

GURUDEV

SURANA 
CORPORATION LIMITED

NINETEENTH ANNUAL REPORT 2009 - 2010

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BOARD OF DIRECTORS

Sh. SHANTILAL SURANA	:	Chairman
Sh. VIJAYRAJ SURANA	:	Managing Director
Sh. V PATTABHIRAM	:	Director
Sh. V M SWAMI	:	Director
Sh. S GURUSWAMY	:	Director
Sh. K L TILAKCHAND	:	Director

MANAGEMENT

Sh. MAHAVEER SURANA	:	President – Finance
Sh. SANDEEP SURANA	:	Vice President
Sh. S V RAJESH	:	Company Secretary
Sh. N ELAMARAN	:	Assistant Vice President - Sales
Sh. R SRINIVASAN	:	Assistant Vice President - Production

STATUTORY AUDITORS

C S P JAIN & CO.,
Chartered Accountants,
Old No. 60, New No. 123,
N S C Bose Road, Sowcarpet,
Chennai – 600 079.

INTERNAL AUDITORS

SANJIV SHAH & ASSOCIATES,
Chartered Accountants,
Adarsh Apartments, II Floor,
No 80, Vepey High Road,
Chennai – 600 007.

REGISTERED CUM CORPORATE OFFICE:

No 29, Whites Road, II Floor,
Roypettah, Chennai – 600 014.

FACTORY

No 121,123,125, Vaidyanathan Street,
Tondiarpet, Chennai – 600 081.

WIND ENERGY

Poigai Village - 627 856, Tenkasi Taluk,
Tirunelveli District, Tamilnadu.

SHOWROOM

Old No. 70, New No 143,
NSC Bose Road,
Sowcarpet, Chennai – 600 001.

SPECIAL ECONOMIC ZONE

Plot A-4, Phase II,
MEPZ-SEZ, N H- 45, Tambaram
Chennai – 600 045.

BANKERS

S NO	NAME OF THE BANK	BRANCH NAME	ADDRESS
1	STATE BANK OF INDIA	OVERSEAS BRANCH	No.86, Rajaji Salai, Chennai – 600 001.
2	IDBI BANK LTD.	SPECIALISED CORPORATE BRANCH	No. 7, Chevalier Shivaji Ganesan Road, (South Boag Road) T. Nagar, Chennai – 600 017.
3	PUNJAB NATIONAL BANK	MINT STREET BRANCH	35, Mint Street, Sowcarpet, Chennai – 600 079
4	UCO BANK	FLAGSHIP CORPORATE BRANCH	212, Mount Road, Chennai – 600 006.
5	BANK OF INDIA	CHENNAI CORPORATE BRANCH	Tarapore Towers, 826, 4 th Floor, Anna Salai, Chennai – 600 002.
6	CENTRAL BANK OF INDIA	CORPORATE FINANCE BRANCH	Addison Buildings, Mount Road, Chennai – 600 002
7	DENA BANK	CORPORATE BUSINESS BRANCH	1 st Floor, Beta Wing, Raheja Towers, 177, Anna Salai, Chennai – 600 002.
8	SYNDICATE BANK	CORPORATE BUSINESS BRANCH	170, Eldams Road, Teynampet, Chennai – 600 018.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING** of the shareholders of the Company will be held on Monday, 14th June 2010 at Gulmohar Hall, Hotel GRT GRAND, No 120, Sir Thyagaraya Road, T Nagar, Chennai – 600 017 at 11.30 AM to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ending 31st March 2010 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To declare a dividend on the Equity Shares of the company.
3. To appoint a Director in place of Sh. V M Swami, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. Appointment of Director

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

“RESOLVED THAT pursuant to the provisions of section 257 and all other applicable provisions if any, of the Companies Act 1956 Sh. K L Tilakchand, who was appointed by the Board of Directors as an Additional Director of the company under Section 260 of the Companies Act 1956 to hold office up to the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director be and is hereby appointed as a Director, liable to retire by rotation under the Articles of Association of the Company”

6. Revision in the terms & conditions of remuneration payable to Sh. Shantilal Surana – Chairman of the Company.

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

“RESOLVED that in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), the Company hereby approves increase in the remuneration of Sh. Shantilal Surana- Chairman of the Company by 25% which includes 10% annual increase already approved by the company in their meeting held on 2nd June 2008. The increased remuneration will be payable with effect from 1st January 2010 till 31st March 2011 and thereafter with an annual graded increment of 10% upon the terms and conditions including remuneration, as agreed with liberty to the Board of Directors of the Company (“the Board”) to alter and vary the terms and conditions of the appointment in such manner as may be agreed to between the Board and Mr. Shantilal Surana and in accordance with the applicable provisions of the Act and any amendment thereto or re-enactment thereof;

RESOLVED FURTHER THAT subject to the approval of Central Government, if necessary, in the event of any absence or inadequacy of net profit in any financial year, the aforesaid remuneration shall be paid as minimum remuneration;

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution.”

RESOLVED FURTHER THAT the other benefits as agreed by the shareholders in their meeting held on 2nd June 2008 will be continued.

7. Revision in the terms & conditions of remuneration payable to Sh. Vijayraj Surana – Managing Director of the Company.

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

“RESOLVED that in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), the Company hereby approves increase in the remuneration of Sh.Vijayraj Surana - Managing Director of the Company by 25% inclusive of 10% annual increase which was already approved by the company in their meeting held on 2nd June 2008. The increased remuneration will be payable with effect from 1st January 2010 till 31st March 2011 and thereafter with an annual graded increment of 10% upon the terms and conditions including remuneration, as agreed with liberty to the Board of Directors of the Company (“the Board”) to alter and vary the terms and conditions of the appointment in such manner as may be agreed to between the Board and Mr. Vijayraj Surana and in accordance with the applicable provisions of the Act and any amendment thereto or re-enactment thereof;

RESOLVED FURTHER THAT subject to the approval of Central Government, if necessary, in the event of any absence or inadequacy of net profit in any financial year, the aforesaid remuneration shall be paid as minimum remuneration;

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution.”

RESOLVED FURTHER THAT the other benefits as agreed by the shareholders in their meeting held on 2nd June 2008 will be continued.

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

Place: Chennai
Date: 10.05.2010

SHANTILAL SURANA
CHAIRMAN

NOTES:

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER
2. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT 29, WHITES ROAD, SECOND FLOOR, ROYPETTAH, CEHNNAI – 600 014 NOT LESS THAN 48 HOURS BEFORE HOLDING THE MEETING
3. Members are requested to contact the Registrar and Transfer Agent for all matters relating to Company's shares at:

Cameo Corporate Services Limited,
No. 1, Club House Road, 5th Floor,
Subramanian Building,
Chennai – 600 002
Phone : 044-2846 0390/1832
Fax : 044-2846 0129
4. Pursuant to Section 173(2) of the Companies Act 1956 the relative Explanatory Statement in respect of the above resolutions are enclosed.
5. All Documents referred to in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except holidays between 11.00 AM and 1.00 PM up to the date of Annual General Meeting.
6. The Register of Members of the company will remain closed from 9th June 2010 to 12th Jun 2010. (both days inclusive)
7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company any change in address/ stay abroad or demise of any Shareholder as soon as possible. Members are also advised not to leave their demat accounts dormant for a long period. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. Details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment or re-appointment at the Annual General Meeting are annexed hereto. The Directors seeking appointment or re-appointment have furnished the declaration under the Companies (Disqualification of Directors under section 274 (1) (g) of the Companies Act, 1956) Rules 2003

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

SHANTILAL SURANA
CHAIRMAN

Place : Chennai
Date : 10.05.2010

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO.5:

Appointment of Director – Sh. K L Tilakchand

The Board of Directors of the Company in their Meeting held on 09.02.2010 appointed Sh. K L Tilakchand, as an Additional Director of the Company pursuant to Articles of the Association of the Company. In terms of Section 260 of the Companies Act, 1956, read with Articles of Association of the Company, Sh. K L Tilakchand, will hold office of Additional Director up to the ensuing Annual General Meeting. The Company has received a notice from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Sh. K L Tilakchand, as a Director of the Company. Accordingly, approval is solicited for his appointment as a director liable to retire by rotation.

None of the Directors except Sh. K L Tilakchand the appointee is concerned or interested in this resolution.

ITEM NO.6:

Revision in terms and conditions of remuneration payable to Sh. Shantilal Surana– Chairman of the Company

The Company in its meeting held on 2nd June 2008 already approved 10% increase in the remuneration payable to Sh. Shantilal Surana - Chairman of the company each year. However the Remuneration Committee felt that an increase of 25% (inclusive of 10% already approved by the shareholders) for the current year will be required, considering his involvement in the business and responsibilities handled to run your company most effectively.

Sh. Shantilal Surana having been associated with the company since inception has wide and excellent experience in the business of the Company.

Sh. Shantilal Surana is interested in this Resolution. Sh. Vijayraj Surana is the brother of Sh. Shantilal Surana and part of the Promoter Group and to that extent can be said to be interested in this resolution.

ITEM NO.7:

Revision in terms and conditions of remuneration payable to Sh. Vijayraj Surana – Managing Director of the Company

The company in its meeting held on 2nd June 2008 already approved 10% increase in the remuneration payable to Sh. Vijayraj Surana - Managing Director of the company each year. However the Remuneration Committee felt that an increase of 25% (inclusive of 10% already approved by the shareholders) for the current year will be required, considering his involvement in the business and responsibilities handled to run your company most effectively.

Sh. Vijayraj Surana having been associated with the company since inception has wide and excellent experience in the business of the Company.

Sh. Vijayraj Surana is interested in this Resolution. Sh. Shantilal Surana is the brother of Sh. Vijayraj Surana and part of the Promoter Group and to that extent can be said to be interested in this resolution.

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Nineteenth Annual Report on the Business Operations of your Company along with Audited Balance Sheet as on 31st March, 2010 and Profit and Loss Account for the year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs in Lacs)

PARTICULARS	31.03.2010	31.03.2009
Profit Before Tax	4,930.47	2,543.61
Less: Provision for Tax		
Current Tax	883.82	291.97
Deferred Tax Liability	Nil	1.63
Profit after Tax *	4,046.65	2,250.01
Add: Balance in P & L account		
Brought Forward from Previous Year	4,934.58	3,216.44
MAT credit entitlement account	(814.03)	Nil
Proposed Dividend	327.88	262.30
Dividend Tax	55.72	44.57
Transfer to General Reserve	404.67	225.00
Deferred Tax Asset	Nil	Nil
Balance Carried to Balance Sheet	9,006.99	4,934.58

* Profit after tax does not include the MAT Credit availed during FY 2009-10. MAT Credit availed during FY 2009-10 was Rs. 578.56 Lacs.

OPERATIONS - BUSINESS PERFORMANCE

I am happy to inform that your company's total turnover during the year ended 31st March, 2010 increased to Rs. 4,062.00/- crores from Rs 2,285.34/- crores for the previous year, recording an increase of 78%.

The Export performance of your company improved considerably. The domestic sales of gold jewellery increased substantially from Rs 1,846/- Crores in the year 2008-09 to Rs 3,306/- Crores during the current year. As a result of this the company was able to earn its highest Profit after Tax ever amounting to Rs 40.47 Crores in the current year which was Rs 22.50 Crores for the Previous Year.

This all round improvement in performance and profits came from better management of the resources of your company, stabilized overheads cost and in depth understanding of market dynamics. During the year, Gold Prices witnessed a steady uptrend.

ACHIEVEMENTS

During the year, your company has posted the following achievements;

- Commenced SEZ operations at MEPZ, Chennai.
- ICRA rating of LBBB (pronounced as L triple B) means moderate credit quality and these instruments carry higher than average credit risk.
- ICRA has also assigned A2 (pronounced as A two) for the companies non fund credit facilities enjoyed and it means these instruments qualify average credit quality risk.

FUTURE OUTLOOK

Gem and Jewellery Exports are one of the most important sectors of foreign exchange generation for the country. Your Company has taken a number of measures to improve its export sales including establishment of a unit in SEZ MEPZ - Chennai. Two new markets have been added for exports. This has resulted in increased sales turnover for the Company.

Your Company is poised for further growth. Your Directors are confident that in the next financial year 2010- 2011 the exports will increase further paving the way to obtain the status of "Nominated Agency". Once recognized as a nominated agency, your company will be permitted to import bullion directly and supply to all other traders, jewellers, and exporters like MMTC, STC etc., This will boost the bottom line of the company. Your Company is targeting export sales of around Rs. 1,000/- Crores during 2010-2011 as compared to export sales of Rs.755/- Crores during 2009-2010.

WIND ENERGY DIVISION

Your Directors are pleased to state that the Company had embarked on a diversified portfolio of wind energy by starting a WIND MILL DIVISION during the year 2006-2007. During the year ended 31st March, 2010 the Wind Mill Division of your Company generated an income of Rs. 3.44/- crores as against 3.056/- crores during the previous year. The entire power generated is sold to TNEB.

DIVIDEND

Your Directors are pleased to recommend payment of a dividend of 15% on the Paid up Equity Share Capital of the Company as on 31st March, 2010 for the financial year 2009 - 10 as compared to 12% dividend paid for the previous year. The dividend so recommended by your Directors, if approved by you will be Rs 1.50/- per share.

DEMATERIALISATION OF SHARES

Your Company had already entered into a tripartite agreement with National Securities Depository Limited (NSDL) Mumbai and Central Depository Services (India) Mumbai along with M/s Cameo Corporate Services Limited, Chennai for providing electronic connection for dematerialization of shares facilitating the investors to hold their shares in electronic form and trade in those shares. Your Company has appointed M/s Cameo Corporate Services Limited as the Registrar and Transfer Agents both for physical and electronic transfer of shares from 1st April, 2003.

AUDIT COMMITTEE

Consequent upon the introduction of Section 292 A of the Companies Act 1956 by the Companies (Amendment) Act 2000 your Company has already constituted an Audit Committee of the Board consisting of three Non Executive Directors, as follows;

Sh. V. M. Swami
Sh. S. Guruswamy &
Sh. K. L. Tilakchand

Sh. V. M. Swami has been appointed as Chairman of the Audit Committee. The Audit Committee reviews the audit findings regularly and it also oversees the adequacy and efficacy of the Internal Control Systems.

DIRECTORS RESPONSIBILITY STATEMENT

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

That in preparation of the Annual Accounts of the Company for the year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanations that no material departures have been made from the same.

That the Directors have taken such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year as on 31st March, 2010 and of the Profit and Loss Account for the year ended 31st March, 2010.

That the Directors of the Company have taken proper and sufficient care for the maintenance of the accounting records in accordance with the provisions of the Companies Act, 1956 for the safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities if any.

That the Directors of the Company have prepared the Annual Accounts for the financial year ended 31st March, 2010 on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

Export of gems and jewellery from the country has recorded a 16% growth in the year 2009-10, taking the performance of this sector to \$ 28 billion from \$ 24 billion during 2008-09. This overall performance of the gems and jewellery sector has been contributed by the sub-sectors, viz., Cut and Polished Diamonds, Gold Jewellery, Coloured Gem Stones and Synthetic Jewellery & Stones. Export of gold jewellery in 2009-10 was \$ 9.42 billion, representing an increase of 9.28% over the previous year performance of \$ 8.62 billion.

Your company exports gold jewellery, including gold medallions. This industry which went through a severe recession during 2008-09 owing to the financial sector meltdown in the US has made a fast recovery in 2009-10. USA continues to be the largest importer of Indian jewellery, followed by Dubai, Hong Kong, Singapore & Europe. However, more than 90% of plain gold jewellery is exported to UAE, particularly Dubai. Your company has added Dubai as export destination during 2009-10. With the industry getting into the growth trajectory, your company is set to scale new heights of performance in the years to come.

The domestic market for jewellery is growing steadily. The volume of gold jewellery trade in the country is said to be Rs.100,000 crores. With steadily increasing disposable income with the middle class segment, domestic consumption is recording growth year after year. There is better awareness among the public of quality and finish. Apart from jewellery, the demand for gold medallions is growing at a fast pace. Another significant feature of the domestic market is the perception of gold as a store of value. With prices increasing, people with investible incomes opt to buy gold. This explains the improved performance of exchange traded gold funds. Your company is alive to these emerging trends in the domestic market and will take steps to encash such opportunities for future growth.

Your company's investment in the wind energy sector is helping improve profitability and sale of certified carbon credits will add to the profits.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Directors are pleased to inform you that your Company has an adequate and sufficient internal control procedures as well as Internal Audit Systems commensurate with the size and nature of the Company's day to day operations. The Internal policies and controls do ensure efficient use of Company's productive assets. These internal guidelines also help protection of the assets of the Company. They also ensure that the activities of the Company are in accordance with the stated policies, guidelines and other statutes and regulations in force.

Independent audit function and compliance of the various stipulations of the Statutory Authorities is strictly adhered to by the Company and this aspect is monitored by the Audit Committee. The Internal Control Mechanism also provides for well documented policies and approved procedures for guiding the company's operations.

As part of the efforts to evaluate the effectiveness of the Internal Control Systems, your Company's internal audit system reviews all the control measures periodically and recommends improvements wherever appropriate.

All the systems are being reviewed regularly by the Audit Committee.

HUMAN RESOURCES

Your Company attaches utmost importance to the continual development of Human Resources. Human Resources are the backbone for the welfare and growth of the Company. High priority is being given for imparting good training to the personnel and updating their knowledge and skills. Personnel are being sent for intensive training programmes outside. These developmental programmes for the Executives, Officers and Staff Members would bring improved efficiency in future.

The revenues of the company per employee has increased to Rs 26.35/- Crores during 2009-10 from Rs 14.54/- crores during the previous year.

CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) had constituted a Committee on the Corporate Governance to promote and raise the standard of Corporate Governance in respect of all the Listed Companies. Your Company has been complying with all the guidelines issued by the SEBI in respect of Corporate Governance. A Certificate from the Statutory Auditors of the Company regarding compliance of the conditions of the Corporate Governance is also attached to this Report.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Your Directors are pleased to state that your Company has taken adequate steps in the matter of Conservation of Energy and Technology Absorption during the year under Review. The information in accordance with the Provisions of Section 217 (1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are given below:

CONSERVATION OF ENERGY

Particulars	2009-2010	2008-2009
Electricity Purchased (Units)	161,285	151,661
Total amount (Rs.)	804,596	763,057
Rate per unit (Rs.)	4.99	5.03

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under Review your Company earned Foreign Exchange to the extent of Rs. 755.29/- crores on account of export of Gold Jewellery. Your Company has also incurred expenditure in foreign exchange to the tune of Rs 718.24/- crores for import of Gold for manufacture of Jewellery.

PARTICULARS OF EMPLOYEES

During the year ended 31st March, 2010 none of the employees of the Company was in receipt of remuneration in excess of the limit prescribed in (Sub Section 2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 as amended.

DIRECTORS

Sh. V. M. Swami retires by rotation and being eligible for reappointment seeks re-election.

AUDITORS

Messrs C.S.P. Jain & Co., Chartered Accountants, Chennai, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENTS

The Board of Directors of your Company wishes to place on record their deep sense of appreciation for the excellent support received from the esteemed Shareholders of the Company for its various activities. Their valuable suggestions given to us from time to time have indeed helped the Company to plan its growth and improve its Profitability.

The Board of Directors also would like to thank all the valuable Customers, domestic as well as international for their abiding support to the company. Similarly the company is thankful to MMTC for their services in making available imported gold to meet the company's requirements from time to time. As a result of this support, the Company could show better results. We value our customers' suggestions for further improvement in the quality of our Products and services.

The Board would also like to express its sincere thanks to all the esteemed Bankers (Present and Past members of the consortium) of the Company for their valuable support to the Company.

Further the Board would also like to place on record their deep sense of appreciation to the excellent work put forward by all the Executives, Officers, Staff Members, all the Artisans and other Workers in the factory and other establishments **BUT** for their dedicated and loyal work these results would not have been possible.

For & On Behalf of the Board of Directors
SURANA CORPORATION LIMITED

SHANTILAL SURANA
CHAIRMAN

Place : Chennai
Date : 10.05.2010

ANNEXURE TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on code of corporate governance:

Surana Corporation Limited is committed to good corporate governance. The Company believes that a good corporate governance process aims to achieve a balance between the shareholders' interest and corporate goals of the company. It helps to attain the highest levels of transparency, accountability and integrity, thereby enhancing the value of the shareholders and their company. The company believes that strong and effective corporate governance is indispensable to healthy business growth and resilient as well as vibrant capital markets, besides being an important instrument for protecting the interest of the investors.

2. Board of Directors:

a) Composition of the Board:

The Board of Directors, as on 31.3.2010, consists of SIX Directors. Out of this, FOUR Directors are Non-Executive Directors of the Company. The Chairman is an Executive Chairman and the Managing Director is in whole time employment of the Company.

b) Category of Directors:

The company has an Executive Chairman and the number of Independent Directors is more than 50% of the total number of directors. The number of non -executive director is more than 50% of the total number of directors.

c) Board procedure:

The Board/Committee meetings are conducted as per well-defined procedures and systems. The information placed before the board includes annual operating plans, capital budgets and any updates on the same, quarterly results of the company, notings of the proceedings of the meetings of audit committee, other Committees of the Board and other items as mentioned under Clause 49 of the Listing Agreement.

d) Attendance of each Director at the meeting of Board of Directors and at the last Annual General meeting:

During the year 2009-10, the Board met 10 times on 03.06.2009, 27.07.2009, 09.10.2009, 28.10.2009, 05.11.2009, 07.01.2010, 28.01.2010, 09.02.2010, 01.03.2010 and 31.03.2010.

The Annual General Meeting was held on 29th June 2009.

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 during the year 2009-10 are furnished in the table given below:

Name	Category	Attendance Particulars		No. of Directorships & Committee Memberships Chairmanships.		
		Board Meeting	Last AGM	Other directorships /Chairmanship**	Committee memberships**	Committee chairmanships***.
Sh. Shantilal Surana	Promoter Executive Chairman	09	YES	NIL	NIL	NIL
Sh. Vijayraj Surana	Promoter Executive Managing Director	10	YES	NIL	NIL	NIL
Sh. V. Pattabhiram	Independent Non-Executive	NIL	NO	NIL	02	NIL
Sh. F H Rahiman	Independent Non-Executive	01	YES	NIL	02	NIL
Sh. V M Swami	Independent Non-Executive	08	YES	02	NIL	02
Sh. S Guruswamy	Independent Non-Executive	10	YES	NIL	02	NIL
Shri V Srinath	Independent Executive	07	YES	NIL	NIL	NIL
Shri K L Tilakchand	Independent Non-Executive	03	YES	NIL	NIL	01

**The directorship held by Directors as mentioned above does not include Alternate Directorship, Directorship in Sec 25 Companies and Private limited Companies.

***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.

Details of Directors seeking appointment/re-appointment in the Nineteenth Annual General meeting (in pursuance of Clause 49 of the Listing Agreement)

A. Name : Sh. V. M. Swami
 Age : 69 yrs
 Qualification : M Com., LLB., CAIIB
 Employment
 History : General Manager - Allahabad Bank (Retd.)
 Present
 Position : Director.
 Experience : Wide and varied experience.

B. Name : Sh. K. L. Tilakchand
 Age : 62 yrs
 Qualification : B A, B Com. LLB.
 Employment
 History : Chief Commissioner of Income Tax (Retd.)
 Present
 Position : Director
 Experience : Wide and varied experience.

3. Audit Committee:

The Company has an Audit Committee with the scope of activities as set out in the amended clause 49 of the Listing Agreement with the stock exchanges read with Sec292A of the Companies Act, 1956. The broad terms of reference of the Audit Committee are as under:

- a. Overseeing of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b. Recommending the appointment of / removal of external auditors, fixation of audit fees and approval of payment for any other services.
- c. Reviewing with the management the annual, half yearly and quarterly financial statements before submission to the Board.
- d. 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.
 - 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, with particular reference to whether they are extravagant or lavish and whether any diversion of funds, not directly relating to the affairs of the Company, has taken place and
- e. To do such other acts, deeds or things, as may be necessary from time to time, to fulfill the objectives aforementioned.

The Audit Committee consists of the following Non-Executive Directors.

Sh. V. M. Swami	- Chairman
Sh. S. Guruswamy	- Member
Sh. K. L. Tilakchand	- Member

The Audit Committee met 4 times during the year under review i.e. on 27.07.2009, 28.10.2009, 28.01.2010 and 10.05.2010. All the members of the committee attended the meeting.

4. Share Transfer and Investor Grievances Committee:

The company has a Share Transfer Committee and Investor Grievance Committee to specifically look into matters relating to share transfers and redressal of shareholders' and investors' complaints.

The Share Transfer committee and The Shareholders Grievance Redressal Committee comprises of three directors viz. Sh. K L Tilakchand, being a Non-Executive Chairman, Sh. V M Swami and Sh. S Guruswamy as its members.

During the year ended 31st March, 2010 the Share Transfer Committee met 11 times and approved Share Transfers (both Physical and Demat) splitting /transmission of shares, Issue of duplicate share certificates and other routine matters.

All the complaints received during the year have been resolved.

All requests for dematerialization of shares were carried out within the stipulated time period and no share certificates were pending as on 31st March 2010.

5. Remuneration Committee:

The company has a committee of Directors (Remuneration), to consider and fix from time to time the remuneration payable to the Chairman/ Managing Director. The Committee comprises of three Directors, all of whom are Non-executive Directors and independent, viz. Sh. S Guruswamy as Chairman of the committee, Sh. K L Tilakchand and Sh. V M Swami as its members.

No meetings were held during the year, as there was no revision in the remuneration policy of the company.

Remuneration of Executive Directors:

Name	Salary (Rs. in lakhs)	Perquisites and Allowances
Sh. Shantilal Surana Chairman	24.00	Company's contribution to PF, Gratuity, Medical, leave encashment, LTC, telephone charges, Car with driver.
Sh. Vijayraj Surana Managing Director	24.00	

Non-Executive Directors:

The company pays sitting fees of Rs.1,000/- for each Board Meeting attended by its Non Executive Directors.

6. General Body Meetings:

a. Location and time where annual general meetings were held during the last three years:

Year	Location	Date	Time
2006-2007	Days Inn, Deccan Plaza 36,Royapettah High Road, Royapettah, Chennai - 600 014	11.08.2007	9.30 A.M.
2007-2008	Hotel GRT Grand, No.120, Sir Thiyagaraya Road, T.Nagar, Chennai 600 017	02.06.2008	11.30 A.M.
2008-2009	Hotel GRT Grand, No.120, Sir Thiyagaraya Road, T.Nagar, Chennai 600 017	29.06.2009	11.30 A.M.

b. Location and time where Extra Ordinary general meetings were held during the last three years:

Year	Location	Date	Time
2007-08	HOTEL SHAN ROYAL 85, Poonamallee High Road, Koyambedu, Chennai - 600 107.	10.01.2008	10.00 A.M.

c. Postal ballot:

- i) No 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, during the previous year.
- ii) No special resolution is proposed to be passed through postal ballot in the current year.

Special resolutions passed during the last three Annual General Meetings:

AGM held on	Particulars of special resolution passed
11.08.2007	No Special Resolution was passed.
02.06.2008	1. Issue of share capital on preferential basis to select group
	2. Appointment of Sh. Sandeep Surana - Vice President
29.06.2009	No Special Resolution was passed.

Special resolutions passed during the Extra Ordinary General Meetings:

EGM held on	Particulars of special resolution passed
10.01.2008	1. Issue of Equity Shares on Preferential basis
	2. Issue of Share Warrants on Preferential basis

7. Disclosures:

- a) 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 except for the amount mentioned in the Related Party Disclosure under clause IV (1) in Schedule "R" - Notes on Accounts.
- b) There has been no instance of non-compliance on any matter relating to the capital market or the Listing Agreements.

8. Means of Communication

- a. The Unaudited Quarterly Financial results of the company were published in the English newspapers viz. Trinity Mirror and in the Tamil version in a Tamil daily viz. Makkal kural. These are not sent individually to the shareholders. These were displayed on the website of the company addressed as www.suranacorp.com
- b. As required under clause 49 of the listing agreement, the management discussion and analysis report is annexed to the annual report.

9. General Shareholders' Information

9.1 Annual General meeting:

Day, Date and Time : Monday, the 14th June 2010
at 11.30 A.M.

Venue : Gulmohar Hall,
Hotel GRT Grand,
No. 120, Sir Thyagaraya Road,
T Nagar, Chennai - 600 017

9.2 Financial Calendar Year:

Financial reporting for the quarter ending	Date of Approval
30th June 2009	27.07.2009
30th September 2009	28.10.2009
31st December 2009	28.01.2010
31st March 2010 (Audited)	10.05.2010

9.3 Period of Book Closure:

The Register of Members will remain closed from 9th June 2010 to 12th June 2010 (both days inclusive)

9.4 Listing of shares:

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

Name of the stock exchange	Scrip ID
1) Bombay Stock Exchange Limited (BSE) P J Towers, Dalal Street, MUMBAI - 400 001	SURANACO
2.) Madras Stock Exchange Limited (MSE) Exchange Building # 11, Second Line Beach Chennai 600 001	SURANACO
3.) National Stock Exchange Limited (NSE) Exchange Plaza, Plot C 1 G Block Bandra-Kurla Complex Bandra (E) Mumbai - 400 051	SURANACORP

IS IN NO-DEMAT FORM: INE 357D01010

9.5 Listing fees:

Annual Listing fees for the year 2010-11 have been duly paid to all the above stock exchanges.

9.6 Stock market price data:

Month	Bombay Stock Exchange (Rs.)	
	High price	Low price
April 2009	28.55	21.45
May 2009	33.40	21.30
June 2009	39.80	29.05
July 2009	30.80	24.05
August 2009	32.00	26.85
September 2009	43.00	28.60
October 2009	43.80	33.70
November 2009	38.35	32.95
December 2009	40.00	34.30
January 2010	46.00	31.75
February 2010	61.95	45.60
March 2010	68.90	51.35

9.7 Share price performance in comparison to broad based indices-BSE Sensex :

Period	Percentage change in	
	Company's share price (%)	Sensex (%)
2006-2007	-06.80	+15.24
2007-2008	+39.96	+22.11
2008-2009	-44.73	-38.44
2009-2010	+211.19	+79.85

9.8 Share Transfer System:

With effect from 1st April 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 Investors Servicing.

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 March 31, 2010:

Shareholding (Range)	Number of holders	%	No. of shares	%
Up to 500	2,686	74.12	378,287	1.73
501-1000	273	7.53	226,266	1.04
1001-2000	348	9.60	490,169	2.24
2001-3000	105	2.90	269,482	1.23
3001-4000	32	0.88	117,519	0.54
4001-5000	38	1.05	182,304	0.83
5001-10000	52	1.43	392,089	1.79
10001& above	90	2.48	19,802,618	90.59
Total	3,624	100.00	21,858,734	100.00

9.10 Shareholding pattern as on 31st March, 2010.

Category	No. of Shareholders	No. of shares held	% to total
Promoters, Directors and their relatives	0028	11,116,980	50.86
Foreign Institutional investor	0001	726,634	03.32
Insurance companies	NIL	NIL	NIL
Bodies Corporate	0139	5,933,686	27.14
Individuals, HUF & Trust	3442	4,080,004	18.67
Clearing member	0014	1,430	0.01
Total	3,624	21,858,734	100.00

9.11 Dematerialization of Shares as on 31st March, 2010:

The Company entered into agreements with National Securities Depository Limited (NSDL) 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	3,815,931	17.46
Demat form - NSDL	12,872,217	58.89
Demat form - CDSL	5,170,586	23.65

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 form and dematerialized form held with NSDL and CDSL.

9.13 Operational Locations:

SHOWROOM:	FACTORY:	SEZ:
Old No 70, No.143, N.S.C.Bose Road, Sowcarpet, Chennai-600 001.	No.121, 123, 125, Vaidyanathan Street, Tondiarpet, Chennai-600 081.	Plot No A-4, Phase II, MEPZ-SEZ, N H 45, Tambaram, Chennai - 600 045.

9.14. Address for Correspondence:

Registered cum Corporate office:

M/s. SURANA CORPORATION LIMITED

No.29, Whites Road, 2nd Floor,
Royapettah, Chennai-600014
Tel : 044-28525127(3 lines)
Fax : 044-28521143
e-mail: sclimited@suranacorp.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 half yearly results to the household of each shareholder but the same was published in the newspapers.

10.3 Whistle blower policy:

The Company recognizes the value of transparency and accountability as its administrative and management practices. Therefore Whistle Blower policy was implemented and no personnel was denied access to the Audit committee.

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.)
2004-2005	04.07.2005	02.08.2005	01.08.2012	30.08.2012	268,128.34
2005-2006	28.6.2006	04.08.2006	03.08.2013	03.09.2013	566,540.40
2006-2007	11.08.2007	17.09.2007	16.09.2014	16.10.2014	424,764.00
2007-2008	02.06.2008	08.07.2008	07.07.2015	07.08.2015	442,788.20
2008-2009	29.06.2009	05.08.2009	04.08.2016	04.09.2016	418,989.60

Declaration on compliance of Company code of conduct

To the Members of Surana Corporation Limited

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 31,2010.

**SHANTILAL SURANA
CHAIRMAN**

Place: Chennai

Date: 10.05.2010

CEO/CFO CERTIFICATE

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

We hereby certify that

- a) We have reviewed the profit and loss statement, cash flow statement of Surana Corporation Limited ('The Company') for the year ended March 31, 2010 and the Balance sheet of the Company as at March 31, 2010 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. a) 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.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate the company's code of conduct.
- c) 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.
- d) 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

SHANTILAL SURANA
CHAIRMAN

Dated: 10.05.2010

Signed

VIJAYRAJ SURANA
MANAGING DIRECTOR

Dated: 10.05.2010

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Surana Corporation Limited.

We have examined the compliance of conditions of Corporate Governance by Surana Corporation Limited (the Company) for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement (amended) of the Company with the stock exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the guidance note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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

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

For **C.S.P. Jain & Co**
Chartered Accountants

C.S.PRITHVIRAJ JAIN
Proprietor
Membership No.11529

Place : Chennai
Date : 10.05.2010.

AUDITORS' REPORT

To
The Members of
M/s SURANA CORPORATION LTD
Chennai - 14

We have audited the attached Balance Sheet of **M/S SURANA CORPORATION LIMITED** ('the company'), Chennai as at 31st March 2010, the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 ('the order'), as amended by the companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub section (4A) of section 227 of 'The Companies Act, 1956' ('the Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred in above paragraphs, we report that:-

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d) In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
- e) On the basis of written representations received from the Directors, as at 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act and ;
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010.
 - (ii) In the case of the Profit and Loss Account, of the profit of the company for the year ended on that date; and
 - (iii) In the case of the Cash flow Statement, of the Cash flows of the Company for the year ended on that date.

For C.S.P. Jain & Co
Chartered Accountants

C.S.PRITHVIRAJ JAIN
Proprietor
Membership No.11529

Place : Chennai
Date : 10.05.2010.

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of Surana Corporation Limited, Chennai – 14 for the year ended 31 March 2010, we report that:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification. During the year fixed assets of Rs. 19,945,872 (Cost) were scrapped resulting in loss on sale of assets of Rs. 13,157,026/-.
2. a. According to the information & explanations given to us the company has conducted physical verification of inventory at reasonable intervals.
- b. The procedures of physical verification of inventory are followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. According to the information & explanations given to us the company has not taken/granted any interest free unsecured loans from companies covered in the register maintained under Section 301 of the Act. Hence the provisions of para 4 (iii) of the companies (Auditors Report) order 2003 is not applicable.
4. According to information and explanations given to us and in our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
5. a. In our opinion and according to the explanations and information given to us, the company is maintaining the register in pursuance of Section 301 of the Act for the transactions that need to be entered.
- b. Each of these transactions has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted deposits from the public.
7. In our opinion and according to explanations and information given to us, the company has an internal audit system commensurate with its size and nature of its business.
8. In our opinion, the Company is not required to maintain the cost accounts and records prescribed by the Central Government under clause (d) of sub section (1) of section 209 of the Companies Act 1956,
9. a. The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor education and protection fund, ESI, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, and Cess and any other statutory dues with the appropriate authorities.

- b. The company has disputed the dues of Customs duty amounting to Rs 13,539,725/- and the case is pending before CESTAT.

Name of the Statute	Nature of dues	Amount	Period to relates which the amount	Forum where the dispute is pending
Customs & Central Excise Act	Customs duty	13,539,725/-	2005-06	CESTAT - Goa

10. The company has neither accumulated losses at the end of the financial year nor incurred any cash losses during the year and immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to a financial institution or bank.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The nature of the activities of the company does not attract any special statute applicable to the Chit Fund and Nidhi / Mutual benefit fund / Societies.
14. The company has maintained proper records of the transaction and contracts of the investments dealt in by the company and timely entries have been made therein. The investments made by the company are held in its own name except to the extent of the exemption u/s.49 of the Act.
15. The Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
16. The term loans raised by the company were applied for the purpose for which they were raised.
17. According to the explanation and information provided, the company has not utilized the short-term funds for long term investment and vice versa.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301
19. The company has not issued any debentures during the year.
20. The company has not raised any money through a public issue during the year.
21. According to information and explanations given to us, no frauds on or by the company has been noticed or reported during the year.

For **C.S.P. Jain & Co**
Chartered Accountants

C.S.PRITHVIRAJ JAIN
Proprietor
Membership No.11529

Place : Chennai
Date : 10.05.2010.

BALANCE SHEET AS ON 31st MARCH 2010

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		As on 31-Mar-10 Audited	As on 31-Mar-09 Audited
I. SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS :			
a). Share Capital	(A)	218,587,340	218,587,340
b). Reserves & Surplus	(B)	1,595,719,937	1,148,012,588
LOAN FUNDS :			
a). Secured Loan	(C)	1,353,318,425	1,594,725,863
b). Unsecured Loan	(D)	522,329,636	522,329,636
3. DEFERRED TAX LIABILITY		149,661,655	149,661,655
TOTAL		<u>3,839,616,993</u>	<u>3,633,317,082</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS :			
a). Gross Block	(E)	651,650,595	664,315,908
b). Less: Accumulated Depreciation		163,191,792	136,149,946
c). Net Block		<u>488,458,803</u>	<u>528,165,962</u>
d). Capital Work in Progress		----	789,166
		<u>488,458,803</u>	<u>528,955,128</u>
2. INVESTMENTS	(F)	300,000	1,194,432
3. CURRENT ASSETS, LOANS AND ADVANCES :	(G)		
a). Inventories		3,044,549,161	2,136,101,715
b). Sundry Debtors		3,744,045,073	2,996,158,698
c). Cash and Bank Balances		282,581,023	203,683,546
d). Loans and Advances		82,988,226	77,624,261
		<u>7,154,163,483</u>	<u>5,413,568,220</u>
LESS : CURRENT LIABILITIES AND PROVISIONS :	(H)		
a). Liabilities		3,737,433,659	2,256,278,560
b). Provisions		65,871,634	54,628,666
		<u>3,803,305,293</u>	<u>2,310,907,226</u>
NET CURRENT ASSETS		<u>3,350,858,190</u>	<u>3,102,660,994</u>
4. MISCELLANEOUS EXPENDITURE :	(I)		
Miscellaneous expns. (to the extent not written off)		----	506,528
TOTAL		<u>3,839,616,993</u>	<u>3,633,317,082</u>
Notes forming integral part of Accounts As per our report of even date attached.	(R)		

For and on behalf of the Board

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

C.S.PRITHVIRAJ JAIN
Proprietor
Membership No.11529

SHANTILAL SURANA
Chairman

VIJAYRAJ SURANA
Managing Director

Place: Chennai
Date : 10.05.2010

S.V.RAJESH
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		Year ended 31-Mar-10	Year ended 31-Mar-09
I. INCOME		AUDITED	AUDITED
a). Sales	(J)	40,585,642,414	22,822,863,486
b). Wind Power Generation	(K)	34,403,775	30,561,096
c). Other Income	(L)	912,010	4,506,113
d). Accretion/Decretion in Inventories	(Q)	908,447,446	440,312,858
TOTAL		41,529,405,645	23,298,243,553
II. EXPENDITURE			
a). Material and Manufacturing Expenses	(M)	40,308,163,697	22,509,884,309
b). Employees and Administrative Expenses	(N)	67,210,139	46,939,731
c). Financial Expenses	(O)	625,409,465	455,594,922
d). Depreciation	(E)	35,068,674	30,928,956
e). Miscellaneous Expns. to the extent Written off	(P)	506,528	533,763
TOTAL		41,036,358,503	23,043,881,681
II. Profit Before Tax		493,047,142	254,361,872
Provision for Taxation			
a) Current Tax before availing MAT		88,381,838	28,897,563
b) MAT Credit availed during the year		(57,855,731)	---
c) Deferred Tax		---	163,392
d) Fringe Benefits Tax		---	299,915
IV. Profit After Tax *		404,665,304	225,001,002
Profit brought forward from last year		493,458,391	321,644,529
V. Profit available for Appropriation		898,123,695	546,645,531
VI. Balance Brought Forward From Last Year		493,458,391	321,644,529
Current Year Profit		404,665,304	225,001,002
MAT Credit Entitlement Account		(81,402,485)	-----
Proposed Dividend		32,788,101	26,230,481
Dividend Distribution Tax		5,572,338	4,456,559
General Reserve Transfer		40,466,530	22,500,100
Balance Carried To Balance Sheet		900,699,211	493,458,391
TOTAL		898,123,695	546,645,531
Earnings per share		18.51	10.29
Notes forming integral part of Accounts	(R)		
* Without considering MAT Credit availed			

As per our report of even date attached.

For and on behalf of the Board

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

C.S.PRITHVIRAJ JAIN
Proprietor
Membership No.11529

SHANTILAL SURANA
Chairman

VIJAYRAJ SURANA
Managing Director

Place: Chennai
Date : 10.05.2010

S.V.RAJESH
Company Secretary

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH , 2010

PARTICULARS	(Amount in Rs.)	
	Year ended 31-Mar-10	Year ended 31-Mar-09
SCHEDULE A - SHARE CAPITAL		
SHARE CAPITAL		
AUTHORISED CAPITAL		
5,50,00,000 Equity Shares of Rs.10 each	550,000,000	550,000,000
ISSUED SUBSCRIBED AND PAID UP		
21,858,734 Equity shares of Rs.10 each	218,587,340	218,587,340
	218,587,340	218,587,340
SCHEDULE B - RESERVES AND SURPLUS		
a). Share Premium	514,995,980	514,995,980
b). Amalgamation reserve	69,385,905	69,385,905
c). General Reserve		
As per last year balance sheet	70,172,312	47,672,212
Add : Transfer during the year	40,466,530	22,500,100
Total	110,638,842	70,172,312
d) Profit and Loss Account	900,699,210	493,458,391
	1,595,719,937	1,148,012,588
SCHEDULE C - SECURED LOAN		
Cash Credit from Banks	1,201,470,214	1,411,867,420
Term Loan from a bank for Wind Mills (Fully secured by the first charge on the Wind Mill Asset)	151,848,211	182,858,443
	1,353,318,425	1,594,725,863
SCHEDULE D - UNSECURED LOAN		
Inter - Corporate Deposits	522,329,636	522,329,636
	522,329,636	522,329,636

SCHEDULE - E : FIXED ASSETS**(Amount in Rs.)**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2009	Additions during the year	Deletions during the year	As on 31.03.2010	As on 01.04.2009	Additions during the year	Deletions during the year	As on 31.03.2010	As on 31.03.2010	As on 31.03.2009
LEASEHOLD LAND *	13,329,716	127,125	2,691,367	10,765,474	-	-	-	-	10,765,474	13,329,716
FREEHOLD LAND	293,610		-	293,610	-	-	-	-	293,610	293,610
BUILDINGS	15,980,000	4,639,847	-	20,619,847	65,120	304,592	-	369,712	20,250,135	15,914,880
PLANT & MACHINERY	302,737,809	2,916,211	19,925,922	285,728,098	89,868,556	15,302,454	6,713,889	98,457,122	187,270,976	212,869,253
WIND MILLS	306,246,301	-	-	306,246,301	33,699,158	16,169,805	0	49,868,962	256,377,338	272,547,143
COMPUTERS	13,883,669	2,324,002	186,125	16,021,546	5,916,571	2,500,084	105,213	8,311,442	7,710,104	7,967,098
OFFICE EQUIPMENTS	4,361,200	911,586	626,172	4,646,614	1,557,759	215,231	436,508	1,336,482	3,310,133	2,803,441
FURNITURE & FITTINGS	3,022,926	258,628	129,000	3,152,554	2,200,912	193,073	26,825	2,367,160	785,394	822,014
VEHICLES	4,460,676	872,514	1,156,640	4,176,550	2,841,869	383,434	744,391	2,480,912	1,695,639	1,618,807
TOTAL	664,315,908	12,049,913	24,715,226	651,650,595	136,149,946	35,068,674	8,026,827	163,191,792	488,458,803	528,165,962

* Leasehold land written off on 1/5th basis shown under deletions and P & L A/c.

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH , 2010

PARTICULARS	(Amount in Rs.)	
	Year ended 31-Mar-10	Year ended 31-Mar-09
SCHEDULE F - INVESTMENTS		
Allahabad Bank - (M.V 10,701 shares @ 38.85 Rs.415,734)	---	877,482
Indian Overseas Bank (M.V 1,000 Shares @ 45.50 Rs.45,500)	---	16,950
PNB - GILTSLTD - (M.V 10,000 Shares @ 23.95 Rs.2,39,500)	300,000	300,000
	300,000	1,194,432
SCHEDULE G - CURRENT ASSETS LOANS & ADVANCES		
i) INVENTORIES		
a). Raw Materials	1,065,592,206	745,146,927
b). Finished Goods	974,255,732	666,461,743
c) Work in progress	1,003,945,438	696,858,188
d). Stores and Spares	755,785	27,634,857
	3,044,549,161	2,136,101,715
ii) SUNDRY DEBTORS		
(Unsecured Considered Good)		
a). Debts Outstanding for a period exceeding six months	300,223	627,250,799
b). Other Debts	3,743,744,850	2,368,907,899
	3,744,045,073	2,996,158,698
iii) CASH & BANK BALANCES		
a). Cash on Hand	21,359	6,564,381
b). Cash at Bank		
i) in Current Account	575,579	917,787
ii) in Margin Money Account	281,984,085	196,201,378
	282,581,023	203,683,546
iv) LOANS AND ADVANCES		
(Unsecured and considered good)		
a). Receivables	81,986,544	76,113,571
b). Deposits with Govt. & Semi Govt. Departments	1,001,682	1,510,690
	82,988,226	77,624,261
SCHEDULE H - CURRENT LIABILITIES & PROVISIONS		
a). CURRENT LIABILITIES		
i) Creditors for Purchases		
- Due to Small Scale Industries	---	---
- Due to others	3,733,617,429	2,246,357,235
ii) Creditors for Expenses	3,706,230	9,196,066
iii) Creditors - Others	110,000	725,259
	3,737,433,659	2,256,278,560
b). PROVISIONS		
i). Provision for current tax	27,511,195	23,941,626
ii). Provision for dividend tax	5,572,338	4,456,558
iii). Proposed dividend	32,788,101	26,230,481
	65,871,634	54,628,665
	3,803,305,293	2,310,907,225

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH , 2010

PARTICULARS	(Amount in Rs.)	
	Year ended 31-Mar-10	Year ended 31-Mar-09
<u>SCHEDULE I - MISCELLANEOUS EXPENDITURE - TO THE EXTENT NOT WRITTEN OFF</u>		
a). Amalgamation Expenses	261,295	488,672
Less : Written off during the year	261,295	227,377
	---	261,295
b). Deferred Revenue Exp	245,233	551,619
Less : Written off during the year	245,233	306,386
	---	245,233
	---	506,528
<u>SCHEDULE J - SALES</u>		
Domestic Sales	32,616,170,553	17,822,221,814
Export Sales	7,552,900,317	4,391,385,693
Making charges	416,571,544	154,602,320
	40,585,642,414	22,368,209,827
<u>SCHEDULE K - WINDMILL POWER GENERATION</u>		
Generation Income	34,403,775	30,561,096
	34,403,775	30,561,096
<u>SCHEDULE L - OTHER INCOME</u>		
a). Dividend Receipts	31,253	97,458
b). Bad debts Recovery	458,000	2,064,206
c). Profit on sales of investment	278,496	1,241,449
d). Others	144,261	1,103,000
	912,010	4,506,113
<u>SCHEDULE M - MATERIAL & MANUFACTURING EXPNS</u>		
a). Cost of Materials	40,290,113,829	22,046,813,387
b). Stores and Spares	2,205,629	268,463
c). Power and Fuel	816,116	763,057
d). Other Manufacturing Expenses	3,471,453	1,725,805
e). Wages	9,316,003	8,465,489
f). Clearing and Forwarding	2,240,667	1,694,449
	40,308,163,697	22,059,730,650

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH , 2010

PARTICULARS	(Amount in Rs.)	
	Year ended 31-Mar-10	Year ended 31-Mar-09
<u>SCHEDULE N - EMPLOYEES & ADMINISTRATIVE EXPNS</u>		
a). Salary and Bonus	11,321,355	10,994,701
b). Printing and Stationery	981,154	781,330
c). Advertisement	954,523	350,570
d). Electricity Charges	1,348,551	1,834,953
e). Telephone Charges	1,351,429	1,595,566
f). Rent,Rates & Taxes	5,315,163	3,376,857
g). Travelling & Conveyance Exp.	1,838,967	1,682,334
h). Postage & Telegram	164,631	142,360
i). Books & Periodicals	55,523	11,915
j). Staff Welfare	1,168,641	849,794
k). Professional & Consultancy Exp.	3,351,510	3,200,447
l). Vehicle Maintenance	1,383,402	1,419,801
m). Business Promotion Expenses	120,250	65,643
n). Audit Fees	284,665	450,170
o). Office Maintenance (Repairs & Maintenance)	9,510,876	5,824,942
p). Loss on Sale of Assets	13,330,711	711,180
q). General Expenses	-----	191,537
r). Insurance Charges	3,614,481	2,254,786
s) Listing Fees & subscriptions fees	1,416,663	1,631,360
t) Bad debts written off	317,462	-----
u). Directors' Remuneration	6,180,000	4,970,677
v). Sitting Fees, AGM & E G M expenses	503,814	98,808
w). Leasehold Land Written Off.	2,691,368	-----
x). Donation	5,000	-----
	67,210,139	42,439,731
<u>SCHEDULE O - FINANCIAL EXPENSES</u>		
a). Interest to Banks	620,728,872	453,256,469
b). Bank Charges	4,680,593	2,338,453
	625,409,465	455,594,922
<u>SCHEDULE P - MISCELLANEOUS EXPNS - TO THE EXTENT WRITTEN OFF</u>		
Amalgamation Expenses	261,295	227,377
Preliminary Expenses	245,233	306,386
	506,528	533,763
<u>SCHEDULE Q - ACCRETION / DECRETION IN INVENTORIES</u>		
Closing Stock		
a). Raw Materials	1,065,592,206	745,146,927
b). Finished Goods	974,255,732	666,461,743
c). Work in progress	1,003,945,438	696,858,188
d). Stores and spares	755,785	27,634,857
	3,044,549,161	2,136,101,715
Less: Opening Stock		
a). Raw Materials	745,146,927	325,443,433
b). Finished Goods	666,461,743	668,157,522
c). Work in progress	696,858,188	697,375,183
d). Stores and spares	27,634,857	4,812,720
	2,136,101,715	1,695,788,858
	908,447,446	440,312,858

SCHEDULE "R"

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31-03-2010

I. SIGNIFICANT ACCOUNTING POLICIES:

A) BASIS OF ACCOUNTING

- The financial statements are prepared under the historical cost convention and on accrual basis except otherwise stated herein and in conformity with the accounting principles generally accepted in India.

2. TAXES ON INCOME

Income Tax payable in respect of taxable income for the period is charged to the Profit and Loss account as 'Current tax'. Tax effects arising out of timing difference in accounting income and taxable income are identified as "Deferred Tax asset/ liability" by applying tax rates that have been enacted or substantially enacted as on the balance sheet date. The carrying amount of deferred tax asset/ liability is reviewed at the balance sheet date subject to assessment based on the principle of prudence.

3. BORROWING COST

All borrowing costs have been charged to revenue accounts.

B) FIXED ASSETS AND DEPRECIATION

- Fixed Assets are stated at historical cost plus installation and incidental expenses and less accumulated depreciation.
- Depreciation on fixed assets has been provided under Straight Line Method and in accordance with Schedule XIV to the Companies Act 1956.
- Lease charges written off on 1/5th basis in respect of Land allotted to us in MEPZ, Chennai.
- During the year fixed assets of Rs. 19,945,872 were scrapped resulting in loss on sale of assets of Rs.13,157,026/-

C) EMPLOYEES RETIREMENT BENEFITS

Company's contribution to Provident Fund and Provision for Gratuity has been charged to the Profit & Loss Account.

D) INVESTMENTS

Investments are Long term investments hence stated at cost. No provision has been made for appreciation or diminution in the value of investments. The aggregate amount of QUOTED INVESTMENTS is as follows

Name	No. of shares	Cost	Market value (31.03.10)
PNB Gilts Ltd.,	10,000	300,000/-	239,500/-

E) INVENTORIES

- Inventories are stated at lower of cost or net realizable value and as per Accounting Standard -2 on "Valuation of Inventories"
- Inventories are taken, verified, certified and valued by the Management

II. BALANCE SHEET

1. SECURED LOAN

- Cash Credit facilities from banks is secured by hypothecation of stocks and book debts and guaranteed by the Promoter Directors.
- Term Loan obtained from Syndicate bank for installation of Wind Mills are secured exclusively to Syndicate Bank by hypothecation of Wind Mill Assets (Fixed and Current) and guaranteed by Promoter Directors.
- All the fixed assets of the Company excluding the fixed and current assets of Wind Mills Division are charged to Banks who are providing working capital of the company.

2. UNSECURED LOAN

The unsecured loans are interest free

3. DEFERRED REVENUE EXPENDITURE

This includes amalgamation expenses and certain interior renovation works. The Practice of the company was to write off 1/5th of such expenses each year till 2007-08. The Management has decided to write off the same for a period of two years viz., previous year 2008-09 & current year 2009-10. The amount of expenses **not written off** as on 31.03.2009 was Rs 506,528/-. This amount was written off during 2009-10.

III. PROFIT & LOSS ACCOUNT	(in Rs.)	
	2009-10	2008-09
1. Outflow of Foreign Currency		
Imports	7182,410,621	4034,534,515
Travel	15,023	14,624
2. Foreign Exchange Earnings		
Exports receivables	7552,900,317	4391,385,693
3. Details of unclaimed Dividend (Cumulative)		
Subject to reconciliation	2,121,211	1,702,221
4. Managerial Remuneration		
Chairman	2,400,000	2,242,000
Managing Director	2,400,000	2,242,000
5. Audit fees included under the head 'Administrative Expenses' is inclusive of the following:		
a. Statutory Audit Fees	3,00,000	3,00,000
b. Internal Audit Fees reversed	(24,735)	1,00,000
c. Audit Expenses	9,400	10,170
d. Stock Audit Fees	NIL	40,000
Total	2,84,665	4,50,170

IV GENERAL

1. RELATED PARTY DISCLOSURES

a. Names of the Key Personnel

- Sh. Shantilal Surana - Chairman
- Sh. Vijayraj Surana - Managing Director
- Sh. Mahaveer Surana - President
- Sh. Sandeep Surana - Vice President

	(in Rs.)	
	2009-10	2008-09
b. <u>Payment to related parties</u>		
· Remuneration payments	5,400,000	5,034,000
· Sitting Fees	17,000	12,000
c. <u>Transactions with related parties</u>		

Surana Industries Ltd.

· Purchase of Vehicles	NIL	368,254
· Sale of Assets	151,000	283,567
· Sale of Ornaments	3,549	NIL

2. EARNINGS PER SHARE

Earnings	404,661,241	225,001,002
No. of Shares	21,858,734	21,858,734
Earnings per Share	18.51	10.29
Nominal value per Share	10.00	10.00

3. DEFERRED TAX CALCULATIONS

S NO	PARTICULARS	AS PER BOOKS	AS PER I.T.	DIFFERENCE
1	Deferred Revenue expenses written off during the year	506,528	NIL	506,528
2	Written Down Value of Fixed Assets	488,458,803	67,726,545	420,732,258
3	Deferred Tax Liability on above @ 33.99% on S No.2	166,051,570	23,023,639	143,027,931
4	Deferred Tax Liability provided so far			149,661,655
5	Deferred Tax Liability to be provided in current year			NIL

4. Additional Information pursuant to Para 3,4c & 4d of Part II of Schedule VI to the Companies Act 1956.

QUANTITATIVE DETAILS:

a. Raw Materials

S NO	DESCRIPTION	OPENING STOCK	PURCHASES	CONSUMPTION	PRODUCTION/ (SALES)	CLOSING STOCK
1	Gold Bars (Kgs.)	1,612.17 (1230.95)	20,951.47 (14,506.00)	21,266.11 3,249.27	21,924.47 (10,875.51)	1,297.53 (1,612.17)
2	Gold Medallions-- (Kgs.)	0.00 (381.00)	4,412.00 (3,114.00)	4,412.00* (3,495.00)	NIL NIL	NIL NIL

Medallions

b. Finished Goods

S NO	DESCRIPTION	OPENING STOCK	PRODUCTION	SALES	CLOSING STOCK
1	Gold Medallions	0.00 0.00	4,409.03** (3,490.00)	4,411.53* 3,490.00	0.00 0.00
2	Gold Ornaments	78.73 (33.13)	21,854.40** (3,219.75)	21,313.40 (3,174.15)	619.73 (78.73)

*During the year 2.50 Kgs of metals recovered from wastages was used for manufacturing and sale.

** Wastage excluded.

c. Production

DESCRIPTION	GOLD (KGS) 2009-2010	GOLD (KGS) 2008-2009
Consumption	21,924.47	6,744.27
Finished Goods	21,854.40	6,709.75
Wastage	70.07	34.52
% of Yield	99.99%	99.99%

5. SEGMENT RESULTS - GEOGRAPHICAL
(as given under Accounting Standards AS - 17)

(Amount in Rupees)

PARTICULARS	DOMESTIC		EXPORTS		TOTAL	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
SALES	33,067,145,872	18,462,038,889	7,552,900,317	4,391,385,693	40,620,046,189	22,853,424,582
EXPENDITURE	32,798,163,925	18,727,598,735	7,328,835,122	3,871,463,975	40,126,999,047	22,599,062,710
PROFIT BEFORE TAX	268,981,947	(265,559,846)	224,065,195	519,921,718	493,047,142	254,361,872
TAX	88,381,838	29,360,870	-----	-----	88,381,838	29,360,870
PROFIT AFTER TAX	180,600,109	(294,920,716)	224,065,195	519,921,718	404,665,304	225,001,002
ASSETS	5,465,913,334	3,909,392,780	2,340,200,744	2,170,981,474	7,806,114,078	6,080,374,254
LIABILITIES	3,875,671,252	3,062,714,570	2,116,135,549	1,651,059,756	5,991,806,801	4,713,774,326
CAPITAL EMPLOYED	-----	-----	-----	-----	1,814,307,277	1,366,599,928

Note:

1) Additions to the assets during the year which forms part of Assets value as mentioned above are as follows:

Domestic	5,672,395
Export	6,377,518
Total	<u>12,049,913</u>

2) Depreciation & Amortization included in the expenditure as above are as follows:

Domestic	34,967,191
Export	101,483
Total	<u>35,068,674</u>

3) Non cash expenditure other than Depreciation & Amortization included in the expenditure as above are as follows:

Domestic	13,837,239	(Loss on sale of assets & Miscellaneous expenses written off)
Export	2,691,368	(Lease hold land written off on 1/5th basis)
Total	<u>16,528,607</u>	

5. Contingent Liabilities:

	2009-10	2008-09
Disputed customs duty	13,539,725 (*)	13,539,725

(*) This relates to Steel division of erstwhile Company since amalgamated with your Company.

6. Confirmation of Balance for Sundry Debtors & Sundry Creditors were obtained except for few. However Advances is subject to confirmation.

7. Previous year's figures have been regrouped / recast wherever necessary

8. Figures have been rounded off to the nearest rupee

Signatories to Schedule A to R

As per our report of even date attached
For C S P Jain & Co.,
Chartered Accountants

For and behalf of the Board

C S Prithviraj Jain
Proprietor
Membership No. 11529

Shantilal Surana
Chairman

Vijayraj Surana
Managing Director

Place: Chennai
Date: 10.05.2010

S V Rajesh
Company Secretary

CASH FLOW STATEMENT

Amount in Rs

Year Ended

A. CASHFLOW FROM OPERATING ACTIVITIES :

31-Mar-10

31-Mar-09

Net Profit before Taxes & Extraordinary Items	493,047,142	254,361,872
Adjustments for :		
Depreciation	35,068,674	30,928,956
Dividend Income	(31,253)	(97,458)
Interest Expenses	625,409,465	455,594,922
Other Non Cash Expenditure	3,197,896	533,763
Profit on sale of investments	(278,496)	(1,241,449)
Assets written off during the year	-----	654,169
Loss on sale of Assets	13,330,711	711,180
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,169,744,139	741,445,955
Adjustments for :		
Trade and Other Receivables	(753,250,340)	(652,959,800)
Inventories	(908,447,446)	(440,312,858)
Trade Payables	1,481,155,099	(554,242,997)
CASH GENERATED FROM OPERATIONS	989,201,452	(906,069,700)
Interest Paid	625,409,465	455,594,922
Taxes Paid	7,866,343	41,028,441
Dividend Paid	26,230,481	23,230,481
CASH FLOW BEFORE EXTRAORDINARY ITEMS	329,695,163	(1,425,923,544)
Extraordinary Items	-----	-----
NET CASH FROM OPERATING ACTIVITIES	329,695,163	(1,425,923,544)
B. CASHFLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(11,260,747)	(42,606,504)
Sale of Fixed Assets	428,971	46,939,510
Dividend income	31,253	97,458
Sale of Investments	1,131,779	1,608,793
Profit on sale of Investments	278,496	1,241,449
NET CASH USED IN INVESTING ACTIVITIES	(9,390,249)	7,280,706

C. CASHFLOW FROM FINANCING ACTIVITIES :

Proceeds from issue of Share Capital & Share Premium	-----	500,000,000
Proceeds from Long Term Borrowings	(241,407,438)	810,363,585
NET CASH USED IN FINANCING ACTIVITIES	(241,407,438)	1,310,363,585
Net Increase in Cash & Cash Equivalents	78,897,477	(108,279,253)
Cash & Cash Equivalents as at 31/03/2009	203,683,546	311,962,799
Cash & Cash Equivalents as at 31/03/2010	282,581,023	203,683,546

Notes to Cash Flow Statement for the year ended 31.03.2010

1. Cash and Cash equivalents includes :

Cash in hand	21,359	6,564,381
Balance with Banks	282,559,664	197,119,165
2. The above Cash Flow statement has been prepared under the 'indirect method' specified in Accounting Standard AS-3 on 'Cash Flow Statements' issued by ICAI.
3. Previous year's figures have been regrouped / recast wherever necessary.
4. Figures have been rounded off to the nearest rupee.

SHANTILAL SURANA
Chairman

VIJAYRAJ SURANA
Managing Director

S V.RAJESH
Company Secretary

We have verified the attached Cash Flow Statement , books and records maintained by the Company for the year ended 31st March 2009 and 31st March 2010 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
Membership No.11529

Place : Chennai
Date : 10.05.2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details

Registration No.	2 0 7 8 3	State Code	1 8
Balance sheet date	3 1 0 3 2 0 1 0		

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

Public Issue	Rights Issue
[] [] N I L [] []	[] [] N I L []
Bonus Issue	Private Placement
[] [] N I L [] []	[] [] N I L []

III. Position of mobilisation and deployment of funds (Amount in Rs Thousands)

Total Liabilities	Total Assets
[] 7 6 4 2 9 2 2	[] 7 6 4 2 9 2 2
Sources of Funds	
Paid up Share Capital	Reserves & Surplus
[] [] 2 1 8 5 8 7	[] 1 7 4 5 3 8 2
Secured Loans	Unsecured Loans
[] 1 3 5 3 3 1 8	[] [] 5 2 2 3 3 0
Application of Funds	
Net Fixed Assets	Investments
[] [] 4 8 8 4 5 9	[] [] [] [] [] 3 0 0
Net Current Assets	Miscellaneous Expenditure
[] 3 3 5 0 8 5 8	[] [] [] N I L [] []

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

Turnover	Expenditure
[] 4 0 6 2 0 0 4 6	[] 4 0 1 2 6 9 9 9
+ / -	+ / -
[] +	[] +
Profit / Loss before Tax	Profit / Loss after Tax
[] 4 9 3 0 4 7	[] 4 0 4 6 6 5
Earnings Per Share (in Rs.)	Dividend Rate (%)
[] 1 8 . 5 1	[] 1 5

V. Generic Names of Three Principal Products/ Services of Company (As per monetary terms)

Item Code No. (ITC Code)	:	7 1 0 8 1 3 0 0
Product Description	:	G O L D [] [] [] []
Item Code No. (ITC Code)	:	[] [] [] [] [] [] [] []
Product Description	:	[] [] [] [] [] [] [] []

SURANA CORPORATION LIMITED

Registered cum Corporate H O. : No. 29, Whites Road, Second Floor, Royapettah, Chennai – 600 014.

PROXY FORM

I/Weof.....in 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./Ms.....of.....in the district of..... as my / our proxy to vote for me/us, on my/ our behalf at the Nineteenth Annual General Meeting of the Company to be held on 14th June 2010, at Gulmohar Hall, Hotel GRT GRAND, No 120, Sir Thyagaraya Road, T Nagar, Chennai – 600 017 at 11.30 AM and at any adjournment date to the changed thereof.

Signed this..... day of2010

Regd. Folio No..... Client ID.....

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 CORPORATION LIMITED

Registered cum Corporate H O. : No. 29, Whites Road, Second 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 in if the Proxy form has been duly deposited with the company)

I hereby record my presence at the Nineteenth Annual General Meeting of the Company on 14th June 2010, at Gulmohar Hall, Hotel GRT GRAND, No 120, Sir Thyagaraya Road, T Nagar, Chennai – 600 017 at 11.30 AM

Regd. Folio No..... Client ID.....

No. of Shares held.....

Member's / Proxy's Signature

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