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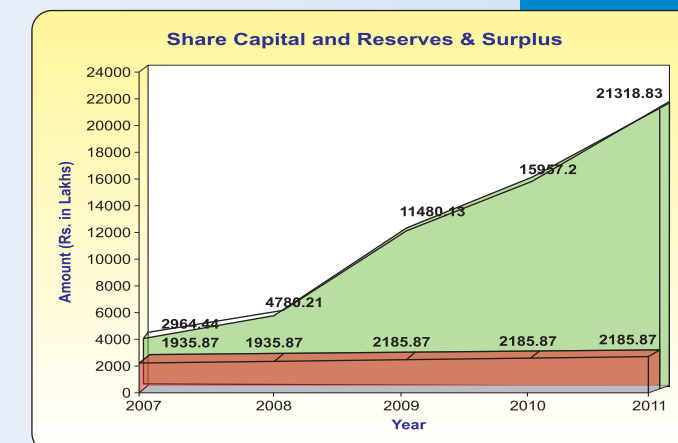
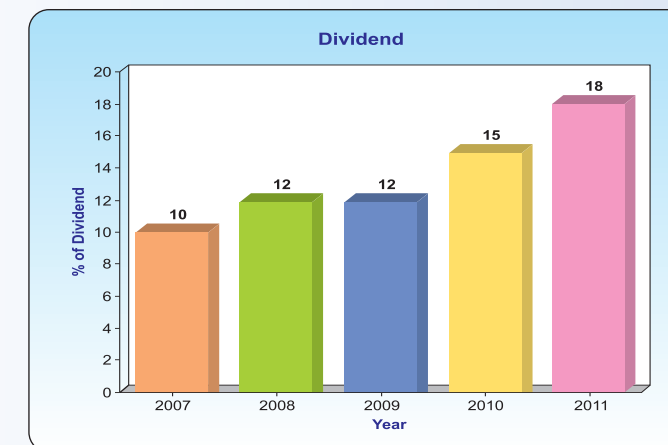
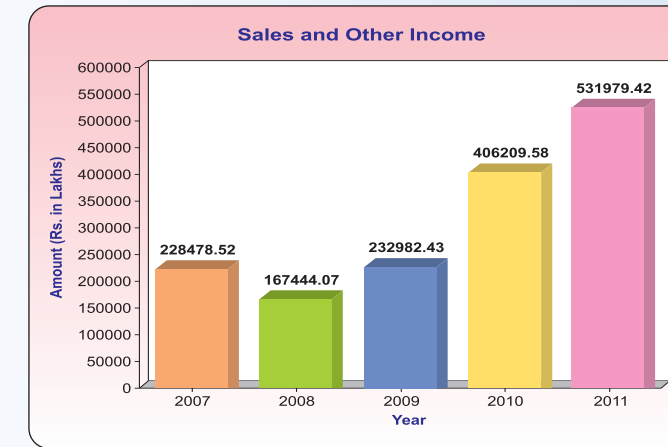


Twentieth
Annual Report
2010 - 2011

SURANA Corporation Limited



Shri. Vijayraj Surana, M.D., receiving Export Promotion Council Award for Outstanding Export Performance as an EOU for the year 2008-09 from Shri. Jyotiraditya M Scindia, Hon'ble Minister of State for Commerce & Industry, India on 18.05.11 at New Delhi



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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
Sh. HARISH P RAJDEV	:	Additional Director

MANAGEMENT

Sh. SANDEEP SURANA	:	Senior Vice President
Sh. N ELAMARAN	:	Vice President - Sales
Sh. R SRINIVASAN	:	AVP - Production
Sh. V.R.SRINATH	:	AVP - Designing
Sh. PRITESH V SANGHVI	:	AVP - Treasury
Sh. K.E. DEVARAJAN	:	AVP - (F & A)
Sh. CHANDRA PRAKASH ABAR	:	Assistant Company Secretary

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, Vepery High Road,
Chennai – 600 007.

REGISTERED CUM CORPORATE OFFICE:

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

FACTORY

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

WIND ENERGY

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

2) 25 MW Wind Farm Project in 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, 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	DENA BANK	CORPORATE BUSINESS BRANCH	1 st Floor, Beta Wing, Raheja Towers, 177, Anna Salai, Chennai – 600 002.
6	STANDARD CHARTERED BANK	RAJAJI SALAI BRANCH	9, Rajaji Salai, 5th Floor, Chennai - 600 001.
7	CENTRAL BANK OF INDIA	CORPORATE BUSINESS BRANCH	Addison Buildings, Mount Road, Chennai – 600 002
8	BANK OF INDIA	CHENNAI CORPORATE BRANCH	Tarapore Towers, 826, 4 th Floor, Anna Salai, Chennai – 600 002.
9	SYNDICATE BANK	CORPORATE BUSINESS BRANCH	170, Eldams Road, Teynampet, Chennai - 600 018.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of the shareholders of the Company will be held on Tuesday, 28th June 2011 at The Rain Tree Hotels, No. 636, Anna Salai, Teynampet, Chennai - 600 018 at 3.00 P.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ending 31st March 2011 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. S Guruswamy, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Sh. K L Tilakchand, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. 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. Harish P. Rajdev, 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"

7. Borrowing Power 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 pursuant to the provisions of section 293 (1) (d) of the Companies Act, 1956 in relation to the borrowing powers, the Board of Directors of the Company be and is hereby authorised to borrow money from time to time upto a limit not exceeding in the aggregate of ₹.1500 Crores (Rupees One Thousand Five Hundred Crores) not withstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid up capital and free reserves that is to say reserves not set apart for any specific purpose."

8. Re-appointment of Sh. Vijayraj Surana as the 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 pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the Act, the Company hereby approves of the appointment and terms of remuneration of Sh. Vijayraj Surana as the Managing Director of the Company for a period of 5 years with effect from 19.05.2009 upon the terms and conditions, including the remuneration to be paid in the event of inadequacy of profits in any financial year, with liberty to the Board Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board Directors and Sh. Vijayraj Surana;

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

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."

9. Payment of Commission 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 the payment to Sh. Shantilal Surana - Chairman of the Company remuneration by way of Commission upto the maximum of 2% of the net profits of the Company, subject to statutory limits, for a period of five years commencing from 01st April, 2011." The Payment of commission is in addition to the remuneration already being paid to Shri. Shantilal Surana.

RESOLVED FURTHER THAT 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 Sh. 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.

10. Payment of Commission 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 the payment to Sh. Vijayraj Surana - Managing Director of the Company remuneration by way of Commission upto a maximum of 2% of the net profit of the Company, subject to statutory limits, for a period of five years commencing from 01st April, 2011." The payment of commission is in addition to the remuneration being paid to Shri Vijayraj Surana.

RESOLVED FURTHER THAT 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 of Directors and Sh. 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."

11. Re-designation of Sh. Sandeep Surana as Executive Director of the Company.

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

"RESOLVED that pursuant to the provisions of Sections 314 (1) (b) and other applicable provisions, if any, of the Companies Act, 1956, and subject to such consents, approvals as may be required, the appointment and terms of remuneration of Sh. Sandeep Surana as Executive Director of the Company for a period of 5 years with effect from 01st April, 2011 upon the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Sh. Sandeep Surana.

REMUNERATION

Salary of ₹. 100,000/- (₹. One Lakh only) per month with annual graded increment of 10%

PERQUISITES

Medical Reimbursement: Medical expenses incurred by the Executive Director and his family subject to a ceiling of one month's salary in a year or accumulated three months salary over a period of three years shall be reimbursed.

Encashment of Leave at the end of the tenure will be allowed. Leave Travel Concession for self and family once in a year in accordance with any rule that may be framed by the Company.

Contribution to Provident Fund, Gratuity etc: Gratuity payable as per Act shall not exceed half a month salary for each completed year of service.

Provisions of Car and Telephone: The Company shall provide Car for official and business use and telephone at residence for the Executive Director. However, personal long distance calls on the telephone and use of car for private purposes shall be billed by the Company.

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."

12. Payment of Commission to the Non- Executive Independent Directors of the Company.

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

Resolved that Non-Executive Independent Directors, be paid remuneration by way of Commission upto a maximum of 1% of the net profits of the Company, subject to statutory limits, for a period of five years commencing from 01st April, 2011."

Further Resolved that the Board of Directors shall have the power to decide the quantum of amount to be paid as Commission to the independent Directors within the overall limit of 1% of the Net Profits of the Company.

13. Issue of Equity Shares on Rights basis.

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

"RESOLVED THAT pursuant to the provisions of section 81(1) and all other provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, ('SEBI ICDR Regulations') applicable Rules, Regulations, Guidelines, Circulars and Clarifications issued by the Securities and Exchange Board of India ('SEBI'), the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval, permission and sanction of SEBI, Stock Exchange, Reserve Bank of India ('RBI'), The Foreign Investment Promotion Board ('FIPB'), Government of India

and other concerned authorities as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of the aforementioned authorities while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall deem to include any Committee constituted or to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution) the consent of the Company be accorded to the Board to create, offer and issue Equity Shares of ₹. 10/- each of the Company at a premium as may be determined by the Board aggregating such amount not exceeding 150 Crores (Rupees One hundred fifty Crores) in the ratio of One new equity shares for every One existing equity share held by the shareholders of the Company as on the Record Date (to be fixed for the purpose by the Board) ('The Rights Issue') and on such other terms and conditions as may be mentioned in the Letter of Offer to be issued by the Company in respect of the Rights Issue."

"RESOLVED FURTHER THAT the issue and allotment of Equity Shares shall be made only to the Shareholders whose names appear on the Register of Members on the Record Date to be determined by the Board, within the meaning of the SEBI, ICDR Regulations."

"RESOLVED FURTHER THAT the unsubscribed portion/shares of the above issue of Equity Shares if any, may be offered to the Promoters, Promoters Group or other shareholders as may be determined by the Board."

"RESOLVED FURTHER THAT the Board shall have the complete authority to decide the Objects for which funds are to be raised from the rights issue including raising of funds for expansion plans, working capital requirements or repayment of loans availed by the Company from entities other than those forming part of the Promoters and Promoters Group."

"RESOLVED FURTHER THAT the Equity Shares to be issued and allotted shall rank pari-passu inter se and with the existing fully paid equity shares of the Company, in all respects as of the date of allotment of the Equity Shares."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be authorized to do all such acts, deeds, matters and things, settle all questions, difficulties or doubts that may arise in regard to the issue or allotment of the Equity Shares, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit without being required to seek further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution."

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

Place: Chennai
Date: 13.05.2011

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, ROYAPETTAH, CHENNAI- 600 014 NOT LESS THAN 48 HOURS BEFORE HOLDING THE MEETING
3. Members are requested to contact the Registrar and Transfer Agents 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 resolution is 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 24th June 2011 to 27th June 2011. (both days inclusive)
7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of 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**

Place: Chennai
Date: 13.05.2011

SHANTILAL SURANA
CHAIRMAN

ANNEXURE TO NOTICE

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

ITEM NO.6:**Appointment of Director - Sh. Harish P Rajdev**

The Board of Directors of the Company in their Meeting held on 19.02.2011 appointed Sh. Harish P Rajdev, as an Additional Director of the Company pursuant to Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956, read with Articles of Association of the Company, Sh. Harish P Rajdev, 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. Harish P Rajdev, 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. Harish P Rajdev the appointee is concerned or interested in this resolution.

ITEM NO.7:**Borrowing power of the Company:**

At the Annual General Meeting held on 12th July 1994, the shareholders consent was accorded under section 293 (1) (d) of the Companies Act, 1956 to the Board for borrowing moneys up to a limit of ₹. 500 Lakhs apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business). Further the Company increased this limit in the Annual General Meetings. Taking into account further requirements of additional finance for the expansion programme undertaken by the Company, a fresh resolution is proposed providing that, in addition to the Company's existing borrowings, the Directors may, for and on behalf of and for the purpose of the Company, borrow further sums of money amounting in the aggregate to a sum of not more than ₹. 1500 Crores (Rupees One Thousand Five Hundred Crores) thereby raising the total borrowing limits to 1500 Crores.

None of the Directors except as shareholders are interested or concerned in the aforesaid Resolution.

ITEM NO.8:**Reappointment of Sh. Vijayraj Surana as the Managing Director of the Company:**

The Board of Directors in their meeting held on 13th May, 2011 has proposed to re appoint Sh. Vijayraj Surana as the Managing Director of the Company for a period of 5 years with effect from 19.05.2009.

Sh. Vijayraj Surana has wide experience in the business of the Company having been associated with it from inception and has been ably guiding its affairs as the Managing Director. His experience and guidance as the Managing Director is valuable to the Company.

The terms and conditions of the remuneration payable to Sh. Vijayraj Surana as the Managing Director of the Company with effect from 19.05.2009 and as agreed by the shareholders in their meeting held on 2nd June 2008 will be continued.

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

ITEM NO.9:**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 has already approved 10% increase in the remuneration payable to Sh. Shantilal Surana, Chairman of the company each year. However the Remuneration Committee felt that payment of Commission upto 2% of the net profit of the Company (exclusive of 10% already approved by the shareholders) for the current year should be adequate, 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.10:**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 has 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 payment of Commission upto 2% of the net profits of the Company (exclusive of 10% already approved by the shareholders) for the current year should be adequate, 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 Vijayraj Surana and part of the Promoter Group and to that extent can be said to be interested in this resolution.

ITEM NO.11:

Re-designation of Sh. Sandeep Surana as Executive Director of the Company:

Sh. Sandeep Surana, Executive Director, has been with the Company from 2008 and is now in charge of the Banking and Exim Departments of the Company.

He was appointed as the Executive Director on 01/04/2011 on a Remuneration of ₹. 50,000/- which is now being sought to be increased to ₹. 1,00,000/- with effect from 01/04/2011.

As the Company's business operations have been growing rapidly, the duties and responsibilities of Sh. Sandeep Surana has also increased. After his joining the Company from 03/05/2008, there has not been an increase in his remuneration. It is thus considered that the remuneration as above be increased.

The Board thus recommends that the resolution be approved by the Shareholders.

None of the Directors, other than Shri. Shantilal Surana is interested in this resolution.

ITEM NO.12:

Payment of Commission to the Non- Executive Independent Directors of the Company:

Based on the below mentioned facts:

- The Corporate Governance Requirements have increased the responsibilities of the Independent Directors manifold,
- The scope and responsibility of work of the Independent Directors has increased drastically with the growth of the Company,
- The Independent Directors are also members of Share Transfer Committee, Audit Committee and the Remuneration Committee of the Company.

The Board of Directors, at the meeting held on 13th May, 2011 had resolved, subject to the approval of the shareholders by way of a special resolution as required under section 309 (4) (b) of the Companies Act, 1956 and other relevant provisions to pay commission upto a maximum of 1% of the net profit of the Company, subject to statutory limits, to pass the said special resolution for a period of 5 years commencing from 01st April, 2011.

Further Resolved that the Board of Directors shall have the power to decide the quantum of amount to be paid as Commission to individual independent Directors within the overall limit of 1% of the Net Profits of the Company.

Sh. S Guruswamy, Sh. K L Tilakchand and Sh. V M Swami are interested in this resolution as it concerns them. No other director is concerned or interested in this resolution.

ITEM NO. 13 :

Issue of Equity Shares on Rights basis

The Board of Directors are happy to inform that your company has been appointed as the Nominated Agency for import of Bullion. The Board of Directors are confident that this will pave way for more business and thereby a better bottom line.

As you are aware bullion business requires huge resources, to strengthen the resource position and as a reward to the loyal investors of the company the Board feels that a 1:1 rights issue can be proposed subject to your approval. This will increase the equity of the company and thereby the company can plan for fresh debt.

To meet the requirement of funds, the Board of Directors has proposed to raise funds from existing shareholders on rights basis.

Further, it is also proposed to authorize the Board to determine the objects for which the funds are proposed to be raised. The objects for which funds are proposed to be raised shall include raising of funds for expansion plans, working capital requirements or repayment of loans availed by the Company from entities other than those forming part of the Promoters and Promoters Group..

As on 31st March 2011 the paid up equity capital of the company is ₹ 21,85,87,340 divided into 2,18,58,734 number of shares. Your company has been consistently declaring dividend and the Board is confident that the share holders will agree that their investment has reaped good benefits and will make the Rights Issue a great success with utmost participation.

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Twentieth Annual Report on the Business Operations of your Company along with Audited Balance Sheet as on 31st March, 2011 and Profit and Loss Account for the year ended 31st March, 2011.

FINANCIAL RESULTS (₹ in Lacs)

PARTICULARS	31.03.2011	31.03.2010
Net Sales	5,31,977.86	4,06,200.46
Profit Before Tax	6,124.88	4,930.47
Less: Provision for Tax		
Current Tax	347.99	883.82
Deferred Tax Liability	(45.06)	Nil
Profit after Tax *	5,821.95	4,046.65
Add: Balance in P & L account		
Brought Forward from Previous Year	9,006.99	4,934.58
MAT credit entitlement account	---	(814.03)
Proposed Dividend	393.46	327.88
Dividend Tax	66.87	55.72
Transfer to General Reserve	582.19	404.67
Deferred Tax Asset	Nil	Nil
Balance Carried to Balance Sheet	13,786.43	9,006.99

* Profit after tax does not include the MAT Credit of ₹. 41.68lakhs availed during FY 2010-11.

OPERATIONS - BUSINESS PERFORMANCE

We are happy to inform that your company's total turnover during the year ended 31st March, 2011 increased to ₹. 5,319.78 crores as against ₹. 4,062.01 crores for the previous year, recording a jump of 31%.

The Export turnover of your company has increased by 92% to ₹.1,451.48 crores in 2010-2011 as against ₹.755.29 crores in last year. Similarly, domestic sales during the year have increased by 17% to ₹.3,865.29 crores as against ₹.3,303.27 crores in the previous year. The increased Export turnover and profitability of SEZ unit has contributed to lower outflows on account of taxes. Revenues from wind energy during the year amounted to ₹.3.01 crores as against ₹.3.44 crores. As a result of this the company was able to earn its highest Profit after Tax ever amounting to ₹.58.21 Crores in the current year which was ₹. 40.46 Crores for the Previous Year.

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

ACHIEVEMENTS

During the year, your company has won the following achievements / laurels;

- ❖ EPCES Export Award for outstanding export performance, for the year 2008 - 2009 by Export Promotion Council of India.
- ❖ Designated as Nominated Agency by Government of India.
- ❖ Award of the status of STAR TRADING HOUSE by Government of India.
- ❖ ICRA Rating of LBBB+ (pronounced as L triple B plus) which means the long term outlook is stable.
- ❖ ICRA has also assigned A2 for the short term outlook.

FUTURE OUTLOOK

Over the last few years, Gold as an investment destination has become increasingly popular. Holding of Gold is an old tradition deeply ingrained in Indian Culture and society. Traditionally, apart from being an article of consumption in the form of jewellery, high demand for gold stemmed from hedge against inflation and as a source of savings. Consequently, India accounted for 32% of the global gold purchase in 2010. The total annual consumer demand in India reached 963.10 tonnes in the year 2010.

India's continued rapid growth which will have significant impact on income and savings, will increase gold purchasing by almost three percent per annum over the next decade. In view of this scenario a shift away from gold, to other forms of savings is unlikely to happen in a hurry. India's fancy for gold is steadfast; hence, the demand for gold and silver will continue unabated. During 2010-2011, the performance of silver was also aggressive, with the price registering almost 100% increase on the previous year.

Your Directors are confident that during the year 2011 - 2012 exports will remain buoyant, in pace with the country's export performance, which rose to USD 12.9 billion in 2010 - 2011 from USD 9.7 billion in 2009 - 2010 representing an increase of 33.27%

As a recognized Nominated Agency, your company is permitted to import bullion directly and supply like MMTC, STC and other RBI nominated banks. This will improve your company's volumes and working results substantially.

Your company has completed the purchase of about 14,000 sq.ft of land with existing factory building of about 11,000 sq.ft to set up a state-of-the-art jewellery manufacturing unit at Ambattur Industrial Estate, Chennai. It is proposed to commence production of jewellery in this plant during this Financial year. The existing Factory at Tondiarpet will be phased out thereafter. It may be noted

that we have during the year acquired space at NSC Bose Road, Chennai for another showroom and the renovation work is in progress.

Further, keeping the larger goal of Pan - India presence in near future, we have opened a branch at Mumbai and delivery centres at Coimbatore, Madurai and Trichy for sales and service. This move will help us in reaching out a larger customer base and consequently increase our turnover.

WIND ENERGY DIVISION

The Wind energy division of your Company earned an income of ₹.3.01 crores during the year 2010 - 2011 as compared to an income of ₹.3.44 crores in the previous year. Due to not so good wind, the power generation, which is sold to TNEB, was marginally low.

During the year under report, an order for 25MW of wind mills was placed. Out of this, during March 2011, we have commissioned 22 windmills thereby adding to our power generation capacity by 5.5 MW. In the near future, we expect the wind energy division to contribute substantially to the bottom line of the company. The balance power generation capacity will be commenced in the first quarter of 2011 - 2012. Your company has programmed to expand its capacity in this sector.

RIGHTS ISSUE

Your company with a view to reward the sustained support of the shareholders has decided to bring in a rights issue of the company. The issue in one way will increase the stakes of the shareholders in the growth of the company. The rights issue has been planned to meet the future requirements of your company so as to put the company in the fast track of growth. The details of the rights issue have been already circulated to each of you for your favourable consideration. It is hoped, with the approval of rights issue, the company's goal of becoming a major player in bullion and jewellery market would be achieved very soon.

DIVIDEND

Your Directors are pleased to recommend payment of a dividend of 18% on the Paid up Equity Share Capital of the Company as on 31st March, 2011 for the Financial year 2010-2011 as compared to 15% dividend paid for the previous year. The dividend, if approved, will be ₹.1.80 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 & 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, 2011, the applicable accounting standards have been 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 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, 2011 and of the Profit and Loss Account for the year ended 31st March, 2011.

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, 2011 on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

The World Gold Council (an international forum funded by the producers and miners of gold) research shows that by 2020 cumulative annual demand for gold in India will increase to excess of 1200 tonnes or approximately ₹. 2.5 trillion, at current price levels.

India's continued rapid growth which will have significant impact on income and savings, will increase gold purchasing by almost 3% per annum over the next decade. In gold terms, India is a market with significant scale. In 2010, total annual consumer demand reached 1063.1 tonnes. As seen in the last decade, Indian demand for gold will be driven by savings and real income levels, not by price. India is the largest bullion market in the world. It has been until now, the undisputed single-largest consumer of gold. As per a study, India has over 18,000 tonnes of above-ground gold stocks (all physical and gold holdings, including private, Reserve Bank of India and institutional) worth around US\$ 800 billion. Jewellery demand in India grew by 36 per cent in 2010 - 2011, according to the WGC. Gold import is likely to rise by 15 per cent in 2011 to around 805 tonnes, as compared to 2010 due to growing demand for gems and jewellery. In the world official gold holdings ratings, India stood at 11th position with 557.7 tonnes of gold reserve as of October 2010, as per the World Gold Council.

Of late, the increase in investment portfolio of gold has contributed to a significant uptrend in demand. While jewellery continues to hold the sway, the middle and upper middle class families with large disposable incomes turn to gold for investment rather than the traditional channels of bank deposits.

The turnovers of exchange traded gold funds have doubled in the country's top bourse NSE in comparison last fiscal. The total traded value of gold ETF on NSE surged to ₹.4,074.30 Crores in the fiscal year ended 31st march 2011. Your company is fully aware of these emerging trends in the domestic market and will utilise such opportunities for future growth.

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 ₹. 33.04/- Crores during 2010-11 from ₹. 26.35/- 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	2010-2011	2009-2010
Electricity Purchased (units)	203,825	161,285
Total amount (₹.)	1,146,735	804,596
Rate per unit (₹.)	5.63	4.99

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under Review your Company earned Foreign Exchange to the extent of ₹. 1451.47/- Crores on account of export of Gold Jewellery. Your Company has also incurred expenditure in foreign exchange to the tune of ₹ 1679.69/- Crores for import of Gold for manufacture of Jewellery.

PARTICULARS OF EMPLOYEES

During the year ended 31.03.2011 in terms of the provisions of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended the names and other particulars of the employees are set out in the annexure of the Director's Report. Having regard to the provisions of Section 219 (1) (6) (iv) of the said Act. The Annual report excluding the aforesaid information is being sent to all the members of the company and others entitled thereto. Any member interested in obtaining such particulars may write to the company secretary at the Registered Office of the Company.

DIRECTORS

Sh. KL Tilakchand and Sh. S. Guruswamy retire by rotation and being eligible for reappointment seek 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 and Suppliers, domestic as well as international for their abiding support to the company. Similarly the company is thankful to MMTC, STC for their services in making available imported gold and silver 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 : 13.05.2011

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 31.03.2011, consists of SEVEN Directors. Out of this, FIVE 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 meeting 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 2010-11, the Board met 14 times on 04.05.2010, 10.05.2010, 18.06.2010, 28.07.2010, 24.09.2010, 28.10.2010, 08.12.2010, 14.01.2011, 27.01.2011, 19.02.2011, 02.03.2011, 21.03.2011, 26.03.2011 and 30.03.2011.

The Annual General Meeting was held on 14th June 2010.

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 2010-11 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		14	YES	NIL	NIL	NIL
Sh. Vijayraj Surana Promoter Executive Managing Director		14	YES	NIL	NIL	NIL
Sh. V. Pattabhiram Independent Non-Executive		NIL	NO	NIL	02	NIL
Sh. V M Swami Independent Non-Executive		14	YES	02	NIL	02
Sh. S Guruswamy Independent Non-Executive		14	YES	NIL	02	NIL
Shri K L Tilakchand Independent Non -Executive		14	YES	NIL	NIL	01
Sh. Harish P Rajdev (appointed on 19/02/2011 as Additional Director Independent Non -Executive		NIL	NO	02	00	NIL

**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 Twentieth Annual General meeting (in pursuance of Clause 49 of the Listing Agreement)

A. Name : Sh. S Guruswamy
 Age : 62 yrs
 Qualification : B Com, MBA.
 Employment
 History : Former Chief General Manager,
 (MMTC Limited)
 Present Position : Director.
 Experience : Wide and varied experience.

B. Name : Sh. K L Tilakchand
 Age : 63 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:

- 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.
- Recommending the appointment of / removal of external auditors, fixation of audit fees and approval of payment for any other services.
- Reviewing with the management the annual, half yearly and quarterly 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.
 - ✗ 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
- 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 28.07.2010, 28.10.2010, 27.01.2011 and 09/05/2011. 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, 2011 the Share Transfer Committee met 16 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 2011.

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.

The committee met 2 times on 30.03.2011 and 09.05.2011 and the committee members attended all these meetings.

Remuneration of Executive Directors:

Name	Salary (₹. in lakhs)	Perquisites and Allowances
Sh. Shantilal Surana Chairman	30.00	Company's contribution to PF, Gratuity, Medical, leave encashment, LTC, telephone charges, Car with driver.
Sh. Vijayraj Surana Managing Director	30.00	

Non-Executive Directors:

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

6. General Body Meetings:

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

Year	Location	Date	Time
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.
2009-2010	Hotel GRT Grand, No.120, Sir Thiyagaraya Road, T.Nagar, Chennai 600 017	14.06.2010	11.30 A.M.

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

Year	Location	Date	Time
2009-2010	Hotel GRT Grand, No.120, Sir Thiyagaraya Road, T.Nagar, Chennai 600 017	10.01.2008	10.00 A.M.

c. Postal ballot:

- 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.
- 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
02.06.2008	1. Issue of share capital on preferential basis to select group 2. Appointment of Sandeep Surana - Vice President
29.06.2009	No Special Resolution was passed.
14.06.2010	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 : Tuesday, the 28th June 2011 at 3.00 P.M.

Venue : The Rain Tree Hotels,
Anna Salai,
Chennai.

9.2 Financial Calendar Year:

Financial reporting for the quarter ending	Date of Approval
30th June 2010	28.07.2010
30th September 2010	28.10.2010
31st December 2010	27.01.2011
31st March 2011 (Audited)	13.05.2011

9.3 Period of Book Closure:

The Register of Members will remain closed from 24th June, 2011 to 27th June, 2011 (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) National Stock Exchange Limited (NSE) Exchange Plaza, Plot C 1 G Block Bandra-Kurla Complex Bandra (E) Mumbai - 400 051	SURANACORP
2) Bombay Stock Exchange Limited (BSE) P J Towers, Dalal Street, MUMBAI - 400 001	SURANACO
3) Madras Stock Exchange Limited (MSE) Exchange Building # 11, Second Line Beach Chennai 600 001	SURANACO

IS IN NO-DEMAT FORM: INE 357D01010

ISN Number : INE359D01010

9.5 Listing fees:

Annual Listing fees for the year 2011-12 have been duly paid to all the above stock exchanges.

9.6 Stock market price data:

Month	Bombay Stock Exchange (₹.)	
	High price	Low price
April 2010	87.95	67.00
May 2010	75.45	61.10
June 2010	90.00	65.00
July 2010	88.20	78.00
August 2010	116.30	92.00
September 2010	109.80	102.00
October 2010	128.10	103.50
November 2010	134.30	102.40
December 2010	118.95	105.10
January 2011	140.00	92.05
February 2011	125.50	93.55
March 2011	123.85	91.00

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

Period	Percentage change in	
	Company's share price (%)	Sensex (%)
2007-2008	+39.96	+22.11
2008-2009	-44.73	-38.44
2009-2010	+211.19	+79.85
2010-2011	+65.36	+10.77

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 Agents :

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, 2011:

Shareholding (Range)	Number of holders	%	No. of shares	%
Up to 500	2,623	76.27	347,319	1.59
501-1000	219	6.37	179,465	0.82
1001-2000	286	8.32	401,762	1.84
2001-3000	114	3.31	296,194	1.36
3001-4000	26	0.76	90,970	0.42
4001-5000	38	1.10	181,012	0.83
5001-10000	51	1.48	377,774	1.73
10001& above	82	2.39	19,984,238	91.41
Total	3,439	100.00	21,858,734	100.00

9.10 Shareholding pattern as on 31st March, 2011.

Category	No. of Shareholders	No. of shares held	% to total
Promoters, Directors and their relatives	0027	12,216,713	55.89
Foreign Institutional investor	NIL	NIL	NIL
Bodies Corporate	0127	5,712,935	26.14
Resident Individuals, HUF & Trust	3165	2,335,754	10.69
NRI	107	1,589,050	7.27
Clearing member	0013	4,282	0.01
Total	3,439	21,858,734	100.00

9.11 Dematerialization of Shares as on 31st March, 2011:

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	3,512,099	16.06
Demat form - NSDL	13,204,103	60.41
Demat form - CDSL	5,142,532	23.53

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: Old No 70, No.143, N.S.C.Bose Road, Sowcarpet, Chennai-600 001.	FACTORY: No.121, 123, 125, Vaidyanathan Street, Tondiarpet, Chennai-600 081.	SEZ: Plot No A-4, Phase II, MEPZ-SEZ, N H 45, Tambaram, Chennai - 600 045.
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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 leading 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 (₹.)
2004-2005	04.07.2005	02.08.2005	01.08.2012	30.08.2012	264,943.88
2005-2006	28.06.2006	04.08.2006	03.08.2013	03.09.2013	565,770.40
2006-2007	11.08.2007	17.09.2007	16.09.2014	16.10.2014	415,764.00
2007-2008	02.06.2008	08.07.2008	07.07.2015	07.08.2015	409,548.00
2008-2009	29.06.2009	05.08.2009	04.08.2016	04.09.2016	407,341.20
2009-2010	14.06.2010	19.07.2010	18.07.2017	18.08.2017	778,336.50

12.SWOT ANALYSIS OF THE COMPANY:

Strengths:

- ❖ Surana as the Trusted Company in the market.
- ❖ Nominated Agency.
- ❖ Varied designs and innovations in production of gold jewellery.
- ❖ Wastage and other charges kept at the minimum for the advantage of the customers.
- ❖ Strong Financial Revenues and position of the Company.
- ❖ Excellent management team.
- ❖ Involved in the green power projects.
- ❖ Experienced and well diversified knowledge bank of the Board of Directors of the Company.
- ❖ Implementation of ERP system in the factory to minimize the chances of any manual error while accounting.

Weakness:

- ❖ Volatility in gold and silver prices.

Opportunities:

- ❖ Expanding domestic markets.
- ❖ Growing middle class and upper middle class families with large disposable incomes.
- ❖ Exploring new markets in Tier II cities.
- ❖ The sales turnover is expected to increase by leaps and bounds with the nominated agency certification.

Threats/ Challenges:

- ❖ Fluctuating prices of commodity markets, operating risks and other regulatory concerns.

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 31,2011.

SHANTILAL SURANA
CHAIRMAN

Place : Chennai
Date : 13.05.2011

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, 2011 and the Balance sheet of the Company as at March 31, 2011 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: 13.05.2011

Signed

VIJAYRAJ SURANA
MANAGING DIRECTOR

Dated: 13.05.2011

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, 2011, 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
FRN No.001227S

C.S.PRITHVIRAJ JAIN
Proprietor
Membership No.11529

Place : Chennai
Date : 13.05.2011

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 2011, 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 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2011 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, 2011.
 - (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
FRN No.001227S

C.S.PRITHVIRAJ JAIN
Proprietor
Membership No.11529

Place : Chennai
Date : 13.05.2011

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 2011, 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.
- c. During the year Fixed assets of ₹.117,718,226/- (cost) were scrapped resulting in Loss on sale of assets of ₹.12,893,408/-
- d. During the year Depreciation on windmills has been changed from Straight Line Method to Written Down Value method. Consequent to this change in method of depreciation, an additional amount of ₹.100,993,718/- has been provided as depreciation related to previous years. Accordingly, profits for the year have decreased by ₹.100,993,718/-.
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 is 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 ₹. 13,539,725/- and the case is pending before CESTAT.

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	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
FRN No.001227S

Place : Chennai
Date : 13.05.2011

C.S.PRITHVIRAJ JAIN
Proprietor
Membership No.11529

BALANCE SHEET AS ON 31st MARCH 2011

PARTICULARS	SCHEDULE	(Amount in ₹.)	
		As on 31-Mar-11 Audited	As on 31-Mar-10 Audited
I. SOURCES OF FUNDS			
1. SHARE HOLDERS FUNDS :			
a). Share Capital	(A)	218,587,340	218,587,340
b). Reserves & Surplus	(B)	2,131,882,820	1,595,719,937
LOAN FUNDS :			
a). Secured Loan	(C)	2,098,967,628	1,353,318,425
b). Unsecured Loan	(D)	522,329,636	522,329,636
3. DEFERRED TAX LIABILITY		145,155,180	149,661,655
TOTAL		<u>5,116,922,604</u>	<u>3,839,616,993</u>
II. APPLICATION OF FUNDS			
1. FIXED ASSETS :			
a). Gross Block	(E)	945,419,467	651,650,595
b). Less: Accumulated Depreciation		<u>248,964,964</u>	<u>163,191,792</u>
c). Net Block		696,454,503	488,458,803
d). Capital Work in Progress		<u>8,200,000</u>	<u>-</u>
		<u>704,654,503</u>	<u>488,458,803</u>
2. INVESTMENTS	(F)		300,000
3. CURRENT ASSETS, LOANS AND ADVANCES :			
a). Inventories	(G)	3,565,973,418	3,044,549,161
b). Sundry Debtors		4,807,519,810	3,744,045,073
c). Cash and Bank Balances		801,519,689	282,581,023
d). Loans and Advances		<u>1,020,662,027</u>	<u>82,988,226</u>
		<u>10,195,674,944</u>	<u>7,154,163,483</u>
LESS : CURRENT LIABILITIES AND PROVISIONS :			
a). Liabilities	(H)	5,710,059,632	3,737,433,659
b). Provisions		<u>73,347,211</u>	<u>65,871,634</u>
		<u>5,783,406,843</u>	<u>3,803,305,293</u>
NET CURRENT ASSETS		<u>4,412,268,101</u>	<u>3,350,858,190</u>
TOTAL		<u>5,116,922,604</u>	<u>3,839,616,993</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
FRN No.001227S

C.S.PRITHVIRAJ JAIN
Proprietor
Membership No.11529

SHANTILAL SURANA
Chairman

VIJAYRAJ SURANA
Managing Director

Place: Chennai
Date : 13.05.2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCHEDULE	(Amount in ₹.)	
		Year ended 31-Mar-11	Year ended 31-Mar-10
I. INCOME		AUDITED	AUDITED
a). Sales	(I)	53,167,679,308	40,585,642,414
b). Wind Power Generation	(J)	30,106,435	34,403,775
c). Other Income	(K)	155,792	489,253
d). Accretion/Decretion in Inventories	(L)	521,424,257	908,447,446
TOTAL		53,719,365,792	41,528,982,888
II. EXPENDITURE			
a). Material and Manufacturing Expenses	(M)	52,377,379,124	40,289,184,404
b). Employees and Administrative Expenses	(N)	76,942,496	66,787,382
c). Financial Expenses	(O)	535,133,367	644,388,758
d). Depreciation	(E)	117,422,605	35,068,674
e). Miscellaneous Expns. to the extent Written off	(P)	-	506,528
TOTAL		53,106,877,592	41,035,935,746
III. Profit Before Tax		612,488,200	493,047,142
Provision for Taxation			
a) Current Tax before availing MAT		34,799,266	88,381,838
b) MAT Credit availed during the year		(4,167,607)	(57,855,731)
c) Deferred Tax		(4,506,474)	
IV. Profit After Tax *		582,195,408	404,665,304
Profit brought forward from last year		900,699,211	493,458,391
V. Profit available for Appropriation		1,482,894,619	898,123,695
VI. Balance Brought Forward From Last Year		900,699,211	493,458,391
Current Year Profit		582,195,408	404,665,304
MAT Credit Entitlement Account		-	(81,402,485)
Proposed Dividend		39,345,721	32,788,101
Dividend Distribution Tax		6,686,805	5,572,338
General Reserve Transfer		58,219,541	40,466,530
Balance Carried To Balance Sheet		1,378,642,552	900,699,211
TOTAL		1,482,894,619	898,123,695
Earnings per share		26.63	18.51
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
FRN No.001227S

C.S.PRITHVIRAJ JAIN
Proprietor
Membership No.11529

SHANTILAL SURANA
Chairman

VIJAYRAJ SURANA
Managing Director

Place: Chennai
Date : 13.05.2011

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH , 2011

	(Amount in ₹.)	
PARTICULARS	Year ended 31-Mar-11	Year ended 31-Mar-10
<u>SCHEDULE A - SHARE CAPITAL</u>		
<u>SHARE CAPITAL</u>		
AUTHORISED CAPITAL		
5,50,00,000 Equity Shares of ₹.10 each	550,000,000	550,000,000
ISSUED SUBSCRIBED AND PAID UP		
21,858,734 Equity shares of ₹.10 each	218,587,340	218,587,340
	<u>218,587,340</u>	<u>218,587,340</u>
<u>SCHEDULE B - RESERVES AND SURPLUS</u>		
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	110,638,842	70,172,312
Add : Transfer during the year	58,219,541	40,466,530
Total	<u>168,858,383</u>	<u>110,638,842</u>
d) Profit and Loss Account	1,378,642,552	900,699,210
	<u>2,131,882,820</u>	<u>1,595,719,937</u>
<u>SCHEDULE C - SECURED LOAN</u>		
Cash Credit from Banks	1,084,921,142	1,201,470,214
Term Loan from banks for Wind Mills (Fully secured by the first charge on them)	1,014,046,486	151,848,211
	<u>2,098,967,628</u>	<u>1,353,318,425</u>
<u>SCHEDULE D - UNSECURED LOAN</u>		
Inter - Corporate Deposits	522,329,636	522,329,636
	<u>522,329,636</u>	<u>522,329,636</u>

SCHEDULE - E : FIXED ASSETS (Amount in ₹.)

PARTICULARS	Rate of Depn	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.2010	Additions during the year	Deletions during the year	As on 31.03.2011	As on 01.04.2010	Additions during the year	Deletions during the year	As on 31.03.2011	As on 31.03.2011	As on 31.03.2010
LEASEHOLD LAND *	0.00%	10,765,474	-	2,691,368	8,074,106	-	-	-	-	8,074,106	10,765,474
FREEHOLD LAND	0.00%	293,610	-	-	293,610	-	-	-	-	293,610	293,610
LAND WITH BUILDING	0.00%	-	30,065,683	-	30,065,683	-	-	-	-	30,065,683	-
BUILDINGS	1.63%	20,619,847	21,968,550	-	42,588,397	369,712	450,368	-	820,080	41,768,317	20,250,135
PLANT & MACHINERY	4.75%	285,728,098	2,486,527	114,029,588	174,185,037	98,457,122	8,593,903	31,044,443	76,006,583	98,178,454	187,270,977
WIND MILLS -I **	15.33%	306,246,301	-	-	306,246,301	122,729,565	28,133,116	-	150,862,681	155,383,620	256,377,338
WIND MILLS -II ***	15.33%	-	352,668,221	-	352,668,221	-	4,505,337	-	4,505,337	348,162,884	-
COMPUTERS	16.21%	16,021,546	817,156	29,700	16,809,002	8,311,442	1,808,382	31,694	10,088,130	6,720,872	7,710,104
OFFICE EQUIPMENTS	4.75%	4,646,614	1,865,308	241,251	6,270,671	1,336,482	478,644	326,762	1,488,364	4,782,307	3,310,133
FURNITURE & FITTINGS	6.73%	3,152,554	190,803	-	3,343,357	2,367,160	145,296	-	2,512,456	830,901	785,394
VEHICLES	9.50%	4,176,550	1,017,721	319,189	4,875,082	2,480,912	446,955	246,534	2,681,333	2,193,749	1,695,639
TOTAL		651,650,595	411,079,969	117,311,096	945,419,467	236,052,395	44,562,001	31,649,432	248,964,964	696,454,503	488,458,803

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

**Wind Mill -I depreciation method changed SLM to WDV followed resulting in additional depreciation of ₹. 100,993,718/- on the opening balance relates to prior periods.

***Wind Mill -II depreciation followed WDV method

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

PARTICULARS	(Amount in ₹.)	
	Year ended 31-Mar-11	Year ended 31-Mar-10
SCHEDULE F - INVESTMENTS		
PNB - GILTSLTD - (M.V 10,000 Shares @ 23.95 ₹.2,39,500)	-	300,000
	-	300,000
SCHEDULE G - CURRENT ASSETS LOANS & ADVANCES		
i) INVENTORIES		
a). Raw Materials	1,143,090,696	1,065,592,206
b). Finished Goods	1,246,111,494	974,255,732
c). Work in progress	1,175,886,003	1,003,945,438
d). Stores and Spares	885,225	755,785
	3,565,973,418	3,044,549,161
ii) SUNDRY DEBTORS		
(Unsecured Considered Good)		
a). Debts Outstanding for a period exceeding six months	2,268,137	300,223
b). Other Debts	4,805,251,673	3,743,744,850
	4,807,519,810	3,744,045,073
iii) CASH & BANK BALANCES		
a). Cash on Hand	179,557	21,359
b). Cash at Bank		
i) in Current Account	178,090,132	575,579
ii) in Margin Money Account	623,250,000	281,984,085
	801,519,689	282,581,023
iv) LOANS AND ADVANCES		
(Unsecured and considered good)		
a). Receivables	64,217,385	81,986,544
b). Advance for Wind Mill Project	955,875,000	
c). Deposits with Govt. & Semi Govt. Departments	714,941	1,001,682
	1,020,807,326	82,988,226
SCHEDULE H - CURRENT LIABILITIES & PROVISIONS		
a). CURRENT LIABILITIES		
i) Creditors for Purchases		
- Due to Small Scale Industries	---	---
- Due to others	5,703,133,070	3,733,617,429
ii) Creditors for Expenses	6,926,562	3,706,230
iii) Creditors - Others	-	110,000
	5,710,059,632	3,737,433,659
b). PROVISIONS		
i). Provision for current tax	27,314,685	27,511,195
ii). Provision for dividend tax	6,686,805	5,572,338
iii). Proposed dividend	39,345,721	32,788,101
	73,347,211	65,871,634
	5,783,406,843	3,803,305,293

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

PARTICULARS	Year ended 31-Mar-11	Year ended 31-Mar-10
(Amount in ₹.)		
<u>SCHEDULE I - SALES</u>		
a) Domestic Sales	38,652,916,363	33,032,742,097
b) Export Sales	14,514,762,945	7,552,900,317
	53,167,679,308	40,585,642,414
<u>SCHEDULE J - WINDMILL POWER GENERATION</u>		
Generation Income	30,106,435	34,403,775
	30,106,435	34,403,775
<u>SCHEDULE K - OTHER INCOME</u>		
a). Dividend Receipts	-	31,253
b). Bad debts Recovery	155,792	458,000
	155,792	489,253
<u>SCHEDULE M - MATERIAL & MANUFACTURING EXPNS</u>		
a). Cost of Materials	52,354,462,736	40,271,134,536
b). Stores and Spares	3,766,787	2,205,629
c). Power and Fuel	1,211,108	816,116
d). Other Manufacturing Expenses	2,387,179	3,471,453
e). Wages	9,941,034	9,316,003
f). Clearing and Forwarding	5,610,280	2,240,667
	52,377,379,124	40,289,184,404

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

PARTICULARS	(Amount in ₹.)	
	Year ended 31-Mar-11	Year ended 31-Mar-10
<u>SCHEDULE N - EMPLOYEES & ADMINISTRATIVE EXPNS</u>		
a). Salary and Bonus	14,339,136	11,321,355
b). Printing and Stationery	1,187,035	981,154
c). Advertisement	234,473	954,523
d). Electricity Charges	1,812,783	1,348,551
e). Telephone Charges	1,424,676	1,351,429
f). Rent,Rates & Taxes	2,468,974	5,170,902
g). Travelling & Conveyance Exp.	2,446,870	1,838,967
h). Postage & Telegram	223,604	164,631
i). Books & Periodicals	8,286	55,523
j). Staff Welfare	1,878,490	1,168,641
k). Professional & Consultancy Exp.	4,669,361	3,351,510
l). Vehicle Maintenance	1,604,596	1,383,402
m). Business Promotion Expenses	1,501,909	120,250
n). Audit Fees	614,602	284,665
o). Office Maintenance (Repairs & Maintenance)	11,651,794	9,510,876
p). Loss on Sale of Assets	12,893,408	13,052,215
q). Loss on Sale of Investments	39,500	-
r). Insurance Charges	3,965,551	3,614,481
s) Listing Fees & subscriptions fees	1,674,235	1,416,663
t) Bad debts written off	5,845	317,462
u). Directors' Remuneration	9,531,000	6,180,000
v). Sitting Fees, AGM & E G M expenses	70,000	503,814
w). Leasehold Land Written Off.	2,691,368	2,691,368
x). Donation	5,000	5,000
	76,942,496	66,787,382
<u>SCHEDULE O - FINANCIAL EXPENSES</u>		
a). Interest to Banks	519,642,161	620,728,872
b). Bank Charges	12,189,034	4,680,593
c). Exchange Loss	3,302,172	18,979,293
	535,133,367	644,388,758
<u>SCHEDULE P - MISCELLANEOUS EXPNS - TO THE EXTENT WRITTEN OFF</u>		
a). Amalgamation Expenses	-	261,295
b). Preliminary Expenses	-	245,233
	-	506,528
<u>SCHEDULE Q - ACCRETION / DECRETION IN INVENTORIES</u>		
Closing Stock		
a). Raw Materials	1,143,090,696	1,065,592,206
b). Finished Goods	1,246,111,494	974,255,732
c). Work in progress	1,175,886,003	1,003,945,438
d). Stores and spares	885,225	755,785
	3,565,973,418	3,044,549,161
Less: Opening 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
	521,424,257	908,447,446

SCHEDULE "R"
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31-03-2011

I. SIGNIFICANT ACCOUNTING POLICIES:**A) BASIS OF ACCOUNTING**

1. 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

1. Fixed Assets are stated at historical cost plus installation and incidental expenses and less accumulated depreciation.
2. Depreciation on fixed assets has been provided under Straight Line Method except for Windmills, on which, Written Down Value method is provided and in accordance with Schedule XIV to the Companies Act 1956.
3. Lease charges written off on 1/5th basis in respect of Land allotted to us in MEPZ, Chennai.
4. During the year Fixed assets of ₹.117,718,226.05/- were scrapped resulting in Loss on sale of assets of ₹.12,893,408/-
5. During the year Depreciation on windmills has been changed from Straight Line Method to Written Down Value method. Consequent to this change in method of depreciation, an additional amount of ₹.100,993,718/-has been provided as depreciation related to previous years.

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.

E) INVENTORIES

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

II. BALANCE SHEET**1. SECURED LOAN**

- a. Cash Credit facilities from banks is secured by hypothecation of stocks and book debts and guaranteed by the Promoter Directors.
- b. 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.
- c. 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 ₹. 506,528/-. This amount was written off during 2009-10.

III. PROFIT & LOSS ACCOUNT	(in ₹.)	
	2010-11	2009-10
1. Outflow of Foreign Currency		
Imports	16,796,980,263	7,182,410,621
Travel	4,47,816	15,023
2. Foreign Exchange Earnings		
Exports receivables	14,514,762,945	7,552,900,317
3. Details of unclaimed Dividend (Cumulative)		
Subject to reconciliation	2,456,756	2,121,211
4. Managerial Remuneration		
Chairman	3,150,000	2,400,000
Managing Director	3,150,000	2,400,000
5. Audit fees included under the head 'Administrative Expenses' is inclusive of the following:		
a. Statutory Audit Fees	441,200	300,000
b. Internal audit fees (reversed)	165,452	(24,735)
c. Audit Expenses	7,950	9,400
d. Stock Audit Fees	NIL	NIL
Total	614,602	284,665

IV GENERAL

1. RELATED PARTY DISCLOSURES

a. Names of the Key Personnel

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

	(in ₹.)	
	2010-11	2009-10
b. <u>Payment to related parties</u>		
· Remuneration payments	6,900,000	5,400,000
· Sitting Fees	31,000	17,000
c. <u>Transactions with related parties</u>		
· Surana Industries Ltd.		
· Sale of Assets	72,608,306	151,000
· Sale of Ornaments	16,828	3,549

2. EARNINGS PER SHARE

Earnings	582,195,409	404,665,304
No. of Shares	21,858,734	21,858,734
Earnings per Share	26.63	18.51
Nominal value per Share	10.00	10.00

3. DEFERRED TAX CALCULATIONS

S NO	PARTICULARS	AS PER BOOKS	AS PER I.T.	DIFFERENCE
1	Written Down Value of Fixed Assets	696,454,503	269,220,106	427,234,397
2	Deferred Tax Liability on above @ 33.99% on S No.2	236,724,886	915,07,914	145,216,972
3	Deferred Tax Liability provided so far			145,155,181
4	Deferred Tax Liability to be provided in current year			4,506,474
5	Deferred Tax Assets			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.)	1,297.53 (1612.17)	18,276.42 (20,951.00)	18,380.87 (21,265.64)	18,734..57 (21,924.00)	1,193.08 (1,297.53)
2	Gold Medallions– (Kgs.)	0.00 (381.00)	7,455.00 (4,412.00)	7,455.00* (4,412.00)*	NIL NIL	NIL NIL

Medallions

b. Finished Goods

S NO	DESCRIPTION	OPENING STOCK	PRODUCTION	SALES	CLOSING STOCK
1	Gold Medallions	0.00 0.00	7,452.30* (4,409.03)*	7,455.60* (4,411.53)*	0.00 0.00
2	Gold Ornaments	619.73 (78.73)	18,697.77** (21,854.00)**	18,659.51 (21,313.00)	657.99 (619.73)

*During the year 3.30Kgs (2.50 Kgs) of metal recovered from wastages was used for manufacturing and sale.

** Wastage excluded.

c. Production

DESCRIPTION	GOLD (KGS) 2010-2011	GOLD (KGS) 2009-2010
Production	18,734.57	21,924.00
Finished Goods	18,697.77	21,854.00
Wastage	36.80	70.00
% of Yield	99.80%	99.99%

5. SEGMENT RESULTS - GEOGRAPHICAL

(as given under Accounting Standards AS - 17)

(Amount in Rupees)

PARTICULARS	DOMESTIC		EXPORTS		TOTAL	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
SALES	38,683,022,798	33,067,145,872	14,514,762,945	7,552,900,317	53,197,785,743	40,620,046,189
EXPENDITURE	38,933,244,060	32,798,163,925	14,056,210,926	7,328,835,122	52,585,297,542	40,126,999,047
PBT	153,936,182	268,981,947	458,552,019	224,065,195	612,488,201	493,047,142
TAX	30,962,719	88,381,838	-	-	30,962,719	88,381,838
PAT	122,729,651	180,600,109	458,795,831	224,065,195	581,525,482	404,665,304
ASSETS	11,348,641,222	5,465,913,334	5,724,032,465	2,340,200,744	17,072,673,687	7,806,114,078
LIABILITIES	8,909,262,289	3,875,671,252	5,805,269,151	2,116,135,549	14,714,531,440	5,991,806,801
CAPITAL EMPLOYED					2,358,142,247	1,814,307,277

Note:

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

Domestic	409,803,527
Export	1,276,442
Total	<u>411,079,969</u>

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

Domestic	117,178,793
Export	243,812
Total	<u>117,422,605</u>

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

Domestic	12,983,408	(Loss on sale of assets)
Export	2,691,368	(Lease hold land written off on 1/5th basis)
Total	<u>15,674,776</u>	

5. Contingent Liabilities:

	2010-11	2009-10
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 a few. However Advances are 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
FRN No. 001227S

For and on behalf of the Board

C S Prithviraj Jain
Proprietor
Membership No. 11529

Shantilal Surana
Chairman

Vijayraj Surana
Managing Director

Place: Chennai
Date: 13.05.2011

CASH FLOW STATEMENT

Amount in ₹.

Year Ended

A. CASHFLOW FROM OPERATING ACTIVITIES :

	31-Mar-11	31-Mar-10
Net Profit before Taxes & Extraordinary Items	612,488,201	493,047,142
Adjustments for :		
Depreciation	117,422,605	35,068,674
Dividend Income	-	(31,253)
Interest Expenses	531,831,195	625,409,465
Other Non Cash Expenditure	2,691,368	3,197,896
Loss / (Profit) on sale of investments	39,500	(278,496)
Exchange Loss	3,302,172	18,979,293
Loss on sale of Assets	12,893,408	13,330,711
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,280,668,449	1,188,723,432

Adjustments for :

Trade and Other Receivables	(2,004,450,710)	(772,229,633)
Inventories	(521,424,257)	(908,447,446)
Trade Payables	1,972,625,973	1,481,155,099
CASH GENERATED FROM OPERATIONS	727,419,455	989,201,452

Interest Paid

531,831,195

625,409,465

Taxes Paid

40,568,114

7,866,343

Dividend Paid

32,788,101

26,230,481

CASH FLOW BEFORE EXTRAORDINARY ITEMS

122,232,045

329,695,163

Extraordinary Items

-

-

NET CASH FROM OPERATING ACTIVITIES

122,232,045

329,695,163

B. CASHFLOW FROM INVESTING ACTIVITIES :

Purchase of Fixed Assets	(422,081,965)	(11,260,747)
Sale of Fixed Assets	72,878,884	428,971
Dividend income	-	31,253
Sale of Investments	260,500	1,410,275
NET CASH USED IN INVESTING ACTIVITIES	(348,942,581)	(9,390,249)

C. CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds from issue of Share Capital & Share Premium	-	-
Proceeds from Long Term Borrowings	745,649,203	(241,407,438)
NET CASH USED IN FINANCING ACTIVITIES	745,649,203	(241,407,438)
Net Increase in Cash & Cash Equivalents	518,938,666	78,897,477
Cash & Cash Equivalents as at 31/03/2010	282,581,023	203,683,546
Cash & Cash Equivalents as at 31/03/2011	801,519,689	282,581,023

Notes to Cash Flow Statement for the year ended 31.03.2011

1. Cash and Cash equivalents includes :

Cash in hand	179,557	21,359
Balance with Banks	801,340,132	282,559,664
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.

For and on behalf of the board

SHANTILAL SURANA
Chairman

VIJAYRAJ SURANA
Managing Director

We have verified the attached Cash Flow Statement , books and records maintained by the Company for the year ended 31st March 2010 and 31st March 2011 and found the same in agreement therewith.

As per our report of even date attached.

For C.S.P.JAIN & CO.,
Chartered Accountants
FRN No.001227S

C.S.PRITHVIRAJ JAIN
Proprietor
Membership No.11529

Place : Chennai
Date : 13.05.2011

**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 1		

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

<i>Public Issue</i>	<i>Rights Issue</i>
N I L	N I L
<i>Bonus Issue</i>	<i>Private Placement</i>
N I L	N I L

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

<i>Total Liabilities</i>	<i>Total Assets</i>
1 0 9 0 0 3 2 9	1 0 9 0 0 3 2 9

Sources of Funds

<i>Paid up Share Capital</i>	<i>Reserves & Surplus</i>
2 1 8 5 8 7	2 1 3 1 8 8 2
<i>Secured Loans</i>	<i>Unsecured Loans</i>
2 0 9 8 9 6 7	5 2 2 3 3 0

Application of Funds

<i>Net Fixed Assets</i>	<i>Investments</i>
7 0 4 6 5 4	N I L
<i>Net Current Assets</i>	<i>Miscellaneous Expenditure</i>
4 4 1 2 2 6 8	N I L

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

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

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 Twentieth Annual General Meeting of the Company to be held on 28th June 2011, at The Rain Tree Hotels, No. 636, Anna Salai, Teynampet, Chennai - 600 018 at 3.00 PM and at any adjournment date to be changed thereof.

Signed this..... day of2011

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 Twentieth Annual General Meeting of the Company on 28th June 2011, at The Rain Tree Hotels, No. 636, Anna Salai, Teynampet, Chennai - 600 018 at 3.00 PM.

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)