transmission of shares

Investor Grievance Committee meets as and when required to resolve pending complaints.

During the year the Investor Grievance Committee met on 14th February 2013 and took note of the complaints received during the year.

All requests for dematerialization of shares were carried out within the stipulated time and no case was pending as on 31st March 2013.

5. REMUNERATION COMMITTEE:

The Company has a Committee of Directors (Remuneration), to consider and fix the remuneration payable to the Managing Director/Whole time Director. The Remuneration Committee was re-constituted on 06.08.2010 with two Non-Executive Directors and one Executive Director. The Company Secretary acts as the Secretary of the committee. Accordingly the present Remuneration Committee consists of the following members.

The Committee comprises of three Directors, viz., Dr. S.K.Gupta, Shri. K. N.Prithviraj and Shri. Dineshchand Surana. One meeting was held during the year on 14.02.13.

Executive Directors:

Name	Salary (Rs.in lakhs)	Perquisites and Allowances
Shri. G.R. Surana	36.00	Company's contribution to PF, Bonus Gratuity, Medical, leave encashment, LTC, telephone charges, Car with driver.
Shri. Dineshchand Surana Managing Director	36.00	
Shri.V.M.Swami Wholetime Director	30.84	
Shri.Krishna Udupa Wholetime Director	21.00	
Shri.V.Aranganathan	26.40	
Shri. Rajesh Surana	12.00	
Shri.Rajiv Surana	12.00	

Non-Executive Directors:

The company pays sitting fees of Rs.10,000/- to the Non-Executive Directors for each of the Board Meetings and conveyance is reimbursed on actual incurred.

6. GENERAL BODY MEETINGS:

6.1. location and time where Annual General Meetings were held during the last three years:

Year	Location	Day / Date	Time
2009-2010	GRT Grand, No.120 Thiyagaraya Road, T.Nagar	10.06.2010 Thursday	12 Noon
2010-2011	GRT Grand, No.120 Thiyagaraya Road, T.Nagar, Chennai -17	10.06.2011 Thursday	10.15 a.m.
2011-2012	GRT Grand, No.120 Thiyagaraya Road, T.Nagar, Chennai 600 017	10.07.2012 Thursday	10.15 A.M.

6.2 Location and time where Extra Ordinary General meeting were held during the last three years: NII

6.3 Postal Ballot:

During the financial year 2012-13, one special resolution was put through postal ballot in terms of Sec 192A of the Companies Act, 1956 and Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

Postal Ballot Notice dated 26.03.2012. The resolution was relating to :

Item 1

Issue of 7700000 equity shares on preferential basis, to persons other than promoter and promoters group:

The postal ballot notice was sent to each shareholder as on the decided cut- off date. The Board appointed Mr. S.Ganesh of M/s. S.Ganesh & Associates, Practising Company Secretaries, as scrutinizer to conduct the postal ballot in respect of the said resolution. Based on the report submitted by the Scrutiniser, the results of the postal ballot were declared on 07.06.2012 and the special resolution was passed by a majority of 99.99% of the total valid votes polled.

No. of valid postal ballot forms received	41
No of invalid postal ballot forms received	5

Item No	Votes cast in favour	Votes cast against
Item No 1,	1,46,84,379	6

Special resolutions passed during the last three Annual General Meetings:

- i. At the 19th Annual General Meeting held on 10th June 2010, no special resolutions were passed.
- ii. At the 20th Annual General Meeting held on 10th June 2011, no special resolutions were passed.

- iii. At the 21st Annual General Meeting held on 10th July 2012, no special resolutions were passed.

Special Resolutions passed during the Extra-ordinary General Meetings:

No extra ordinary general meetings were held during the years 2010-11, 2011-12, 2012-13.

7. DISCLOSURES:

- 7.1 No transaction of material nature has been entered into by the Company with related parties i.e. Directors or Management, subsidiaries or relatives, conflicting with the Company's interest.
- 7.2 There has been no instance of non-compliance on any matter relating to the capital market or the Listing Agreements.

8. MEANS OF COMMUNICATION

- 8.1 The quarterly, Half yearly and Annual Result of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

The unaudited quarterly financial results of the company were published in the English newspapers viz. Economic Times, Dalal Street Journal and Trinity Mirror and the Tamil version in a Tamil daily viz. Makkalkural. These are not sent individually to the shareholders.

The quarterly financial results during the financial year 2012-2013 were published as per details given below:

Quarter 2012-2013	Date of Board Meeting	Date of publication	Name of the News papers
1st Quarter	31.07.2012	01.08.2012	Trinity Mirror & Makkal Kural
2nd Quarter	30.10.2012	01.11.12	-do-
3rd Quarter	14.02.2013	15.02.2013	-do-

8.2 Annual Report:

Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Directors Report, Auditors Report and other important information are circulated to the Members and others who are entitled to receive such information. The Annual Report is also available on the Company's Website.

The company's website address is www.suranaind.com

8.3 As required under Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report is annexed to the annual report.

9. GENERAL SHAREHOLDER'S INFORMATION:

9.1 Annual General Meeting

Date and Time : 29th July 2013, at 10.30 A.M

Venue :The Music Academy,
No.168 T T K. Road, Royapettah,
Chennai 600 014.

9.2 Financial Calendar Year

Financial Year: 1st April 2013 to 31st March 2014

Quarterly Results:

Financial Reporting for the quarter ending	Tentative Dates
30 th June 2013	3 rd week of July, 2013
30 th September 2013	3 rd week of October, 2013
31 st December 2013	4 th Week of January 2014
31 st March 2014	2 nd week of May 2014

9.3 Period of Book Closure:

The Register of Members will be closed from 26th July 2013 to 29th July 2013 (both days inclusive)

9.4 Listing of shares:

The company's shares are listed on the following stock exchanges:

Name of the stock exchanges	Scrp id
a. Bombay Stock Exchange Limited (BSE) P J Towers, Dalal Street, MUMBAI – 400 001	SURANAIN
b. National Stock Exchange Limited (NSE) (w.e.f 28.12.2006) Exchange Plaza, Plot C1 G Block Bandra-Kurla Complex Bandra (E) Mumbai - 400 051	SURANAIND
c. Madras Stock Exchange Limited (MSE) Exchange Building # 11, Second Line Beach, Chennai 600 001	SURANAIND

ISIN No-Demat Form: INE 659D01019

9.5 Listing fees:

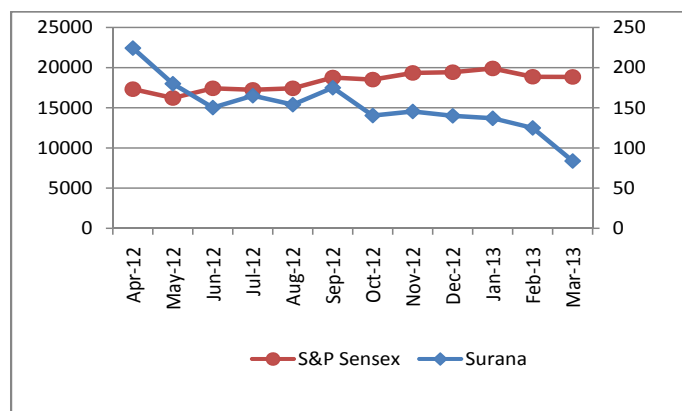
Annual Listing fees for the year 2012-13 have been duly paid to all the above stock exchanges.

9.6 Stock market data:

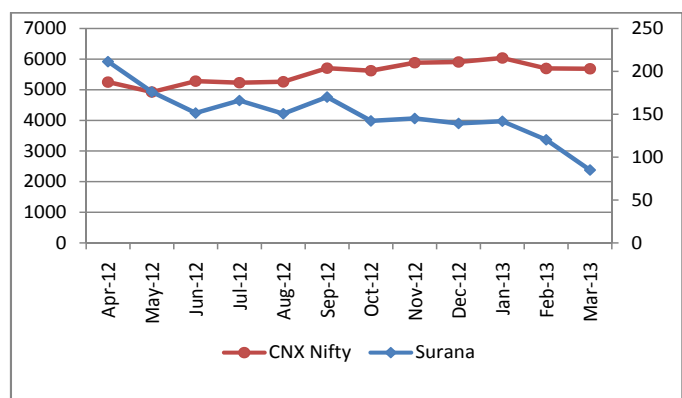
Month	Bombay Stock Exchange Limited(BSE) (Rs.)			Limited (NSE) (Rs.)		
	High Price	Low Price	Volume	High Price	Low Price	Volume
April, 2012	250.00	203.05	11618	249.70	205.00	9902
May, 2012	239.30	167.00	7985	237.00	165.65	3794
June, 2012	197.85	140.00	5577	204.70	148.00	18238
July, 2012	213.90	146.55	9546	202.70	153.25	7521
August, 2012	198.75	145.50	7530	195.00	150.00	4490
September, 2012	179.85	148.10	2576	185.15	147.00	6633
October, 2012	180.00	128.00	2760	177.90	140.00	12803
November, 2012	167.80	135.20	27286	159.60	138.15	64158
December, 2012	83.80	108.00	2913	159.60	127.70	11589
January, 2013	184.30	135.00	60385	184.70	131.00	76173
February, 2013	164.00	115.00	7618	155.00	115.00	27621
March, 2013	139.50	74.85	5986	146.80	77.60	10845

9.7 Share price performance in comparison to broad based indices

9.7.1 With S&P Sensex



9.7.2 with CNX NIFTY :



9.8 Share Transfer System:

With effect from 31st March, 2003 the Company has appointed M/s. Cameo Corporate Services Limited as Company's Common Agency for Share Registry Work (both for physical & Demat) in Compliance with circular No.D&CC/ FITTC/CIR-15/2002 dated 27.12.2002. Therefore the entire share transfer work (both physical & Demat) is centralized at a single point for better Services to share holders.

Registrar and Share Transfer Agent: M/S.Cameo Corporate Services Limited No.1 Club House Road, Vth Floor, "Subramanian Building", Chennai 600 002
Contact no:044- 28460390; Fax 044-28460129

9.9. Distribution of Shareholding as on 31st March, 2013

Shareholding (Range)	Number of share holders	%	Total Shares	%
Upto 500	1626	85.94	1490630	3.34
501 - 1000	69	3.65	556330	1.25
1001 - 2000	44	2.33	712740	1.60
2001 - 3000	45	2.38	1159960	2.61
3001 - 4000	19	1.00	663170	1.49
4001 - 5000	14	0.74	642160	1.44
5001 - 10000	22	1.16	1653950	3.73
10001 & above	53	2.80	37640127	84.54
Total	1892	100	44519067	100

9.10 Shareholding pattern as on 31st March, 2013:

Category	No. of share holders	No. of shares held	% to total
Promoters, Directors and their relatives	20	20340009	45.68
Non-Resident Indians.	34	1865492	4.19
Hindu Undivided family	66	58551	0.13
Insurance Companies	0	0	0
Foreign Institutional Investors.	4	688665	1.55
Bodies Corporate	104	9652037	21.70
Foreign Corporate Bodies	3	11069067	24.86
Individuals	1654	844980	1.90
Mutual Fund	0	0	0
Clearing Members	7	266	0.00
Total	1892	44519067	100

9.11 Dematerialisation of shares as on 31st March, 2013.

The Company entered into agreements with National Securities Depository Limited (NSDL), Mumbai and Central Depository Services (India) Limited (CDSL), Mumbai facilitating the Electronic Transfer through dematerialization of Company's Shares.

The following table shows the number of shares held in demat and physical form:

Mode of Holding	No. of shares	% of No. of shares
Physical Form	918455	2.06
NSDL	34580947	77.67
CDSL	9019665	20.25
Total	44519067	100

9.12 Secretarial Audit:

A qualified Practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical and dematerialized form.

9.13 Plant locations: Factory:

1. F-67,68 & 69,SIPCOT Industrial Complex, Gummidipoondi, Chennai-601 201.
2. Plot No 231-234, Raichur Growth Centre, KIADB, Raichur District, Raichur - 584 102. Karnataka. (Integrated Steel Complex)

9.14 Works:

1. No.30, G N T Road, Madhavaram, Chennai-600110.
2. No. 144, Kondakarai (NTPC) Road, Ponneri Taluk, Chennai - 600 120.
3. "Anugraha" No.6, 2nd Main Road, Behind Govt. School, Byalarayanapura, Mysore Road, Bangalore - 560 026.

9.15.Address for Correspondence: Registered cum Corporate office:

M/S.SURANA INDUSTRIES LIMITED
No.29, Whites Road,2nd Floor,
Royapettah, Chennai-600014
Tel :044-28525127(3 lines)
Fax :044-28521143
e-mail :surana@suranaind.com

10. NON-MANDATORY REQUIREMENTS:

10.1 Remuneration committee: The Company has constituted a Remuneration Committee with terms of reference outlined in point No.5

10.2 Shareholders right: The company has not sent the Quarterly / half yearly results to the house hold of each shareholder but the same are posted on the website of the company, ie. www.suranaind.com

10.3 Audit qualifications: Covered in Audit Report

10.4.Whistle blower policy: The company has not received any complaint under Whistle Blower policy.

11. PARTICULARS OF UNCLAIMED DIVIDEND:

Financial Year	Date of declaration of Dividend	Date for transfer to Unpaid dividend Account	Last date for claiming unpaid dividend	Due date for transfer to the IEPF	Amount of Unclaimed Dividend (Rs.)
2005-2006	15.05.2006	13.06.2006	12.06.2013	13.06.2013	1,48,372.67
2006-2007	30.06.2007	30.07.2007	29.07.2014	30.07.2014	2,05,358.20
2007-2008	31.05.2008	30.06.2008	30.06.2015	30.06.2015	1,88,163
2008-2009	04.07.2009	02.08.2009	03.08.2016	02.08.2016	135246.00
2009-2010	10.06.2010	17.07.2010	16.07.2017	17.07.2017	2,94,286.00
2010-2011	10.06.2011	17.07.2011	16.07.2018	17.07.2018	3,04,534.80
2011-2012	10.7.2012	17.08.2012	16.08.2019	17.08.2019	1,04,054.00

12. FOREIGN CURRENCY CONVERTIBLE BONDS:

As reported to the Shareholders earlier, the Company issued Foreign Currency Convertible Bonds (FCCB) aggregating to US \$ 25 Million in June and December 2007. The bonds were listed on the Luxembourg Stock Exchange and proceeds of the issue were utilized by the Company for the Integrated Steel Complex, at Raichur. These bonds were converted into equity shares at the rate of Rs.136.21/- per share in accordance with the terms of their issue

Details of conversion:

US \$ 5 Million FCCB on 19th January 2012 into 18,94,622 equity shares. US \$ 10 Million FCCB on

20th April 2012 into 38,66,792 equity shares. US\$ 10 Million FCCB on 14th June,2012 into 39,07,653 shares of Rs.10/- each fully paid.

An aggregate of 9669067 shares constituting 21.72% of paid up capital have thus been issued to M/s.india-STAR Mauritius Ltd, the sole holder of the bonds.

13. DECLARATION ON COMPLIANCE OF COMPANY CODE OF CONDUCT

To the Members of Surana Industries Limited, Chennai - 14.

The company has framed a specific code of conduct for the members of the Board of Directors and the Senior Management personnel of the company pursuant to Clause 49 of the Listing Agreement with the stock exchanges to further strengthen Corporate Governance practices in the company.

All the members of the Board and Senior Management personnel of the company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non-compliance during the year ended March 31, 2013.

For and On Behalf of the Board
SURANA INDUSTRIES LIMITED

Sd/-
DINESHCHAND SURANA
MANAGING DIRECTOR

Place : Chennai
Date : 29.05.2013

CEO/CFO CERTIFICATE

To
The Board of Directors,
M/s.SURANA INDUSTRIES LIMITED
No.29, Whites Road, 2nd Floor, Royapettah,
Chennai-600014

We hereby certify that

- 1) We have reviewed the profit and loss statement ,cash flow statement of Surana Industries Limited ('The Company') for the year ended March 31,2013 and the Balance sheet of the Company as at March 31,2013 and to the best of our knowledge and belief:
2. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
3. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
4. There are, to the best of our knowledge and belief, no transactions entered into the company during the year which are fraudulent, illegal or violate the company's code of conduct.
5. We accept responsibility for establishing and maintaining internal controls for financial reporting at the company. We have instituted a process for disclosing to the auditors and audit committee, at regular intervals, any significant deficiencies in the design or operation of such internal controls and the steps taken or proposed for remediation for these deficiencies.
6. We also certify that we have indicated to the Auditors and the Audit Committee
 - i) all significant changes which took place during the year in internal controls over financial reporting.
 - ii) all significant changes in accounting policies which took place during the year. These changes are also disclosed in the notes to the financial statements.
 - iii) all instances of significant fraud which we became aware of during the year.

Signed

DINESHCHAND SURANA
Managing Director
Dated: 29-05-2013

Signed

V.M.SWAMI
Wholetime Director
Dated: 29-05-2013

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of
Surana Industries Limited.

We have examined all relevant records of **Surana Industries Limited** for the purpose of certifying compliance of the conditions of corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Ltd. for the financial year ended 31.3.2013. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanation and information furnished, we certify that the Company has complied with:

- a) All the mandatory conditions of Clause 49 of the Listing Agreement. (with regard to subclause (1A), the Company has furnished necessary explanation) regarding Composition of the Board of Directors of the Company.
- b) The following non-mandatory requirements of the said Clause 49:
 - Remuneration committee

For R. Subramanian & Company
Chartered Accountants,

A. S. RAMANATHAN
Partner
Membership No.: 11072
Firm No : 004137S

For C.S.P Jain & Co
Chartered Accountants

C.S.PRITHIVIRAJ JAIN
Proprietor
Membership No. 11529
Firm No. 001227S

Place : Chennai

Dated : 29th May, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of Surana Industries Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of Surana Industries Limited, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion / qualified audit opinion / adverse audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit / loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

As per our report of even date attached.

For **C.S.P.JAIN & CO.,**
Chartered Accountants

C.S.PRITHVIRAJ JAIN

Proprietor

M No. 11529

Firm No : 001227S

Place:Chennai

Date :29-05-2013

For **R.SUBRAMANIAN & COMPANY**
Chartered Accountants

A.S. RAMANATHAN

Partner

M. No : 11072

Firm No: 004137S

ANNEXURE REFERRED TO IN POINT PARAGRAPH 5 (1) OF OUR REPORT OF EVEN DATE

- i. a. The Company is maintaining proper Records showing full particulars, including quantitative details and situation of Fixed Assets.
- b. Fixed Assets were Physically Verified during the year by the Management, with a programme of verification which in our opinion provides for physical verification of all the fixed assets at reasonable intervals.
- c. As per information and explanations given to us, substantial amount of Fixed Assets have not been sold during the current year affecting the Going concern assumption.
- ii. In respect of its inventory:
 - (a) According to the information and explanations given to us, the inventories were physically verified during the year by the Management at reasonable intervals. Also the Material discrepancies have been properly dealt with in the books of accounts.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventories.
- iii. According to information and explanations given to us, the company has not granted / received any loans to parties / companies covered under register maintained under section 301 of the Companies Act, 1956.
- iv. 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 the nature of its business for purchase of Inventories and Fixed Assets and for the Sale of Goods and Services and we have not observed any continuing failure to correct major weaknesses in Internal Controls.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal under Sections 58A and 58AA of the Companies Act, 1956.
- vi. In our opinion, the Company has an adequate Internal Audit System commensurate with the size of the company and the nature of its business.
- vii. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of steel, pursuant to the Rules made by the Central Government for maintenance of Cost Records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- viii. a) According to the information and explanations given to us, the Company has delayed in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty, Income Tax, Cess and other material statutory dues with the appropriate authorities during the year. We are informed that the Company is not covered under operation of the Employees' State Insurance Act at Raichur location.

- b) According to the information and explanations given to us undisputed amounts payable in respect of Service Tax of Rs.262132, Employee Provident Fund of Rs 252964 and Professional Tax of Rs 212950 were in arrears as at 31.3.2013 for a period of more than six months from the date of becoming payable. However the amounts have been subsequently remitted.
- c) As per the information and explanation given to us, the details of dues of sales tax, customs duty, income tax, excise duty and cess which has not been deposited as on 31 st march 2013 on account of dispute has been detailed below:

Name of the Statue (Nature of the dues)	Period to which Amount relates	Forum where matter is pending	Amount
<u>Excise Department</u>			
Compounded levy demanded by the Department from Sep 1997 to Mar 2000 under Rule 5 of Hot Re-rolling Steel Mills annual capacity determination (amended Rule 1997)	1997-2000	Hon'ble High Court of Madras	Rs.93,88,727 (paid Rs.33,48,742/- as deposit in the year 2004-05)
Rebate Claim	1999-2000	Hon'ble High Court of Madras	Rs. 2,868,511
Shortage of Material	2005	Commissioner of Central Excise, Commissionerate II, Chennai	Rs.88,32,710 (This amount was fully paid during 2007-08)
Supply to SEZ Developers	2010	Commissioner of Central Excise, Commissionerate II, Chennai	Rs. 50,359,737
Detention of Material	2010	Commissioner of Central Excise, Commissionerate I, Chennai	Rs. 15,000,000
Reversal of Cenvat Credit	2011	CESTAT, Bangalore	Rs. 117,632,904
Levy of Penalty by Addl. Commissioner of Central Excise	2013	Appeal will be filed before CESTAT, Bangalore	Rs. 2,800,000
<u>Customs Department</u>			
Penalty levied by DRI	2000-03	Hon'ble High Court, Madras	Rs. 10,000,000
Misclassification of Material	2005-06	Hon'ble Supreme Court	Rs. 13,829,000
<u>Income Tax Department</u>			
Disallowance of Lease Rent paid to NBFCs	1995-96 to 1997-98	Won the Case before ITAT, pending before the assessing officer for revision order	Rs.66,60,190/- (Out of this paid Rs.32,31,967/- during the year 2006-07)
<u>Sales Tax Department</u>			
Reversal of Input VAT credit on sales made to SEZ developers	2006-07 to 2010-11	Writ filed before Hon'ble High Court of Madras	Rs.9,74,52,649/-

- x. The Company does not have accumulated loss and has not incurred any Cash Loss during the current financial year of our audit and in the immediately preceding financial year.
- xi. According to information and explanations given to us, the company has made delay in repayment of dues to Banks during the period January 2013 to March 2013.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of clause 4 (xiii) of the Order relating to Chit Funds are not applicable to the Company.
- xiv. The Company is not dealing or trading in Shares, Security, Debentures and Other Investments.
- xv. According to the information and explanations given to us, the Company has given Guarantee for loans taken by Surana Green Energy limited to IFCI venture capital funds Limited for sanction of Loan amount of Rs 12.5 crores during the financial year. The company's maximum liability is to the extent of Loan amount and accumulated outstanding Interest.
- xvi. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the company were, prima facie, applied by the company during the year, for the purpose for which the loans were obtained, other than temporary deployment pending application.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xviii. According to the information and explanations given to us, the Company has not made preferential allotment of Shares to parties covered under section 301.
- xix. The Company has not issued debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
- xx. The Company has not made public issue of securities during the year and therefore the question of disclosing the end-use of money raised by way of public issue does not arise.
- xxi. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of material fraud on or by the company, noticed or reported during the year.

As per our report of even date attached.

For **C.S.P.JAIN & CO.,**
Chartered Accountants

C.S.PRITHVIRAJ JAIN
Proprietor
M No. 11529
Firm No : 001227S

Place:Chennai
Date :29-05-2013

For **R.SUBRAMANIAN & COMPANY**
Chartered Accountants

A.S. RAMANATHAN
Partner
M. No : 11072
Firm No: 004137S

BALANCE SHEET AS ON 31st MARCH 2013

PARTICULARS	NOTE Nos.	31/03/2013	31/03/2012
I. EQUITY AND LIABILITIES		(Amount in Rs.)	
1 Shareholders' funds			
(a) Share capital	1	445,190,670	290,446,220
(b) Reserves and surplus	2	10,508,457,596	5,716,385,117
2 Share application money pending allotment		-	2,500,000,000
3 Non-current liabilities			
(a) Long-term borrowings	3	5,663,993,492	5,326,998,419
(b) Deferred tax liabilities (Net)		758,548,728	612,949,750
(c) Other Long term liabilities	4	594,482,651	594,482,651
4 Current liabilities			
(a) Short-term borrowings	5	3,437,152,017	3,012,136,134
(b) Trade payables	6	1,213,831,680	2,417,149,268
(c) Other current liabilities	7	584,428,153	451,668,565
(d) Short-term provisions	8	146,151,135	170,566,618
Total		23,352,236,123	21,092,782,741
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		6,786,111,154	7,085,955,071
(ii) Capital work-in-progress		4,511,018,696	896,360,423
(b) Other Non-Investments	10	5,057,060,654	4,872,279,766
2 Current assets			
(a) Inventories	11	2,987,743,666	2,964,064,271
(b) Trade receivables	12	3,113,339,949	3,955,055,909
(c) Cash and cash equivalents	13	254,836,575	175,088,205
(d) Short-term loans and advances	14	642,125,427	1,143,979,097
(e) Other current assets		-	-
Significant Accounting Policies Notes on Financial Statements	1 to 31		
Total		23,352,236,123	21,092,782,741

As per our report of even date attached.

For and on behalf of the Board

For **C.S.P.JAIN & CO.,**
Chartered Accountants

For **R.SUBRAMANIAN & COMPANY**
Chartered Accountants

G.R. SURANA
Chairman

DINESHCHAND SURANA
Managing Director

C.S.PRITHVIRAJ JAIN
Proprietor
M No. 11529
Firm No : 001227S

A.S. RAMANATHAN
Partner
M. No : 11072
Firm No: 004137S

V.M.SWAMI
Wholetime Director

V. ARANGANATHAN
Director (F&A)

Place:Chennai
Date :29-05-2013

VENKATRAMAN
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

PARTICULARS	NOTE NUMBER	31/03/2013	31/03/2012
(Amount in Rs.)			
I. Revenue from operations	15	14,250,086,949	13,514,245,677
II. Other income	16	54,343,065	110,343,196
III. Total Revenue (I + II)		14,304,430,014	13,624,588,873
IV. Expenses:			
Cost of materials consumed			
Raw Materials		11,516,582,736	11,298,432,707
Purchases of Stock-in-trade		802,426,617	
Changes in inventories of finished goods		(482,334,902)	(378,527,708)
Employee benefits expense	17	184,883,437	182,934,189
Finance costs	18	1,138,381,146	1,019,766,524
Depreciation and amortization expense	9	390,309,683	327,293,816
Other expenses	19	479,100,357	727,337,782
Total expenses		14,029,349,074	13,177,237,310
V. Profit before exceptional and extraordinary items and tax (III-IV)		275,080,940	447,351,563
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		275,080,940	447,351,563
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		275,080,940	447,351,563
X Tax expense:		172,591,751	119,693,679
(1) Current tax		77,882,747	89,504,982
(2) Deferred tax		145,598,978	112,948,736
(3) Mat Credit Entitlement		(50,889,974)	(82,760,039)
XI Profit/(loss) from operations (after tax)		102,489,189	327,657,884
XII Balance Brought Forward From Last Year		2,032,975,351	1,778,590,046
XIII Amount Available for Appropriation		2,135,464,540	2,106,247,930
XIV Appropriation			
(1) Proposed Dividend		49,732,681	34,853,546
(2) Corporate Dividend Tax		8,308,157	5,653,245
(3) General Reserve		10,248,919	32,765,788
XV Balance Carried To Balance Sheet		2,067,174,784	2,032,975,351
XIV Earnings per equity share:			
(1) Basic		2.44	11.90
(2) Diluted		2.44	9.31
Significant Accounting Policies Notes on Financial Statements	1 to 31		

As per our report of even date attached.

For and on behalf of the Board

For **C.S.P.JAIN & CO.,**
Chartered Accountants

For **R.SUBRAMANIAN & COMPANY**
Chartered Accountants

G.R. SURANA **DINESHCHAND SURANA**
Chairman Managing Director

C.S.PRITHVIRAJ JAIN
Proprietor
M No. 11529
Firm No : 001227S

A.S. RAMANATHAN
Partner
M. No : 11072
Firm No: 004137S

V.M.SWAMI **V. ARANGANATHAN**
Wholtime Director Director (F&A)

Place:Chennai
Date :29-05-2013

VENKATRAMAN
Company Secretary

CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

(Amount in Rs.)

PARTICULARS	31/3/2013	31/3/2012
A. CASHFLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	275,080,940	447,351,563
Adjustments for :		
Depreciation	390,309,683	327,293,816
Interest Income	(13,163,065)	62,825,912
Interest Expenses	1,138,381,146	1,030,245,873
Other Non Cash Expenditure	-	-
Loss on Sale of Asset	102,446	10,146,955
Profit on sale of Assets	-	-
Operating Profit Before Working Capital Changes	1,790,711,150	1,752,212,295
Adjustments for :		
Trade and Other Receivables	(1,394,459,604)	1,698,774,104
Inventories	23,679,396	856,485,763
Trade Payables	635,788,779	(2,053,918,052)
Cash Generated from Operations	2,525,702,579	1,250,870,481
Interest Paid	1,138,381,146	1,030,245,873
Interest Income	(13,163,065)	62,825,912
Direct Taxes Paid	116,669,524	54,969,757
Dividend Paid	53,422,880	48,870,000
Cash Flow Before Extraordinary Items	1,230,392,095	179,610,762
Extraordinary Items	-	-
Net Cash from Operating Activities	1,230,392,095	179,610,762
B. CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,713,112,627)	(1,446,490,492)
Sale of Assets	1,297,565	72,658,066
Purchase of Investments	(184,780,888)	-
Net Cash Used in Investing Activities	(3,896,595,950)	(1,373,832,426)
C. CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	1,357,336,967	258,066,462
Proceeds from Long Term Borrowings	1,388,615,259	1,061,027,055
Net Cash Used in Financing Activities	2,745,952,226	1,319,093,517
Net Increase in Cash & Cash Equivalents	79,748,371	124,871,854
Cash & Cash Equivalents as opening balances	175,088,205	50,216,351
Cash & Cash Equivalents as closing balances	254,836,575	175,088,205
	79,748,371	124,871,854

For and on behalf of the Board
Sd/-

Place: Chennai
Date : 29-05-2013

DINESHCHAND SURANA
Managing Director

AUDITORS' CERTIFICATE

We have verified the attached cash flow statement of M/s. Surana Industries limited derived from Audited Financial Statements and the Books and records maintained by the Company for years ended 31st March, 2013 and 31st March, 2012 and found the same in agreement therewith.

As per our report of even date attached.

For **C.S.P.JAIN & CO.,**
Chartered Accountants

C.S.PRITHVIRAJ JAIN
Proprietor
M No. 11529
Firm No : 001227S

Place:Chennai
Date :29-05-2013

For **R.SUBRAMANIAN & COMPANY**
Chartered Accountants

A.S. RAMANATHAN
Partner
M. No : 11072
Firm No: 004137S

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis for Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

(b) Revenue Recognition

Sales comprises sale of goods and services, net of trade discounts.

(c) Employee Benefits

- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- (ii) Post employment benefits such as Gratuity, EL encashment are recognised as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions.
- (iii) Actuarial gains and losses in respect of post employment benefits are charged to the Profit and Loss Account.

(d) Fixed Assets

All fixed assets are valued at cost less accumulated depreciation. Pre-operation expenses including trial run expenses are capitalised. Borrowing costs during the period of construction is added to the cost of fixed assets.

(e) Depreciation

The depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956.

(f) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated at the year-end exchange rates and resultant gains / losses are recognized in the profit & loss account for the year, except to the extent that they relate to new projects till the date of capitalization which are carried to pre-operative expenses.

(g) Investments

Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

(h) Inventories

Finished and semi-finished products produced and purchased by the Company are carried at lower of cost and net realisable value.

Coal, iron ore and other raw materials purchased by the Company are carried at lower of cost and net realisable value.

Stores and spare parts are carried at cost. Necessary provision is made and charged to revenue in case of identified obsolete and non-moving items.

Cost of inventories is generally ascertained on 'weighted average' basis. Work-in-progress and finished and semi-finished products are valued on full absorption cost basis.

(i) Taxes on Income

Tax expense comprises of current tax and deferred tax. Current income tax is provided on the taxable income for the period as per the provisions of Income tax Act 1961. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.

(j) Impairment of Assets:

Specified assets are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount being the higher of the asset's net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset.

(k) Provisions and Contingent Liabilities:

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

(l) Earnings Per Share

Basic Earnings per Share (before dilution) is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares for the year.

Diluted Earnings per Share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the company. by the weighted average number of equity shares determined and assuming conversion of all potential dilute securities.

NOTES TO BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

Note 1 - SHARE CAPITAL

(Amount in Rs.)

SHARE CAPITAL	31/03/2013		31/03/2012	
	No. of shares	Rs.	No. of Shares	Rs.
Authorised Equity Shares of Rs.10 each	70,000,000	700,000,000	70,000,000	700,000,000
Issued Equity Shares of Rs.10/- each	44,519,067	445,190,670	29,044,622	290,446,220
Subscribed & Paid up Equity Shares of Rs.10/- each fully paid	44,519,067	445,190,670	29,044,622	290,446,220
Subscribed but not fully Paid up Equity Shares of Rs.10/- each, not fully paid up	-	-	-	-
Total	44,519,067	445,190,670	29,044,622	290,446,220

Note 1-A EQUITY SHARES

EQUITY SHARES	31.03.2013		31.03.2012	
	No. of Shares	Rs.	No. of Shares	Rs.
Outstanding at the beginning of the year	29,044,622	290,446,220	27,150,000	271,500,000
Issued during the year	15,474,445	154,744,450	1,894,622	18,946,220
Bought back during the year	-	-	-	-
Outstanding at the end of the year	44,519,067	445,190,670	29,044,622	290,446,220

Note 1-B TOP SHAREHOLDERS

NAME OF SHAREHOLDERS	31/03/2013		31/03/2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
G.R.Surana	2,356,625	5.29	2,356,625	8.11
Shantilal Surana	2,377,008	5.34	2,377,008	8.18
Vijayraj Surana	2,376,743	5.34	2,376,743	8.18
Dineshchand Surana	2,433,164	5.47	2,433,164	8.38
Chandanbala Surana	2,216,978	4.98	2,216,978	7.63
Saraladevi Surana	2,234,978	5.02	2,234,978	7.69
Alka Surana	2,182,578	4.90	2,182,578	7.51
Vasantha Surana	2,176,578	4.89	2,176,578	7.49
Indiastar (Mauritus) Ltd	9,669,067	21.72	1,894,622	6.52

Note 2 : RESERVES & SURPLUS

(Amount in Rs.)

RESERVES & SURPLUS	31/03/2013	31/03/2012
a. Capital Reserves		
Opening Balance	92,600,801	92,600,801
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	92,600,801	92,600,801
b. Capital Subsidy		
Opening Balance	-	1,500,000
(+) Current Year Transfer	-	-
(-) Written back in Current Year	-	1,500,000
Closing Balance	-	-
c. Securities Premium Account		
Opening Balance	3,245,498,896	3,006,378,654
Add : Securities premium credited on Share issue	4,754,212,703	239,120,242
Closing Balance	7,999,711,599	3,245,498,896
d. Revaluation Reserve		
Opening Balance	71,240,255	77,828,831
(+) Current Year Transfer	-	-
(-) Written back in Current Year	6,588,576	6,588,576
Closing Balance	64,651,679	71,240,255
e. General Reserves		
Opening Balance	274,069,815	241,304,027
(+) Capital Subsidiary Transfer	-	-
(+) Current Year Transfer	10,248,919	32,765,788
(-) Written back in Current Year	-	-
Closing Balance	284,318,734	274,069,815
f. Surplus		
Opening balance	2,032,975,351	1,778,590,046
(+) Net Profit/(Net Loss) For the current period	102,489,189	327,657,884
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	49,732,681	34,853,546
(-) Proposed Dividends Tax	8,308,157	5,653,245
(-) Transfer to Reserves	10,248,919	32,765,788
Closing Balance	2,067,174,784	2,032,975,350
Total	10,508,457,596	5,716,385,117

Note 3 - LONG TERM LOAN

(Amount in Rs.)

LONG TERM BORROWINGS	31/03/2013	31/03/2012
Secured		
(a) Term Loans		
From banks Outstanding amounts as on 31st March 2013	3,069,097,217	1,800,528,083
Bankwise		
Dena Bank Rs. 1,033,430,313		
Bank of Maharashtra Rs. 516,475,830		
Punjab National Bank Rs. 350,258,904		
Allahabad Bank Rs. 175,669,778		
Bank of India Rs. 171,584,434		
Central Bank of India Rs. 91,074,000		
IDBI II Rs. 90,635,850		
Indian Overseas Bank Rs. 175,669,778		
Oriental Bank of Commerce Rs. 175,669,778		
Syndicate Bank Rs. 175,669,778		
Uco Bank Rs. 112,958,775		
From other		
IFCI	1,635,131,064	1,575,000,000
Sub Total (A)	4,704,228,281	3,375,528,083
Unsecured		
(a) Bonds/debentures FCCB's due / Redemption for conversion on or before 20th June 2012.	-	1,051,620,186
(b) Deposits : ICD (No guarantee is given by the directors from other corporates interest free loan)	959,765,211	899,850,150
Sub Total (B)	959,765,211	1,951,470,336
Total (A+B)	5,663,993,492	5,326,998,419

Security

1. Term Loan from BOI,ALB,OBC,IOB,SB,UCO,CBI,IDBI II is secured against first pari passu charge on all assets situated at Raichur,Karnataka and second pari passu charge on all current assets of the company . It is also guaranteed by Promoter Directors.
2. Term Loan from IDBI I is secured against first pari passu charge on all assets situated at Gummidipoondi, Tamilnadu and second pari passu charge on all current assets of the company. It is also guaranteed by Promoter Directors.
3. Term Loan from PNB, BOM& DB : (a) First pari-passu mortgage on all the immovable properties of the borrower,present and future (b) First pari passu charge by way of hypothecation of all the movable fixed assets on the borrower, present and future (c) First pari passu charge by way of an assignment of all the material project documents (including insurance policies,rights,titles) pertaining to the Project,in favour of the lenders (d) First pari passu charge on all the bank accounts pertaining to the Project and the Project Account to be opened in a desingated bank of the Borrower (e) Non Disposal Undertaking from the promoters to the effect that the equity share holding of the borrower held by promoters remain atleast 30% during the currency of the Facility. (f) Personal Guarantee of Promoters till COD of the project. However the same shall be released only after the specific consent of the competent authority. This issue will be addressed at the time of achieving COD by the company.
4. Term Loan from IFCI is Guaranteed by Promoter Directors on pledging of there Shares.

Terms of Repayment

1. Term Loan from ALB,OBC,IOB,SB are repayable in quarterly installment of Rs.1,22,56,031/- ending October '2017.
2. Term Loan from BOI is repayble in quarterly installments of Rs.1,22,56,031/- ending September'2017.
3. Term Loan from UCO is repayble in monthly installments of Rs.25,10,195/- ending December'2017.
4. Term Loan from CBI is repayble in monthly installments of Rs.21,18,000/- ending October'2017.
5. Term Loan from IDBI II is repayble in monthly installments of Rs.20,14,130/- ending December'2017.
6. Term Loan from IDBI I is repayble in quartely installments of Rs.77,84,000/- ending July'2013.
7. Term Loans from DB, BOM and PNB are repayable in quarterly installments commencing from July 2015 in 7.5 years. Repayment amounts have not been specified as the joint documentation of Term Loan is under progres.
8. The Corporate term loan from IFCI for Rs.100/- crores is repayble on quarterly installments of Rs.12.50/- crores ending July'2013. Term Loan for Rs.60/- crores is repayble in monthly installments of Rs.2.50/- crores ending January'2014. Term Loan for Rs.25/- crores is repable in monthly installments of Rs..69/- crores ending November'2015.

Default

1. Repayment of principle and interest to banks were repayment has commenced is over due to the extent of Rs.18,37,10,469/-. Default on an average of 2 months.
2. Repayment of Principle and interest to IFCI is overdue to the extend of Rs.54,81,75,011/-. The company has submitted a proposal for restructuring of loans held with IFCI which is under process. In regard to the term loan of Rs.100 crores taken from IFCI, the company has repaid a sum of Rs.25 Crores. As the amount has been utilised for Surana Power Limited and as there bas been a delay in their getting overseas investment the company has been negotiating with IFCI for restructuring the balance loan. This is under their consideration.Pending the long term restructuring of loan, the same has been consider as long term in the financials.

Note 4 - LONG TERM LIABILITIES

(Amount in Rs.)

OTHER LONG TERM LIABILITIES	31/03/2013	31/03/2012
(a) Trade Payables (Pertaining to Machinery purchases where in the vendor had agreed to extend the credit period up to March 2015.	594,482,651	594,482,651
Total	594,482,651	594,482,651

Note 5 - SHORT TERM BORROWINGS

SHORT TERM BORROWINGS	31/03/2013	31/03/2012
Secured		
(a) Loans repayable on demand From Banks (Hypothecation of Stocks and receivables; And guarantee by the Promoter Directors and Second charge on Fixed Assets)	3,437,152,017	3,012,136,134
	-	-
Total	3,437,152,017	3,012,136,134

Note 6 - SHORT TERM LIABILITIES

OTHER SHORT TERM LIABILITIES	31/03/2013	31/03/2012
(a) Trade Payables	1,213,831,680	2,417,149,268
Total	1,213,831,680	2,417,149,268

Note 7 - CURRENT LIABILITIES

OTHER CURRENT LIABILITIES	31/03/2013	31/03/2012
(a) Current maturities of long-term debt	470,913,433	355,964,520
(b) Interest accrued and due on borrowings	98,309,237	85,377,769
(c) Unpaid dividends	1,380,015	1,275,961
(d) Statutory Liabilities	13,825,468	9,050,315
Total	584,428,153	451,668,565

Note 8 - SHORT TERM PROVISIONS

SHORT TERM PROVISIONS	31/03/2013	31/03/2012
(a) Provision for employee benefits		
Gratuity	16,810,639	7,277,283
Leave Encashment	2,022,943	2,029,484
Bonus	6,718,384	6,491,862
(b) Others		
Dividend	31,163,347	34,853,546
Current Tax	84,139,611	114,261,197
Divident Tax	5,296,211	5,653,245
Total	146,151,135	170,566,618

Note 9 - FIXED ASSETS

(Amount in Rs.)

S. NO.	FIXED ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
		BALANCE AS ON 01.04.2012	ADDITION/ DELETION	DELETION	BALANCE AS ON 31.03.2013	BALANCE AS ON 01.04.2012	PROVIDED DURING THE YEAR	ADJUSTMENT DUE TO REVALUATION	BALANCE AS ON 31.03.2013	BALANCE AS ON 31.03.2012	BALANCE AS ON 31.03.2013
a	Tangible Assets										
	Land	40,268,448	-		40,268,448	-				40,268,448	40,268,448
	Buildings	463,286,989	47,436,632		510,723,621	91,508,115	16,476,632	103,968	108,088,915	371,778,874	402,634,706
	Plant and Equipment	6,989,731,119	50,042,179	(554,815)	7,039,218,483	711,936,167	294,444,853	6,484,508	1,012,865,628	6,277,794,952	6,026,362,855
	Furniture and Fixtures	8,455,176	75,871		8,531,047	1,327,389	447,948		1,775,337	7,127,787	6,755,710
	Vehicles	549,813,807	-	(782,446)	549,031,361	217,188,890	60,351,757		277,540,647	332,624,917	271,490,714
b	Intangible Assets										
	Computer software	122,488,942	899,673	(62,750)	123,325,865	66,128,849	18,588,296		84,717,145	56,360,093	38,606,720
	Total	8,174,044,481	98,454,354	(1,400,011)	8,271,098,824	1,088,089,410	390,309,665	6,588,576	1,484,987,671	7,085,955,071	6,786,111,154

Note 10 - NON CURRENT INVESTMENTS

(Amount in Rs.)

NON CURRENT INVESTMENTS	31/03/2013	31/03/2012
A Trade Investments (Refer Note 10 A)		
(a) Investment in Equity instruments	309,300	309,300
Total (A)	309,300	309,300
B Other Investments (Refer Note 10 B)		
(a) Investments in Subsidiary Companies	5,056,751,354	4,871,970,466
Total (B)	5,056,751,354	4,871,970,466
Grand Total (A + B)	5,057,060,654	4,872,279,766

Note 10 - A

DETAILS OF TRADE INVESTMENTS

S. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			Mar'2013	Mar'2012			2013	2012	Mar'2013	Mar'2012		
(a)	Investment in Equity Instruments	PNB Gilts Ltd	10,000	10,000	Quoted	Fully paid	N.A.	N.A.	300,000	300,000	yes	N.A.
		PNB	300	300	Quoted	Fully paid	N.A.	N.A.	9,300	9,300	yes	N.A.
		TOTAL	10,300	10,300					309,300	309,300		

Note 10 - B

UNQUOTED INVESTMENT IN SUBSIDIARY

S. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			Mar'2013	Mar'2012			2013	2012	Mar'2013	Mar'2012		
(a)	Investment in Equity Instruments	Surana Power Ltd	308,149,200	305,149,200	Unquoted	Fully paid	100%	100%	3,910,000,000	3,750,000,000	Yes	
		Surana Green Power Ltd	56,153,600	56,153,600	Unquoted	Fully paid	100%	100%	561,536,000	561,536,000	Yes	
		Surana Mines & Minerals Ltd*	16,072,526	15,630,651	Unquoted	Fully paid	100%	100%	584,826,430	560,334,506	Yes	
		Uday Energy Private Ltd	9,996	9,996	Unquoted	Fully paid	99.96%	99.96%	99,960	99,960	Yes	
		Surana Holdings Pte Ltd*	5,200	-	Unquoted	Fully paid	100%	100%	288,964	-	Yes	
		TOTAL	381,385,322	376,943,447					5,056,751,354	4,871,970,466		

Note 11 - INVENTORIES

(Amount in Rs.)

INVENTORIES	31/03/2013	31/03/2012
a. Raw Materials and Semi Finish Goods	876,795,361	1,346,332,738
b. Finished goods	1,617,515,661	1,135,180,759
c. Stores and Consumables	493,432,643	482,550,774
TOTAL	2,987,743,666	2,964,064,271

Note 12 - TRADE RECEIVABLES

TRADE RECEIVABLES	31/03/2013	31/03/2012
Trade receivables unsecured, considered good and outstanding for a period :		
Less than six months	3,072,319,629	3,946,841,891
More than Six Months	41,020,320	8,214,018
Total	3,113,339,949	3,955,055,909

Note 13 - CASH

CASH & CASH EQUIVALENTS	31/03/2013	31/03/2012
I. Cash & cash Equivalents		
a. Balances with banks <i>(Includes Unpaid dividend account balances to be transfered to IEPF)</i>	84,190,130	16,230,777
b. Cash on hand	994,359	866,389
II. Margin money	169,652,086	157,124,649
Total	254,836,575	175,088,205

Note 14 - ADVANCES

SHORT TERM LOANS AND ADVANCES	31/03/2013	31/03/2012
a. Loans and advances		
Related Parties	45,151,166	103,877,558
Deposit with Govt. Agencies & Others	28,655,632	28,655,632
	73,806,798	132,533,190
b. Others		
MAT Credit Entitlements	312,974,013	262,084,039
Cenvat & VAT Input Credit	255,344,616	749,361,868
	568,318,629	1,011,445,907
TOTAL	642,125,427	1,143,979,097

Note 15 - OPERATIONS

(Amount in Rs.)

REVENUE FROM OPERATIONS	31/03/2013	31/03/2012
Sale of products (Including Processed Material)	14,210,734,540	13,214,598,661
Other Revenue from Operations		
Conversion Charges	23,355,780	-
Sale of Electricity	15,996,629	299,647,016
TOTAL	14,250,086,949	13,514,245,677

Note 16 - OTHER INCOME

OTHER INCOME	31/03/2013	31/03/2012
a) Interest Income	13,163,065	62,825,912
b) Other non-operating income (net of expenses directly attributable to such income)	41,180,000	47,517,284
Total	54,343,065	110,343,196

Note 17 - EMPLOYEE BENEFITS EXPENSES

EMPLOYEE BENEFITS EXPENSES	31/03/2013	31/03/2012
(a) Salaries and Wages	177,106,450	173,399,820
(b) Contributions to Provident and other funds	5,018,221	4,627,582
(c) Staff welfare expenses	2,758,766	4,906,787
TOTAL	184,883,437	182,934,189

Note 18 - FINANCIAL COST

FINANCIAL COST	31/03/2013	31/03/2012
a) Interest expense	738,237,494	1,007,315,367
b) Other borrowing costs	400,176,302	60,781,935
c) Applicable net gain/loss on foreign currency transactions and translation	(32,650)	(48,330,778)
Total	1,138,381,146	1,019,766,524

Note 19 - OTHER EXPENSES

(Amount in Rs.)

OTHER EXPENSES	31/03/2013	31/03/2012
a) Stores & Consumables	174,496,252	166,470,030
b) Power & Fuel	128,925,963	376,482,747
c) Repair & Maintenance	3,443,422	4,540,344
d) Other Manufacturing Expenses	8,102,383	16,806,852
e) Clearing and Forwarding	1,109,386	4,127,287
f) Commission Paid	1,266,171	1,063,766
g) Transportation Charges & Weighment Charges	49,647,984	44,159,137
h) Printing and Stationery	1,221,124	2,167,569
i) Advertisement	1,642,261	2,849,220
j) Electricity Charges	879,084	836,172
k) Telephone Charges	3,481,064	3,930,825
l) Rent	3,378,848	11,310,078
m) Rates & Taxes	20,486,835	10,161,197
n) Travelling & Conveyance Exp.	11,606,739	11,652,883
o) Postage & Telegram	315,693	469,263
p) Books & Periodicals	163,673	103,392
q) Professional & Consultancy Exp.	4,138,976	13,651,375
r) Vehicle Maintenance	4,902,584	4,858,374
s) Business Promotion Expenses	2,002,230	3,955,520
t) Audit Fees & Internal Audit Expenses	3,279,790	1,903,110
u) Office Maintenance	4,871,738	2,041,437
v) Donation	227,800	64,450
w) General Expenses	1,147,231	965,614
x) Insurance Charges	9,767,531	3,166,657
y) Testing Fees	88,311	552,016
z) Legal Charges	453,215	801,476
aa) Directors' Remuneration	15,540,000	15,320,000
ab) Sitting Fees	159,886	131,000
ac) Meeting Expenses & AGM Expenses	632,579	245,924
ad) Application Fee & Subscription Fee	2,597,846	1,831,339
ae) AMC Charges	385,692	92,425
af) Loss on Sale of Asset	102,446	10,146,955
ag) Processing Charges	18,635,620	10,479,349
Total	479,100,357	727,337,782

Note 20 - CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

(Amount in Lakhs)

PARTICULARS	31/03/2013	31/03/2012
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt		
1) Disputed Excise Duty Liability	1933.87*	1905.87*
* Disputed Central Excise Duty liability includes a demand of Rs.11.76 Crores raised by the Department of Central Excise reversing the cenvat credit taken on steel and cements used for factory shed and fabrication of equipments. The Management has preferred an appeal before CESTAT,Bengalore and is expecting favourable order.		
2) Disputed Income Tax Liability The Hon'ble ITAT has set aside the order of the Assessing Officer, The AO is yet to pass the Revision Order	66.50	66.50
3) Customs Duty on import of Scrap The case is pending before the Hon'be Supreme Court	138.29	138.29
4) TNVAT The demand arose due to the levy of tax @ 4% on Zero rated sales to SEZ within TN and levy of VAT @ 4% on stock transfers from Gummidipondi to Madhavaram. The case is under appeal.	974.51	403.12
(b) Guarantees Guarantee is Given to Gescom Rs. 202.50 lakhs Corporate guarantee to SBI for loan given to SGPL Rs. 2417 lakhs. Corporate guarantee to IFCI for loan given to SGEL Rs. 1250 lakhs	3,869.50	202.50
(c) Other money for which the company is contingently liable		
1) Customs Duty on Import	100.00	100.00
2) Civil Cases	103.00	103.00
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	37.56	37.56
(b) Other Commitments Export Obligation	1989.69**	1989.69**
** The Customs duty is payable if export obligation is not completed on or before 2016 mainly on account of duty saved on import of Capital Machineries for the Integrated Steel Plant,Raichur.		
TOTAL	9,213.22	4,543.41

ADDITIONAL NOTES

21. DIRECTORS REMUNERATIONS

(Amount in Rs.)

Salaries And Allowances	2012-13	2011-12
Chairman	37,79,928	37,79,928
Managing Director	37,79,928	37,79,928
Whole Time Director	34,25,000	34,25,000
Director Projects	22,04,958	22,04,958
Director Finance & Accounts	28,31,947	27,40,000

22. AUDITORS' REMUNERATIONS:

(Amount in Rs.)

	2012-13	2011-12
For Statutory Audit and tax audit	6,00,000	6,00,000

23. SEGMENT REPORTING:

The company is principally engaged in single business segment Viz., Iron and Steel Products and operates in one geographical segment as per Accounting Standard 17 on Segment Reporting. Accordingly no segment reporting has been made by the company.

24. RELATED PARTY DISCLOSURE:

As Per Accounting Standard -18 issued by the Institute of Chartered Accountants of India, the disclosures of transactions with related parties as defined in the Accounting Standard are given below:-

a. Subsidiaries, step down subsidiaries, associates and joint ventures:

Subsidiaries:

Surana Power Limited
Surana Green Power Limited
Surana Mines and Minerals Limited, Singapore
Uday Energy Pvt. Ltd
Surana Holdings Pte Ltd

Step down Subsidiaries:

PT Borneo Mines and Minerals Limited, Indonesia
Surana Green Energy Limited

b. Key Managerial Persons

Shri. G.R. Surana	Chairman
Shri. Dineshchand Surana	Managing Director
Shri. V.M. Swami	Whole Time Director
Shri. Krishna Udupa	Director Projects
Shri. V.Aranganathan	Director – Finance & Accounts
Shri. Rajesh Surana	Director - Commercial
Shri. Rajiv Surana	Executive Director

c. Transactions with Related Parties:

(Amount in Rs.)

Name of the Related Party	Nature of Transaction	2012-13	2011-12
Subsidiaries:			
Surana Power Limited	Sale	4,62,88,175	29,04,62,900
	Purchase	17,38,89,102	9,07,86,328
	Reimbursement of expenses vide debit note	4,42,64,009	3,28,27,876
	Interest Paid	-	1,84,85,923
	Loans & Advances Paid	-	20,00,00,000
	Investments	16,00,00,000	-
	Advance for investment	-	-
	Sale of Stores & Consumables	2,85,104	-
	Inter Corporate Deposits	5,65,00,000	-
	Year –End Balance		
	Investments	3,09,41,91,930	3,75,00,00,000
	Payables	-	-
	Loans and advances received/Receivable	12,77,49,243	5,03,83,872
Surana Green Power Limited			
	Purchase of Power	5,26,04,714	3,79,49,997
	Reimbursement of expenses vide debit note	3,80,086	-
	Year –End Balance		
	Investments	56,15,36,000	56,15,36,000
	Payables	4,58,53,838	4,58,68,937
Surana Mines and Minerals Ltd			
	Sales	2,83,65,045	-
	Reimbursement of expenses vide debit note	17,77,384	-
	Year –End Balance		
	Investments	58,48,26,430	56,03,34,506
	Advance for investments	-	54,29,645
	Receivables	2,31,67,500	-

Uday Energy Pvt Ltd			
	Year-End Balance		
	Investments	99,960	99,960
Surana Holdings Pte Ltd			
	Year-End Balance		
	Investments	2,88,964	-
Key Managerial Persons:			Amount in Rs.
Shri. G.R. Surana	Remuneration	37,79,928	37,79,928
Shri.Dineshchand Surana	Remuneration	37,79,928	37,79,928
Shri. V.M. Swami	Remuneration	34,25,000	34,25,000
Shri. Krishna Udupa	Remuneration	22,04,958	22,04,958
Shri.V.Aranganathan	Remuneration	28,31,947	27,40,000
Shri. Rajesh Surana	Remuneration	12,59,976	12,59,976
Shri. Rajiv Surana	Remuneration	12,59,976	12,59,976
Shri. Deepak Surana	Remuneration	-	9,59,976

25. EARNINGS PER SHARE AS REQUIRED BY ACCOUNTING STANDARD (AS 20) ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA:

(Amount in Rs. except per share data)

Particulars	2012-13	2011-12
Profit after Tax	10,24,89,189	32,76,57,884
Number of Equity shares in numbers		
Weighted Average Number of shares	4,19,39,993	27,523,734
No of Potential share holders		
- FCCB	-	76,75,929
- Share Warrant	-	-
Total number of share holding including potential shareholders	4,19,39,993	3,51,99,663
Basic EPS	2.44	11.90
Diluted EPS	2.44	9.31

26. DEFERRED TAX LIABILITY (NET)

The components of Deferred Tax Assets and Liabilities as at 31st March 2013 and 31st March 2012 are as given below.

(Amount in Rs.)

Components	2012-13	2011-12
Deferred Tax Liability		
On account of differences between WDV as per Income Tax Act and WDV as per Companies Act (A)	91,38,04,581	75,59,19,710
Deferred Tax Asset		
On account of Losses available under the Income Tax Act (B)	15,52,55,854	14,29,70,281
Net Deferred Tax Liability (A) – (B)	75,85,48,727	61,29,49,429
Amount Debited / (Credited) to Profit and Loss Account on account of Deferred Tax	14,55,98,977	11,29,48,735

The Company has so far not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year-end together with interest paid / payable under this Act has not been given.

27. EMPLOYEE BENEFITS

Post retirement Benefit – Gratuity (Unfunded)

(Amount in Rs.)

Particulars	2012-13	2011-12
Reconciliation of opening and closing balances of obligation		
Liability at the beginning of the year	72,77,283	63,45,517
Interest Costs	6,18,569	5,23,505
Current Service Costs	20,56,746	29,04,282
Benefit Paid	-	(3,52,406)
Actuarial (gain)/Loss on obligation	68,58,041	(21,43,615)
Liability at the end of the period	1,68,10,639	72,77,283

Post retirement Benefit – EL Encashment (Unfunded)

(Amount in Rs.)

Particulars	2012-13	2011-12
Reconciliation of opening and closing balances of obligation		
Liability at the beginning of the year	20,29,484	11,06,528
Interest Costs	1,72,506	91,289
Current Service Costs	9,97,223	10,06,818
Benefit Paid	-	(59,460)
Actuarial (gain)/Loss on obligation	(13,07,659)	(1,15,690)
Liability at the end of the period	18,91,554	20,29,484

28. DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT:

Loans and advances in the nature of loans given by subsidiaries.

Name of the Company	: Surana Power Limited
Relationship	: Subsidiary
Amount outstanding as on 31/03/2013	: Rs.12,77,49,243 Dr balance
Name of the Company	: Surana Green Power Limited
Relationship	: Subsidiary
Amount outstanding as on 31/03/2013	: Rs.4,58,53,838 Cr balance
Name of the Company	: Surana Mines and Minerals Ltd
Relationship	: Subsidiary
Amount outstanding as on 31/03/2013	: Rs.2,31,67,500 Dr balance

29. FOREIGN CURRENCY TRANSACTIONS:

(Amount in Rs.)

Particulars	2012-13	2011-2012
A. Foreign Exchange Earnings		
FOB Value of Exports	2,83,65,045	Nil
Bank interest	Nil	Nil
B. Expenditure on foreign currency		
Import of Raw materials (CIF Value)	Nil	14,25,01,691
Foreign Travel Expenses	60,993	7,44,056
FCCB Interest	NIL	2,45,54,302

30. OTHERS

- a. Figures in financial statements and notes have been rounded off to nearest rupee. Quantity figures have been rounded off to the nearest metric tonne.
- b. Previous year's figures have been regrouped, recast and re arranged wherever found necessary.
- c. Balances of trade receivables / Payable, Advances given / Advance received are subject to confirmation & reconciliation with the parties.

- 31.** The Ministry of Corporate Affairs, Government of India, vide General Circular 2 & 3 dt 8th February 2011 & 21st February 2011 resp, has granted a general exemption from compliance with section 212 of the Companies Act 1956, subject to fulfillment of condition stipulated in the circular. The company has satisfied the necessary condition and is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the consolidated Financial Statements.

Signatories to Notes 1 to 31

As per our report of even date attached.

For **C.S.P.JAIN & CO.,**
Chartered Accountants

For **R.SUBRAMANIAN & COMPANY**
Chartered Accountants

C.S.PRITHVIRAJ JAIN
Proprietor
M No. 11529
Firm No : 001227S

A.S. RAMANATHAN
Partner
M. No : 11072
Firm No: 004137S

G.R. SURANA
Chairman

DINESHCHAND SURANA
Managing Director

V.M.SWAMI
Wholesale Director

V. ARANGANATHAN
Director (F&A)

Place:Chennai
Date :29-05-2013

VENKATRAMAN
Company Secretary

CONSOLIDATED INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Surana Industries Limited

We have audited the accompanying consolidated financial statements of Surana Industries Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

1. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

2. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those

risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on the financial statements of the subsidiary as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

4. Other Matters

- a. The Financial statements of the subsidiary namely, Surana Power Limited is audited by one of the joint auditors namely, M/s. R. Subramanian & Company.

- b. The Financial statements of the subsidiaries namely, Surana Green Power Limited and its subsidiary Surana Green Energy Limited, Uday Energy Private Limited is audited by one of the joint auditors namely, CSP Jain & Co.
- c. We did not audit the financial statements of a foreign subsidiary, M/s.Surana Mines and Minerals Limited, whose financial statements for the year ended 31st March 2013, reflect total assets (net) of Rs.57,69,66,300, total revenues of Rs.3,75,85,176 and net cash outflows amounting to Rs.1,27,273. This financial statement has been audited by an independent auditor whose report has been furnished

to us by the Management, and our opinion is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

- d. We did not audit the financial statements of a foreign subsidiary, M/s.Surana Holdings Pte Limited, whose financial statements for the year ended 31st March 2013, reflect total assets (net) of Rs.1,45,874, total revenues of Rs. Nil and net cash inflows amounting to Rs.1,45,874. This financial statement has been audited by an independent auditor whose report has been furnished to us by the Management, and our opinion is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

As per our report of even date attached.

For **C.S.P.JAIN & CO.**,
Chartered Accountants

C.S.PRITHVIRAJ JAIN

Proprietor

M No. 11529

Firm No : 001227S

Place:Chennai

Date :29-05-2013

For **R.SUBRAMANIAN & COMPANY**

Chartered Accountants

A.S. RAMANATHAN

Partner

M. No : 11072

Firm No: 004137S

CONSOLIDATED BALANCE SHEET AS ON 31st MARCH 2013

PARTICULARS	NOTE NUMBER	31/03/2013	31/03/2012
<u>I. EQUITY AND LIABILITIES</u>		(Amount in Rs.)	
1 Shareholders' funds			
(a) Share capital	1	445,190,670	290,446,220
(b) Reserves and surplus	2	9,780,589,237	4,969,365,124
(c) Non-Controlling Interest	3	40	67,113,491
2 Share application money pending allotment		-	2,500,000,000
3 Non-current liabilities			
(a) Long-term borrowings	3	18,170,699,349	14,433,410,462
(b) Deferred tax liabilities (Net)		832,181,866	621,536,725
(c) Other Long term liabilities	4	594,482,651	641,583,719
4 Current liabilities			
(a) Short-term borrowings	5	3,714,506,581	3,348,063,626
(b) Trade payables	6	4,684,499,882	4,289,091,140
(c) Other current liabilities	7	897,439,887	729,719,732
(d) Short-term provisions	8	152,615,895	186,699,142
Total		39,235,146,501	32,077,029,381
<u>II. ASSETS</u>			
Non-current assets			
1 (a) Fixed assets	9		
(i) Tangible assets		9,245,849,504	9,706,824,101
(ii) Capital work-in-progress		19,021,030,358	10,262,675,134
(b) Other Non-Investments	10	309,300	309,300
2 Current assets			
(a) Inventories	11	3,490,145,539	3,074,033,770
(b) Trade receivables	12	4,075,596,653	4,729,250,628
(c) Cash and cash equivalents	13	762,784,645	612,481,637
(d) Short-term loans and advances	14	2,639,430,502	3,691,454,811
Significant accounting Policies			
Notes on financial statements	1 to 27		
Total		39,235,146,501	32,077,029,381

As per our report of even date attached.

For and on behalf of the Board

For **C.S.P.JAIN & CO.,**
Chartered Accountants

For **R.SUBRAMANIAN & COMPANY**
Chartered Accountants

G.R. SURANA **DINESHCHAND SURANA**
Chairman Managing Director

C.S.PRITHVIRAJ JAIN
Proprietor
M No. 11529
Firm No : 001227S

A.S. RAMANATHAN
Partner
M. No : 11072
Firm No: 004137S

V.M.SWAMI **V. ARANGANATHAN**
Wholtime Director Director (F&A)

Place:Chennai
Date :29-05-2013

VENKATRAMAN
Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

PARTICULARS	NOTE NUMBER	31/03/2013	31/03/2012
(Amount in Rs.)			
I. Revenue from operations	15	14,936,171,955	13,559,536,668
II. Other income	16	69,014,809	117,637,365
III. Total Revenue (I + II)		15,005,186,764	13,677,174,033
IV. Expenses:			
Cost of materials consumed			
Raw Materials		11,839,568,556	11,287,496,525
Purchases of Stock-in-trade		808,217,174	
Changes in inventories of finished goods		(484,619,767)	(251,097,773)
Employee benefits expense	17	195,891,604	201,503,126
Finance costs	18	1,421,475,087	1,105,476,490
Depreciation and amortization expense	9	551,866,364	391,189,845
Other expenses	19	409,599,971	580,380,407
Total expenses		14,741,998,988	13,314,948,620
V. Profit before exceptional and extraordinary items and tax (III-IV)		263,187,776	362,225,413
VI. Exceptional items			55876950
VII. Profit before extraordinary items and tax (V - VI)		263,187,776	418,102,363
VIII. Extraordinary Items			
IX. Profit before tax (VII- VIII)		263,187,776	418,102,363
X Tax expense:		237,809,420	107,615,833
(1) Current tax		77,423,509	92,706,397
(2) Deferred tax		211,275,885	100,629,637
(3) Mat Credit Entitlement		(50,889,974)	(85,720,201)
XI Profit/(loss) from operations (after tax)		25,378,356	310,486,530
XII Balance Brought Forward From Last Year		2,032,975,351	1115322391
XIII Amount Available for Appropriation		2,058,353,707	1,425,808,921
XIV APPROPRIATION			
(1) Proposed Dividend		18,569,334	34853546
(2) Corporate Dividend Tax		3,011,946	5653245
(3) General Reserve		10,248,919	32765788
XV Balance Carried To Balance Sheet		2,026,523,508	1,352,536,342
XIV Earnings per equity share:			
(1) Basic		0.61	11.28
(2) Diluted		0.61	8.82
Significant accounting Policies			
Notes on financial statements	1 to 27		

As per our report of even date attached.

For and on behalf of the Board

For **C.S.P.JAIN & CO.,**
Chartered Accountants

For **R.SUBRAMANIAN & COMPANY**
Chartered Accountants

G.R. SURANA **DINESHCHAND SURANA**
Chairman Managing Director

C.S.PRITHVIRAJ JAIN
Proprietor
M No. 11529
Firm No : 001227S

A.S. RAMANATHAN
Partner
M. No : 11072
Firm No: 004137S

V.M.SWAMI **V. ARANGANATHAN**
Wholetime Director Director (F&A)

Place:Chennai
Date :29-05-2013

VENKATRAMAN
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2013

(Amount in Rs.)

PARTICULARS	31/03/2013	31/03/2012
A. CASHFLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary Items	216,791,576	418,102,367
Adjustments for :		
Depreciation	551,866,364	391,189,845
Interest Income	(13,163,065)	67,280,941
Interest Expenses	1,421,085,328	1,105,476,490
Other Non Cash Expenditure	(1,301,988)	2,799,398
Loss on Sale of Asset	102,446	18,333,245
Profit on sale of Assets	-	55,876,950
Operating Profit Before Working Capital Changes	2,175,380,661	1,812,743,454
Adjustments for :		
Trade and Other Receivables	(1,735,549,375)	4,410,354,255
Inventories	416,111,769	861,527,665
Trade Payables	(1,035,895,688)	(4,441,542,118)
Cash Generated from Operations	4,501,856,361	982,403,652
Interest Paid	1,421,085,328	1,105,476,490
Interest Income	(13,163,065)	67,280,941
Direct Taxes Paid	116,173,973	57,151,292
Dividend Paid	53,422,880	48,870,000
Cash Flow Before Extraordinary Items	2,924,337,246	(161,813,189)
Extraordinary Items	-	41,688,467
Net Cash from Operating Activities	2,924,337,246	(203,501,656)
B. CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(9,440,250,147)	(5,599,668,195)
Sale of Assets	576,170,750	252,903,926
Purchase of Investments	(529,780,888)	-
Net Cash Used in Investing Activities	(9,393,860,285)	(5,346,734,269)
C. CASHFLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	2,046,499,394	2,758,066,462
Proceeds from Long Term Borrowings	4,573,987,795	2,499,636,753
Net Cash Used in Financing Activities	6,620,487,190	5,257,703,215
Net Increase in Cash & Cash Equivalents	150,964,150	(292,562,710)
Cash & Cash Equivalents as opening balances	611,820,497	745,855,174
Cash & Cash Equivalents as closing balances	762,784,645	453,292,464
	150,964,150	292,562,710

For and on behalf of the Board
Sd/-

Place:Chennai
Date : 29-05-2013

DINESHCHAND SURANA
Managing Director

AUDITORS' CERTIFICATE

We have verified the attached cash flow statement of M/s. Surana Industries limited derived from Audited Financial Statements and the Books and records maintained by the Company for years ended 31st March, 2013 and 31st March, 2012 and found the same in agreement therewith.

As per our report of even date attached.

For **C.S.P.JAIN & CO.,**
Chartered Accountants

C.S.PRITHVIRAJ JAIN
Proprietor
M No. 11529
Firm No : 001227S

Place:Chennai
Date :29-05-2013

For **R.SUBRAMANIAN & COMPANY**
Chartered Accountants

A.S. RAMANATHAN
Partner
M. No : 11072
Firm No: 004137S

Significant Accounting Policies

(a) Basis for Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

(b) Revenue Recognition

Sales comprises sale of goods and services, net of trade discounts.

(c) Employee Benefits

- (i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
- (ii) Post employment benefits such as Gratuity, EL encashment are recognized as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable towards contributions.
- (iii) Actuarial gains and losses in respect of post employment benefits are charged to the Profit and Loss Account.

(d) Fixed Assets

All fixed assets are valued at cost less accumulated depreciation. Pre-operation expenses including trial run expenses are capitalized. Borrowing costs during the period of construction is added to the cost of fixed assets.

(e) Depreciation

The depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956.

(f) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated at the year-end exchange rates and resultant gains / losses are recognized in the profit & loss account for the year, except to the extent that they relate to new projects till the date of capitalization which are carried to pre-operative expenses.

(g) Investments

Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

(h) Inventories

Finished and semi-finished products produced and purchased by the Company are carried at lower of cost and net realizable value.

Coal, iron ore and other raw materials purchased by the Company are carried at lower of cost and net realizable value.

Stores and spare parts are carried at cost. Necessary provision is made and charged to revenue in case of identified obsolete and non-moving items.

Cost of inventories is generally ascertained on 'weighted average' basis. Work-in-progress and finished and semi-finished products are valued on full absorption cost basis.

(i) Taxes on Income

Tax expense comprises of current tax and deferred tax. Current income tax is provided on the taxable income for the period as per the provisions of Income tax Act 1961. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods.

(j) Impairment of Assets:

Specified assets are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount being the higher of the asset's net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the asset.

(k) Provisions and Contingent Liabilities:

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefit is remote.

(l) Earnings Per Share

Basic Earnings per Share (before dilution) is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding at the end of the year.

Diluted Earnings per Share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the company by the weighted average number of equity shares determined and assuming conversion of all potential dilute securities.

NOTES TO CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

Note 1 - SHARE CAPITAL

(Amount in Rs.)

SHARE CAPITAL	Year ended 31/03/2013		Year ended 31/03/2012	
	No.	Value	No.	Values
Authorised Equity Shares of Rs.10 each	70,000,000	700,000,000	70,000,000	700,000,000
Issued Equity Shares of Rs.10/- each	44,519,067	445,190,670	29,044,622	290,446,220
Subscribed & Paid up Equity Shares of Rs.10/- each fully paid	44,519,067	445,190,670	29,044,622	290,446,220
Subscribed but not fully Paid up Equity Shares of Rs.10/- each, not fully paid up	-	-	-	-
Total	44,519,067	445,190,670	29,044,622	290,446,220

Note 2 : RESERVES & SURPLUS

(Amount in Rs.)

RESERVES & SURPLUS	31/03/2013	31/03/2012
a. Capital Subsidy		
Opening Balance	-	1,500,000
(+) Current Year Transfer		
(-) Written back in Current Year	-	1,500,000
Closing Balance	-	-
b. Securities Premium Account		
Opening Balance	3,944,006,896	3,006,378,654
Add : Securities premium credited on Share issue	4,055,704,703	239,120,242
Closing Balance	7,999,711,599	3,245,498,896
c. Revaluation Reserve		
Opening Balance	71,240,255	77,828,831
(+) Current Year Transfer	-	-
(-) Written back in Current Year	6,588,576	6,588,576
Closing Balance	64,651,679	71,240,255
d. General Reserves		
Opening Balance	274,069,815	239,804,027
(+) Capital Subsidiary Transfer	-	-
(+) Current Year Transfer	10,248,919	34,265,788
(-) Written back in Current Year	-	-
Closing Balance	284,318,734	274,069,815
e. Surplus		
Opening balance	1,388,520,568	1,115,322,391
(+) Net Profit/(Net Loss) For the current period	(21,019,057)	310,486,533
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	18,569,334	34,853,546
(-) Proposed Dividends Tax	3,011,946	5,653,245
(-) Transfer to Reserves	10,248,919	32,765,788
(+) Non-controlling Interest in Subsidiary Company	55,836,774	(3,789,213)
Closing Balance	1,391,508,086	1,356,325,558
f. Foreign Currency Translation Reserve	40,399,140	22,230,600
Total	9,780,589,237	4,969,365,124

Note 3 - LONG TERM BORROWINGS

(Amount in Rs.)

LONG TERM BORROWINGS	31/03/2013	31/03/2012
Secured		
(a) Term Loans		
From Banks	15,327,881,841	9,089,040,126
From Other Institutions		
IFCI	1,685,209,297	3,392,900,000
	17,013,091,138	12,481,940,126
Unsecured		
(a) Bonds/debentures *(state in descending order of maturity or conversion, starting from the farthest redemption or conversion date)	-	1,051,620,186
(b) Deposits - Inter Corporate (No guarantee is given by the directors from other corporates interest free loan)	1,157,608,211	899,850,150
	1,157,608,211	1,951,470,336
Total	18,170,699,349	14,433,410,462

Note 4 - OTHER LONG TERM LIABILITIES

OTHER LONG TERM LIABILITIES	31/03/2013	31/03/2012
(a) Trade Payables (Pertaining to Machinery purchases where in the vendor had agreed to extend the credit period up to March 2015.	594,482,651	641,583,719
	-	-
Total	594,482,651	641,583,719

Note 5 - SHORT TERM BORROWINGS

SHORT TERM BORROWINGS	31/03/2013	31/03/2012
Secured		
Loans repayable on demand	3,549,040,063	3,123,063,626
(a) From Banks (Hypothecation of Stocks and receivables and guaranteed by Promoters Directors and Second charge on Fixed Assets)		
(b) From other parties	165,466,518	225,000,000
TOTAL	3,714,506,581	3,348,063,626

Note 6 - OTHER SHORT TERM LIABILITIES

OTHER SHORT TERM LIABILITIES	31/03/2013	31/03/2012
(a) Trade Payables	4,654,240,168	4,168,666,386
(b) Others Payables	30,259,714	120,424,754
Total	4,684,499,882	4,289,091,140

Note 7 - OTHER CURRENT LIABILITIES

OTHER CURRENT LIABILITIES	31/03/2013	31/03/2012
(a) Current maturities of long-term debt	715,850,933	590,902,020
(b) Interest accrued and due on borrowings	157,578,893	90711730
(c) Unpaid dividends	1,380,015	
(d) Statutory Liabilities	22,540,046	
(e) Other payables (specify nature) Lease Rent payable to Holding Company	90,000	48105982
Total	897,439,887	729,719,732

Note 8 - SHORT TERM PROVISIONS

SHORT TERM PROVISIONS	31/03/2013	31/03/2012
(a) Provision for employee benefits		
Gratuity	19,460,299	7,913,009
Leave Encashment	5,092,287	2,370,430
Bonus	6,864,140	8,054,223
(b) Others (Specify nature)		
Dividend	31,163,347	34,853,546
Current Tax	84,139,611	127,854,689
Divident Tax	5,296,211	5,653,245
TOTAL	152,615,895	186,699,142

Note 9 - Fixed Assets

(Amount in Rs.)

S. NO.	FIXED ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
		BALANCE AS ON 01.04.2012	ADDITION/ DELETION	DELETION	BALANCE AS ON 31.03.2013	BALANCE AS ON 01.04.2012	PROVIDED DURING THE YEAR	ADJUSTMENT DUE TO REVALUATION	BALANCE AS ON 31.03.2013	BALANCE AS ON 31.03.2012	BALANCE AS ON 31.03.2013
a	Tangible Assets										
	Land	213,305,051	454,104		213,759,155	-	-	-	-	213,305,051	213,759,155
	Buildings	675,434,968	47,436,632		722,871,600	100,254,002	23,273,062	103,968	123,631,032	575,180,966	599,240,568
	Plant and Equipment	9,301,143,367	623,967,218	(574,363,554)	9,350,747,031	882,521,442	448,936,571	6,484,608	1,337,942,621	8,418,621,925	8,012,804,410
	Furniture and Fixtures	15,642,145	1,802,871	-	17,445,016	1,482,289	480,513		1,962,802	14,159,856	15,482,214
	Vehicles	554,504,097	-	(782,446)	553,721,651	217,311,629	60,447,373		277,759,002	337,192,468	275,962,649
b	Intangible Assets										
	Computer software	124,216,971	921,063	(62,750)	125,075,284	66,206,155	18,714,758		84,920,913	58,010,816	40,154,371
	Goodwill	90,353,020		(1,892,796)	88,460,224	-	14,087		14,087	90,353,020	88,446,137
	Total	10,974,599,619	674,581,888	(577,101,546)	11,072,079,961	1,267,775,517	551,866,364	6,588,576	1,826,230,457	9,706,824,102	9,245,849,504

Note 10 - TRADE INVESTMENTS

(Amount in Rs.)

PARTICULARS	31/03/2013	31/03/2012
A Trade Investments (Refer Note 10 A)		
(a) Investment in Equity instruments	309,300	309,300
Total (A)	309,300	309,300

10 - A Details of Trade Investments

S. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			Mar'2013	Mar'2012			2013	2012	Mar'2013	Mar'2012		
(a)	Investment in Equity Instruments	PNB Gilts Ltd	10,000	10,000	Quoted	Fully paid	N.A.	N.A.	300,000	300,000	yes	N.A.
		PNB	300	300	Quoted	Fully paid	N.A.	N.A.	9,300	9,300	yes	N.A.
	TOTAL		10,300	10,300					309,300	309,300		

(In Rs.)

Note 11 - INVENTORIES

(Amount in Rs.)

INVENTORIES	31/03/2013	31/03/2012
a. Raw Materials and Semi Finish Goods	1,275,532,662	1,359,693,979
b. Finished goods	1,618,072,333	1,135,180,759
c. Stores and Consumables	596,540,543	579,159,032
TOTAL	3,490,145,539	3,074,033,770

Note 12 - TRADE RECEIVABLES

TRADE RECEIVABLES	31/03/2013	31/03/2012
Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	4,015,793,750	4,708,102,814
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	59,802,903	21,147,814
Total	4,075,596,653	4,729,250,628

Note 13 - CASH & CASH EQUIVALENTS

CASH & CASH EQUIVALENTS	31/03/2013	31/03/2012
I. Cash & cash Equivalents		
a. Balances with banks (including Unpaid dividend account balances)	570,568,550	452,300,660
b. Cash on hand	1,178,286	991,804
II. Margin money	191,037,809	159,189,173
Total	762,784,645	612,481,637

Note 14 - SHORT TERM LOANS AND ADVANCES

SHORT TERM LOANS AND ADVANCES	31/03/2013	31/03/2012
a. Loans and advances		
Related Parties	45,236,666	-
Deposit with Govt. Agencies & Others	2,025,875,207	127,427,106
	2,071,111,873	127,427,106
b. Others (specify nature)		
Mat Credit Entitlements	312,974,013	2,814,665,837
Cenvat & Vat Input Credit	255,344,616	74,931,868
	568,318,629	3,564,027,705
TOTAL	2,639,430,502	3,691,454,811

Note 15 - REVENUE FROM OPERATIONS

(Amount in Rs.)

REVENUE FROM OPERATIONS	31/03/2013	31/03/2012
Sale of products (Including Processed Material)	14,889,879,423	13,438,933,394
Trading Sales	6,940,123	120,603,274
Other Revenue from Operations		
Conversion Charges	23,355,780	-
Sale of Electricity	15,996,629	-
TOTAL	14,936,171,955	13,559,536,668

Note 16 - OTHER INCOME

OTHER INCOME	31/03/2013	31/03/2012
a) Interest Income (in case of a company other than a finance company)	24,390,665	67,280,941
b) Other non-operating income (net of expenses directly attributable to such income)	44,624,144	50,356,424
Total	69,014,809	117,637,365

Note 17 - EMPLOYEE BENEFITS EXPENSES

EMPLOYEE BENEFITS EXPENSES	31/03/2013	31/03/2012
(a) Salaries and Wages	187,926,699	191,759,442
(b) Contributions to Provident and other funds	5,378,103	4,704,066
(c) Staff welfare expenses	2,586,802	5,039,618
TOTAL	195,891,604	201,503,126

Note 18 - FINANCIAL COST

FINANCIAL COST	31/03/2013	31/03/2012
a) Interest expense	1,013,373,095	1,081,635,516
b) Other borrowing costs	408,012,610	72,177,221
c) Applicable net gain/loss on foreign currency transactions and translation	89,382	(48,336,247)
Total	1,421,475,087	1,105,476,490

Note 19 - OTHER EXPENSES

(Amount in Rs.)

OTHER EXPENSES	Year ended 31/03/2013	Year ended 31/03/2012
a) Stores & Consumables	183,669,701	166,470,030
b) Power & Fuel	2,130,191	163,522,938
c) Repair & Maintenance	7,215,023	5,316,915
d) Other Manufacturing Expenses	13,33,898	17,172,672
e) Clearing and Forwarding	1,353,107	4,192,468
f) Commission Paid	1,266,171	1,063,766
g) Transportation Charges & Weighment Charges	50,137,031	48,958,775
h) Printing and Stationery	3,974,701	2,431,741
i) Advertisement	2,151,295	2,849,220
j) Electricity Charges	4,665,329	1,070,726
k) Telephone Charges	3,464,641	4,359,252
l) Rent	3,383,348	11,630,423
m) Rates & Taxes	20,576,985	10,432,623
n) Travelling & Conveyance Exp.	12,114,809	13,355,120
o) Postage & Telegram	329,160	499,560
p) Books & Periodicals	312,577	103,392
q) Professional & Consultancy Exp.	12,923,991	45,482,046
r) Vehicle Maintenance	4,760,711	5,724,540
s) Business Promotion Expenses	4,228,789	3,966,020
t) Audit Fees & Internal Audit Expenses	4,968,005	2,516,972
u) Office Maintenance	5,777,056	13,563,235
v) Donation	354,504	64,450
w) General Expenses	1,174,936	1,029,890
x) Insurance Charges	11,386,637	4,788,307
y) Testing Fees	88,311	637,178
z) Legal Charges	453,215	801,476
aa) Directors' Remuneration	17,555,911	15,320,000
ab) Sitting Fees	179,886	142,000
ac) Meeting Expenses & AGM Expenses	960,659	279,224
ad) Windmill Maintenance	8,334,012	9,349,328
ae) Application Fee & Subscription Fee	6,559,208	2,153,477
af) AMC Charges	418,936	-
ag) Loss on Sale of Asset	102,446	18,333,245
ah) Processing Charges	18,692,667	-
ai) Preliminary Expenses (Written Off)	302,124	2,799,398
Total	409,599,971	580,380,407

20. Principles of Consolidation

The Consolidated Financial Statements relate to Surana Industries Limited (“the Company”) and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values 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 as per Accounting Standard 21 – “Consolidated Financial Statements” notified by Companies (Accounting Standards) Rules, 2006.
- In case of foreign subsidiaries, being non-integral operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the foreign currency translation reserve.
- The difference between the cost of investment in the subsidiaries and the Company’s share of net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statement as Goodwill or Capital Reserve as the case may be.
- The company accounts for its share in the change in the net assets of the subsidiaries, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the company and its subsidiaries to the extent of its share, through its profit and loss account, to the extent such change is attributable to the associates’ profit and loss account and through its reserves for the balance, based on available information.
- The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31st March, 2013.

The list of subsidiary companies which are included in the consolidation and the Company’s holdings therein are as under:

Name of the Company	Ownership in % either directly or through subsidiaries		Country of Incorporation
	2012 -13	2011 – 12	
A. Subsidiaries			
Surana Power Limited	100%	100%	India
Surana Mines and Minerals Ltd	100%	100%	Singapore
Surana Green Power Ltd	100%	100%	India
Uday Energy India Pvt Ltd	100%	100%	India
Surana Holding Pte Ltd	100%		India
B. Stepdown Subsidiaries			
PT Borneo Mines and Minerals Limited	51%	51%	Indonesia
Surana Green Energy Ltd	100%	-	India

21. EARNINGS PER SHARE:

(Amount in Rs. Except for Share Data)

Particulars	2012-13	2011-12
Profit after Tax	25,378,356	31,048,530
Number of Equity shares in numbers	-	-
Weighted average number of shares	41,939,993	24,523,734
No of Potential share holders		
- FCCB	-	76,75,929
- Share Warrant	-	-
Total number of share holding including potential shareholders	41,939,993	35,199,663
Basic EPS	0.61	11.28
Diluted EPS	0.61	8.82

22. DEFERRED TAX LIABILITY (NET)

The components of Deferred Tax Assets and Liabilities as at 31st March 2013 and 31st March 2012 are as given below.

(Amount in Rs.)

Components	31 st March 2013 (Amount in Rs.)	31 st March 2012 (Amount in Rs.)
Deferred Tax Liability		
On account of differences between WDV as per Income Tax Act and WDV as per Companies Act (A)	1,66,70,15,648	1,57,77,09,814
Deferred Tax Asset		
On account of Losses available under the Income Tax Act (B)	83,48,33,782	95,61,73,420
Net Deferred Tax Liability (A) – (B)	83,21,81,866	62,15,36,394
Deferred Tax Asset	1,93,88,252	24,18,044
Amount Debited / (Credited) to Profit and Loss Account on account of Deferred Tax	21,06,45,141	10,06,29,636

23. “EMPLOYEE BENEFITS”

Post retirement Benefit – Gratuity

(Amount in Rs.)

Particulars	2012-13	2011-12
Reconciliation of opening and closing balances of obligation		
Liability at the beginning of the year	79,89,834	65,11,382
Interest Costs	-	5,23,505
Current Service Costs	17,12,739	33,74,143
Benefit Paid	-	(3,52,406)
Actuarial (gain)/Loss on obligation	-	(21,43,615)
Liability at the end of the period	1,91,70,571	79,13,009

Post retirement Benefit – EL Encashment

(Amount in Rs.)

Particulars	2012-13	2011-12
Reconciliation of opening and closing balances of obligation		
Liability at the beginning of the year	23,88,262	12,04,850
Interest Costs	-	91,289
Current Service Costs	9,53,061	12,49,442
Benefit Paid	-	(59,460)
Actuarial (gain)/Loss on obligation	-	(1,15,690)
Liability at the end of the period	31,95,670	23,70,430

24. Foreign Currency Transactions:

(Amount in Rs.)

Particulars	2012-13	2011-12
A. Foreign Exchange Earnings		
FOB Value of Exports	2,83,65,045	Nil
Bank interest	-	Nil
B. Expenditure on foreign currency		
Import of Raw materials (CIF Value)	10,82,60,893	15,13,69,691
Foreign Travel Expenses	32,53,623	7,44,056
Interest Paid	5,23,56,780	2,45,54,302
Import of Capital Goods	66,17,17,762	1,04,24,28,449

25. SEGMENT REPORTING:

Information about Primary business segment

(Rs. In Lakhs)

Particulars	Steel	Others	Total
Total Revenue	1,43,420	6,632	1,50,052
Segment revenue before exceptional items, interest and tax	14,105	2,742	16,847
Less: Net Financial Charges	11,388	2,827	14,215
Profit before exceptional items and tax	2,717	(85)	2,632
Less: Exceptional items			
Profit after exceptional items and tax	2,717	(85)	2632
Taxes	1,727	651	2,378
Profit after Taxes	990	(736)	254
Segment Assets	74,982	34,698	1,09,680
Segment Liabilities	54,131	40,354	94,485
Total cost incurred during the year to acquire segment assets			
Segment Depreciation	3,903	1,615	5,519
Non cash expenditure other than depreciation	5,948	(1,918)	4,030

Information about secondary segment:

Particulars	2012-13	2011-12
Revenue by Geographical Market		
- India	149,763.60	1,36,718.14
- Outside India	288.27	53.60
Total	150,051.87	1,36,771.74
Additions to Fixed Assets/Intangible assets		
- India	1,002.18	16,079.84
- Outside India	-	-
Total	1,002.18	16,079.84
Carrying amount of Segment Assets		
- India	91,574.03	96,164.71
- Outside India	884.46	903.53
Total	92,458.49	97,068.24

26. Figures in financial statements and notes have been rounded off to nearest rupee. Quantity figures have been rounded off to the nearest metric tonne.

27. Previous year's figures have been regrouped, recast and re arranged wherever found necessary.

Signatories to Note 1 to 27

As per our report of even date attached.

For **C.S.P.JAIN & CO.,**
Chartered Accountants

For **R.SUBRAMANIAN & COMPANY**
Chartered Accountants

G.R. SURANA
Chairman

For and on behalf of the Board

DINESHCHAND SURANA
Managing Director

C.S.PRITHVIRAJ JAIN

Proprietor
M No. 11529
Firm No : 001227S

A.S. RAMANATHAN
Partner
M. No : 11072
Firm No: 004137S

V.M.SWAMI
Wholesale Director

V. ARANGANATHAN
Director (F&A)

Place:Chennai
Date :29-05-2013

VENKATRAMAN
Company Secretary

**STATEMENT ANNEXED TO THE CONSOLIDATED ACCOUNTS RELATING TO SUBSIDIARY
COMPANIES AS AT 31ST MARCH 2013**

S. No.	Particulars	Surana Power Ltd	Surana Green Power Ltd	Surana Mines & Minerals Ltd *	Uday Energy Pvt Ltd	Surana Holdings Pte Ltd*
1	Share Capital	3,176,492,000	561,536,000	638,424,381	100,000	282,882
2	Reserves	1,007,953,491	2,385,072	6,461,532	(26,720)	(191,725)
3	Total Assets	19,886,602,373	1,908,277,951	726,471,294	99,100	145,874
4	Total Liabilities	19,886,602,372	1,908,277,953	726,471,294	99,100	145,874
5	Investments	-	-	-	-	-
6	Income	893,065,575	71,538,139	37,585,176	-	-
7	Profit/(Loss) Before Tax	24,746,234	(29,964,347)	(3,378,272)	(10,000)	(10,000)
8	Taxes	76,369,338	(11,219,819)	68,151	-	-
9	Profit/(Loss) After Tax	(101,115,572)	(18,744,529)	(3,446,422)	(10,000)	(10,000)
10	Proposed Dividend	-	-	-	-	-

*One US \$ = Rs. 54.39 Conversion Rate

G.R. SURANA
Chairman

DINESHCHAND SURANA
Managing Director

V.M.SWAMI
Wholetime Director

V. ARANGANATHAN
Director (F&A)

Place:Chennai
Date : 29-05-2013

VENKATRAMAN
Company Secretary

READER'S NOTES

SURANA INDUSTRIES LIMITED

Registered-cum-Corporate H.O. No.29 Whites Road, II Floor, Royapettah, Chennai 600 014

PROXY FORM

I/we.....ofin the district of.....being a Member(s) of the above name Company hereby appoint Mr/Ms..... of.....in the district of..... or failing him/ her / Mr./ Msof.....in the district ofas my/our proxy to vote for me/us, on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Monday, 29th July, 2013 at The Music Academy “Kasturi Srinivasan Hall”, No.168, TTK Road, Royapettah, Chennai 600 014, at 11.00 A.M. and at any adjournment date to the changed thereof.

Signed this.....day of.....2013

Regd.Folio No..... DP ID & Client ID.....

Affix Re.1 Revenue Stamp

No. of Shares held.....

The Companies Act, 1956 lays down that an instrument appointing proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

SURANA INDUSTRIES LIMITED

Registered-cum-Corporate H.O. No.29 Whites Road, II Floor, Royapettah, Chennai 600 014.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Full Name of the Member attending:
(In Block Letters)

Full Name of the First Joint –holder:
(To be filled-in if first named
Joint-holder does not attend the Meeting)

Name of the Proxy:
(To be filled if the Proxy Form has
been duly deposited with the Company)

I hereby record my presence at the 22nd Annual General Meeting of the Company to be held on Monday, 29th July, 2013 at The Music Academy “Kasturi Srinivasan Hall”, No.168, TTK Road, Royapettah, Chennai 600 014, at 11.00 A.M.

Regd. Folio No:
DP/ ID & Client ID:
No. of Shares held:

Member’s /Proxy’s Signature

(To be signed at the time of handing over this slip)

SURANA INDUSTRIES LIMITED
No.29 Whites Road, II Floor, Royapettah, Chennai 600 014

**FOR SHAREHOLDERS
HOLDING SHARES
IN PHYSICAL FORM**

**E-CREDIT MANDATE THROUGH NEFT / RTGS
BANK ACCOUNT DETAILS FORM FOR PAYMENT OF DIVIDEND ON EQUITY SHARES**

Dear Shareholder,

In our continuous endeavour to improve service to Shareholders, we request you to provide updated bank account particulars to our Share Transfer Agent - M/s. Cameo Corporate Services Limited "Subramanian Building", 5th Floor, No.1, Club House Road, Chennai - 600 002. in the following format.

PS : Shareholders holding shares in dematerialised form may please update the details with their Depository Participant directly.

Thanking you,

Yours faithfully

Company Secretary

1. Folio No.	
2. Name of Shareholder	
3. (a) Address of Shareholder(s)	
(b) Telephone/Mobile No.	
(c) Email ID	
4. Details of Bank Account	
5. (a) Name of the Bank & Address of the Branch with Telephone No.	
(b) Account No. (as appearing on the cheque book)	
(c) 9 Digit MICR code number of the Bank and Branch as appearing on the cheque issued by Bank	
(d) IFS Code as appearing on the cheque issued by Bank	

IMP : Please attach a blank cancelled cheque or photocopy of a cheque issued by your bank and self attested copy of Pan Card for verification on the above particulars.

I hereby declare that the details given above are complete. If transaction is delayed or not effected for reasons beyond control, I would not hold the Company responsible.

Date :
Plate :

Signature of Shareholder(s)

To.



If Undelivered, Please return to:

Surana Industries Limited

Regd.Cum Corporate H.O.




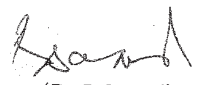
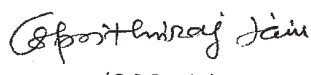
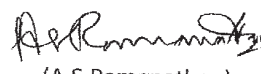



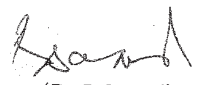
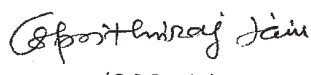
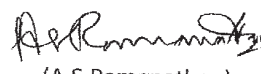



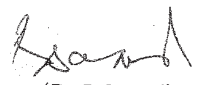
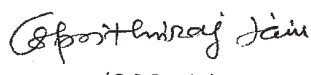
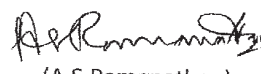
No.29,Whites Road,2nd Floor, Royapettah,
Chennai- 600014, TamilNadu, India.

Phone:+91-44-28525127/F.+91-44-28520713

Website: www.suranaind.com.



Form B

1. Name of the Company	M/s. Surana Industries Limited							
2. Annual Financial Statement for the year ended	31 st March 2013							
3. Type of Audit qualification	Except For							
4. Frequency of qualification	First time							
Qualification Details: Clause viii of the Annexure to the Auditors Report. (Refer Page 35 of the Annual Report)	Delay in depositing undisputed statutory dues with the appropriate authorities during the year and delay in depositing arrears of certain statutory dues for more than six months, as at 31.03.2013.							
Management Response: Point 17.1 of the Directors Report (Refer page 15 of the Annual Report)	The Director's in their report have submitted that the delay in deposit of statutory dues was on account of mismatch in cashflows. Further, the Company has subsequently deposited the statutory dues and has taken necessary steps to prevent re-occurrence of the same.							
Additional comments from the Audit Committee Chair.	The Management has confirmed that certain statutory dues which were in arrears as at 31.03.2013 have been subsequently remitted.							
Signed by:	<table border="1"> <tr> <td>  (Dineshchand Surana) Managing Director </td> <td>  (V.M Swami) Wholetime Director </td> </tr> <tr> <td>  (V. Aranganathan) Director (F&A) </td> <td>  (Dr.B.Samal) Chairman - Audit Committee </td> </tr> <tr> <td>  (C.S.P Jain) For M/s. C.S.P Jain & Co Joint Statutory Auditor </td> <td>  (A.S.Ramanathan) For M/s. R. Subramaian & Co Joint Statutory Auditor </td> </tr> </table>		 (Dineshchand Surana) Managing Director	 (V.M Swami) Wholetime Director	 (V. Aranganathan) Director (F&A)	 (Dr.B.Samal) Chairman - Audit Committee	 (C.S.P Jain) For M/s. C.S.P Jain & Co Joint Statutory Auditor	 (A.S.Ramanathan) For M/s. R. Subramaian & Co Joint Statutory Auditor
 (Dineshchand Surana) Managing Director	 (V.M Swami) Wholetime Director							
 (V. Aranganathan) Director (F&A)	 (Dr.B.Samal) Chairman - Audit Committee							
 (C.S.P Jain) For M/s. C.S.P Jain & Co Joint Statutory Auditor	 (A.S.Ramanathan) For M/s. R. Subramaian & Co Joint Statutory Auditor							