



**SURANA CORPORATION LIMITED**



**22<sup>nd</sup>**  
**ANNUAL REPORT**

— 2012-13 —



# SURANA CORPORATION LIMITED

## 10 YEARS FINANCIAL HIGHLIGHTS

10 Years Trend Chart	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Equity Share Capital	500	1935.87	1935.87	1935.87	1935.87	2185.87	2185.87	2185.87	2185.87	2435.87
Reserves & Surplus	332.77	1288.24	2093	2964.44	4780.21	11480.13	15957.2	21318.83	27970.64	40586.94
Net Worth	832.77	3224.11	4028.87	4900.31	6716.08	13666	18143.07	23504.7	30156.51	43022.81
Turnover	13490	146912	169853	216101	165660	228198	406200	531978	866602	847124
PROFIT BEFORE TAX	91	581	1449	1877	2920	2544	4930	6125	7749	7104
PROFIT AFTER TAX	60	399	959	1091	2086	2250	4047	5822	6769	5315
Equity Dividend	Nil	5%	7%	10%	12%	12%	15%	18%	20%	18%
EPS (in Rs)	1.2	1.91	4.95	5.63	10.77	10.29	18.51	26.63	30.97	20.53





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## **BOARD OF DIRECTORS**

Shri. SHANTILAL SURANA	:	Chairman
Shri. VIJAYRAJ SURANA	:	Managing Director
Shri. S GURUSWAMY	:	Director (Marketing)
Shri. SANDEEP SURANA	:	Executive Director
Shri. V M SWAMI	:	Independent Director
Shri. K L TILAKCHAND	:	Independent Director
Shri. HARISH P RAJDEV	:	Independent Director
Shri. JAGADISH GOPAL	:	Independent Director

## **MANAGEMENT**

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

## **STATUTORY AUDITORS**

C S P JAIN & CO.,  
Chartered Accountants,  
123 N S C Bose Road,  
Sowcarpet,  
Chennai – 600 079.

## **INTERNAL AUDITORS**

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

## **REGISTERED CUM CORPORATE OFFICE**

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

## **FACTORY**

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

## **WIND ENERGY**

1) 4.25 MW Wind Farm in Poigai Village,  
627856, Tenkasi Taluk,  
Tirunelveli District, Tamilnadu.

2) 20.50 MW Wind Farm Project in Tenkasi  
Taluk, Tirunelveli District, Tamilnadu.

## **SHOWROOM**

- 1) Old No. 79, New No 161  
NSC Bose Road,  
Sowcarpet, Chennai – 600 001
- 2) 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	No. 86, Rajaji Salai, Chennai – 600 001.
2	PUNJAB NATIONAL BANK	Mint Street	35, Mint Street, Sowcarpet, Chennai – 600 079.
3	STANDARD CHARTERED BANK	Rajaji Salai	19, Rajaji Salai, 5 <sup>th</sup> Floor, Chennai – 600 001.
4	BANK OF INDIA	Chennai Mid Corporate	Tarapore Towers, 826, 4th Floor, Anna Salai, Chennai – 600 002.
5	IDBI BANK LTD	Specialized Corporate	No 7 Chevalia Shivaji Ganesen Salai, (South Boag Road), T. Nagar, Chennai – 600 017.
6	CENTRAL BANK OF INDIA	Corporate Finance	Addison Building, 803, Anna Salai, Chennai – 600 002.
7	SYNDICATE BANK	Corporate Finance	170, Eldams Road, Teynampet, Chennai – 600 018.

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the TWENTY SECOND ANNUAL GENERAL MEETING of the shareholders of the Company will be held on Thursday, the 27th June 2013 at The Leela Palace, Adyar Seaface, M.R.C. Nagar, Chennai- 600 028 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 2013 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares of the company.
3. To appoint a Director in the place of Shri. K L TILAKCHAND, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Shri. JAGADISH GOPAL who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS

#### 6. Borrowing Power of the Company:

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

“RESOLVED that pursuant to the provision 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

Rs. 2,000 Crores (Rupees Two Thousand Crores) notwithstanding 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.”

#### 7. Increase in the payment of Sitting Fees to Directors:

To consider and pass a Special Resolution to amend Article 10 (a) of the Articles of Association of the Company, in respect of increase in payment of Director's sitting fees from the present Rs.1,000/- (Rupees One Thousand only) per Director, per Meeting of the Board or of the Committee upto Rs.10,000/- (Rupees Ten Thousand only) per Director, per Meeting of the Board or of the Committee or thereof.

The following Resolution may be passed as a Special Resolution with or without modification(s).

“RESOLVED that the Articles of Association of the Company be amended by substituting the following new Article 10 (a) in the place of the existing Article 10 (a).” The new Article 10 (a) will read as follows :

“Every Director, including the Alternate Director, if any, shall be paid such amount as may be fixed by the Board not exceeding Rs. 10,000/- for every meeting of the Board or of a Committee consisting wholly or partially of Directors, attended by him and shall also be paid all travelling and other expenses properly incurred by him for attending and returning from meetings of the Directors or any Committee thereof or in connection with the business of the Company”.

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

**SHANTILAL SURANA**  
CHAIRMAN

Place: Chennai  
Date: 30.04.2013

**Notes:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of herself/himself and the proxy need not be a Member of the Company.
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 later than 48 hours before the commencement of the Meeting.
3. Members are requested to contact the Registrar and Transfer Agent for all matters relating to Company's shares at: Cameo Corporate Services Limited, No. 1, Club House Road, 5th Floor, Subramanian Building, Chennai – 600 002, Phone: 044-2846 0390/1832 Fax: 044-2846 0129.
4. An Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
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 15th June 2013 to 27th June 2013. (both days inclusive)
7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company any change in address/ stay abroad or demise of any Shareholder as soon as possible. Members are also advised not to leave their demat accounts dormant for a long period. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. Non-resident Indian Members are requested to inform Cameo Corporate Services Limited immediately on the change in the residential status on return to India for permanent settlement and the particulars of the bank accounts maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
9. Details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of Directors seeking appointment or reappointment at the Annual General Meeting are annexed hereto. The Directors seeking appointment or reappointment have furnished the declaration under the Companies (Disqualification of Directors under section 274 (1) (g) of the Companies Act, 1956) Rules 2003.

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

**SHANTILAL SURANA**  
CHAIRMAN

Place: Chennai  
Date: 30.04.2013



## **ANNEXURE TO NOTICE**

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

### **ITEM NO.6:**

#### **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 Director for borrowing moneys up to a limit of Rs. 500 Lakhs apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business). Further the Company increased its 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 Rs. 2,000 Crores (Rupees Two Thousand Crores) thereby raising the total borrowing limits to 2,000 Crores.

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

### **ITEM NO.7:**

#### **Increase in the payment of Sitting Fees to Directors:**

Presently the Articles of Association of the Company provides for the payment of Directors Sitting Fees not exceeding Rs. 1,000/- (Rupees One Thousand only) per Director for each Meeting attended. It is proposed to increase the Sitting Fees upto Rs.10,000/- (Rupees Ten Thousand only) (per Director, per Meeting of the Board or the Committee).

The Rules framed under Section 310 of the

Place: Chennai

Date: 30.04.2013

Companies Act, 1956, permits the payment of higher Sitting Fees to the Directors not exceeding Rs. 20,000/- in case of a Company having Paid-Up Capital and Free Reserves of Rs. 10 Crores or above or a turnover of Rs. 50 Crores and above.

All the Directors for the time being would deemed to be interested in passing of the relevant Resolution.

### **Important Communication to Shareholders**

#### **Green Initiative**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. The Members holding Shares in physical form are requested to intimate/update the email address to the Company/Share Transfer Agents while those holding in demat form can intimate/update their email address to their respective Depository Participants.

The Company had sent letters to all the share holders along with the Annual Report last year for registering their email addresses. So, this year,

Soft copies of full annual reports have been sent to all those shareholder(s) who have registered their email address(es) for the purpose.

Hard copies of full annual reports to those shareholders who request for the same.

Members will be entitled to be furnished, free of cost, the physical copy of the documents sent by email, upon receipt of a requisition from them.

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

**SHANTILAL SURANA**  
CHAIRMAN

## DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Twenty Second Annual Report on the Business Operations of your Company along with Audited Balance Sheet as on 31st March, 2013 and Profit and Loss Account for the year ended 31st March, 2013.

PARTICULARS	31.03.2013	31.03.2012
Profit Before Tax	7,104.12	7,749.34
Less: Provision for Tax		
Current Tax	367.17	577.66
Deferred Tax Liability	1,421.09	401.96
Profit after Tax	5,315.85	6,769.71
<b>Add: Balance in P &amp; L account</b>		
Brought Forward from Previous Year	20,308.34	13,786.43
MAT credit entitlement account	563.42	393.57
Interim Dividend with Dividend Tax	--	255.73
Proposed Dividend with Dividend Tax	512.97	255.74
Transfer to General Reserve	531.58	676.97
Amalgamation Reserve Write Back**	146.79	547.07
Balance Carried to Balance Sheet	25,289.85	20,308.34

\*\* Rs.146.79 lakhs being loss on sale of assets acquired on amalgamation has been offset against the amalgamation reserves as all the assets on amalgamation have been sold off.

### OPERATIONS – BUSINESS PERFORMANCE

Your company's total turnover during the year ended 31st March, 2013, in spite of adverse circumstances, was at Rs. 8,471.24 Crores as against Rs.8,666.02 Crores for the previous year, recording a marginal dip of just 2%.

Your company achieved a commendable performance of Rs.543.75 crores of Bullion sales under Nominated Agency as against Rs.471.22 crores in the previous year. The Export turnover of your company decreased by 23% to Rs.1,550.55 crores in 2012-2013 as against Rs.1,910.73crores in the previous year. The decrease in export turnover has been due to the overall recessionary trend in international markets. Similarly, domestic sales during the year decreased by 5% to Rs.6,365.00 crores as against Rs.6,755.29 crores in the previous year. Revenues from wind energy during the year amounted to Rs.11.95 crores as against Rs.5.68 crores. The company's Profit after Tax was at Rs.53.16 Crores in the current year as against Rs. 67.70 Crores for the Previous Year.

The company even in these testing times could maintain its overall performance due to the better management of the resources available, control on overheads and deeper understanding of the market behaviour. During the year, Gold Prices witnessed a steady uptrend.

### ACHIVEMENTS

During the year, following were the important achievements of your company

- As per the ranking of Business India ( December 2012), on the basis of the Net sales for the year ending 2012, your company secured all India 85th rank as against the previous years' rank of 527
- Has been ranked 3rd as per Total Income in Gem & Jewellery sector for 2011 by Dun & Bradstreet.
- 24/7 web site screen display of SURANA gold and silver buy and sale rates;

- Introduction of system of online payments to all major suppliers;
- Approval of the audited accounts of the company by the board in the month of April, 2013 itself;
- Opening of a subsidiary company at Dubai for business growth;
- Almost doubled the revenues from the old wind turbine generators by entering into Group captive arrangement and immediate cash realization;
- Bullion ERP system introduced for gold pricing and payments
- “Brickwork” has assigned rating of ‘BWR A’ (Pronounced BWR single A) for the long term bank facilities.
- “Brickwork” has also assigned rating of ‘BWR A1’ (Pronounced BWR A One) for the short term bank facilities.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

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

That in the preparation of the Accounts of the Company for the year ended 31st March, 2013, 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 31st March, 2013 and of the Profit and Loss Account for the year ended 31st March, 2013.

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.

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

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The domestic jewellery industry has performed excellently well during the year. Consumption of jewellery by the domestic consumers has been steadily growing. Sale of jewellery in the domestic market and export are the mainstay of your company’s business operations. Though there were pockets of ups and downs in the market during the year owing to fluctuation in the international prices of gold, the overall scenario has been healthy. Jewellery segment in the overall consumption of gold in the country is still a robust 80%. The year under review witnessed opening of new showrooms in Chennai and other cities in Tamil Nadu, indicating growth in demand for jewellery. Festive season and important days like Akshya Tritiya attracted huge sales.

Your company keeps a close watch on the market through its network of jewellers in Tamil Nadu and other States for assessing any shift in consumer preference regarding designs and prices.

Our country’s export of jewellery during the year 2012-13 registered an increase of 8.94% over the previous year. The jewellery exports were valued at USD 18.3 (Provisional) billion during 2012-13, as against USD 16.8 billion in the year 2011-12. The increase in the volume of exports from the country indicates a growing international market for Indian jewellery. Your company is on the look out for adding to its export destinations in the years to come. It was with this strategy, your company has opened a wholly owned subsidiary in Dubai during the year under review. This subsidiary, Surana Overseas DMCC, functions within a Free Zone in Dubai and has started looking for markets for export of jewellery in and around UAE.

The domestic price of gold during the year registered a slight increase over the previous year, while the value of Indian Rupee against USD depreciated by about 7% during the year. Normally, any fluctuation in the value of Indian Rupee vis-à-vis USD impacts the domestic prices. The price of Silver fell slightly compared with the previous year.

On the global front, the price of Gold registered a downtrend during the year, breaking the continuous yearly uptrend in the past 12 years. This is attributed to better global economic conditions during the year, encouraging investors to opt for other avenues rather than gold. The year under review also witnessed huge offloading of inventories by individuals and institutions owing to drop in prices. But the overall demand and supply trends globally remained more or less at the same

level, as the previous year, at about 4500 tons per annum.

Your company continues to encourage transactions through its electronic platform of National Spot Exchange Limited, which facilitates faster delivery of product and services to its customers.

Your company has increased its footprint in the domestic market during the year under review by opening branches in other States like Andhra Pradesh, Bihar, Rajasthan, Gujarat and Delhi in order to serve the customers and jewelers enrolled by the Indian Bullion Market Association.

### **DEMATERIALIZATION 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 the following Directors, as follows;

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

Shri. 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.

### **WIND ENERGY DIVISION**

The Wind energy division of your Company earned an income of Rs.11.95crores during the year 2012 – 2013 as compared to an income of Rs.5.68crores in the previous year. The company with view to further augment the revenues from wind energy has availed the benefits under Group Captive Scheme (GCS). This is expected to contribute substantially to the company's earnings from wind energy

division.

### **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, 2013 for the Financial year 2012-2013 as compared to total dividend of 20% declared in the previous year. The dividend, if approved, will be Rs.1.80 per share.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Directors are pleased to inform you that your Company has an adequate and sufficient internal controls 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 functions and compliances of the various stipulations of the Statutory Authorities are 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 continuous 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 along with automation. 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.

## 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	2012-2013	2011-2012
Electricity Purchased (units)	288,849	304,585
Total amount (Rs.)	1,742,890	1393,937
Rate per unit (Rs.)	6.03	4.57

## FOREIGN EXCHANGE EARNINGS AND OUTGO

During the period under Review your Company earned Foreign Exchange to the extent of Rs.1,550.55 Crores on account of export of Gold Jewellery. Your Company has also incurred expenditure in foreign exchange to the tune of Rs.2,527.66 Crores for import of Gold for manufacture of Jewellery.

## PARTICULARS OF EMPLOYEES

During the year ended 31.03.2013, 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 to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(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

Place: Chennai  
Date: 30.04.2013

thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

## DIRECTORS

Shri. K.L.Tilakchand and Shri. Jagadish Gopal retire by rotation, being eligible for reappointment as Independent Directors and seeks re-election.

## AUDITORS

M/s. 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 wish 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, both domestic and international, and Suppliers, domestic as well as international for their abiding support to the company for their services in making available imported gold and silver to meet the company's requirements from time to time. 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 of the Company including its Present and Past members of the consortium 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 whose 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

## **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 31.03.2013, consists of NINE Directors. Out of this, FOUR Directors are Non Executive Directors of the Company. The Chairman is an Executive Chairman and the Managing Director is in whole time employment of the Company.

During the previous year ended 31.03.2013, Shri. Pattabhiram resigned from the post of Director on 09.10.2012. Shri. Deepak Surana resigned from the post of executive Director on 01.04.2013.

After the above changes, the board of directors of the Company will be Eight out of which Three Directors will be Executive Directors.

##### **Directors Profile:**

1) Shri. Shantilal Surana – Chairman, Surana Corporation Limited:

Shri. Shantilal Surana is the Chairman. He is heading the production side of gold jewellery manufacture. He invests his vast and rich experience in the field of jewellery to guide the progress of the company. Very few in the trade can match his business acumen and foresight.

He is holding 30,23,465 Shares of the Company.

2) Shri. Vijayraj Surana – Managing Director, Surana Corporation Limited:

Shri. Vijayraj Surana is the Managing Director. He has emerged as one of the most successful and respected businessmen in the bullion and jewellery trade by dint of his relentless journey through experience.

He is holding 30,54,147 Shares of the Company.

3) Shri. S. Guruswamy –Director (Marketing), Surana Corporation Limited:

Shri. S. Guruswamy, B.Com, P.G in Business Administration is a former chief general manager in MMTC Limited. He has rich experience in bullion trading, corporate affairs and in sales and marketing as well as international marketing.

He is holding Nil Shares of the Company.

4) Shri. Sandeep Surana – Executive Director, Surana Corporation Limited:

Shri. Sandeep Surana, BCA is son of Shri. Shantilal Surana. He is Executive Director, Finance in the Company. At this young age, he has proved his caliber and intellectual ability and is heading the Exim, Banking, Treasury and Windmill Divisions.

He is holding Nil Shares of the Company.

5) Shri. KL Tilakchand – Director, Surana Corporation Limited:

Shri K.L. Tilakchand, B.A, B.Com, LLB was a former chief commissioner of income tax. He has rich knowledge of taxation, corporate tax law and corporate management. He is a member of audit committee, remuneration committee and share transfer and investor grievance committee of Surana Corporation Limited.

He is holding Nil Shares of the Company.

6) Shri. Venkata Subramanya Muthu Swami – Director, Surana Corporation Limited:

Mr. V. M Swami, M.Com, LLB, CAIIB was a former General Manager, Allahabad Bank. He has vast experience in banking field and particularly on matters relating to corporate laws, banking and taxation. He has extensive practical experience in areas of corporate trading and efficient capex and working capital management.

He is holding Nil Shares of the Company.

7) Shri. Jagadish Gopal – Director, Surana Corporation Limited:

Shri. Jagadish Gopal, B.Com has 40 years of rich experience in accounts, administration, forestry, internal audit and customer relations. He also served the company for over 10 years before his retirement in the year 2003.

He is holding 400 Shares of the Company.

8) Shri. Harish P. Rajdev – Director, Surana Corporation Limited:

Shri. Harish P. Rajdev C.A, previously the deputy general manager MMTC Limited. Currently Director in Automated Trading Technologies Private Ltd and proprietor, Commodity & Financial Analysts, Ahmedabad. He has very wide knowledge of the bullion trade and of electronic trading of the commodity and derivatives.

He is holding Nil Shares of the Company.

**b) Category of Directors:**

The company has an Executive Chairman and after taking into consideration the above changes in the Board (i.e. resignations of Shri Pattabhiram and Shri. Deepak Surana), the number of Independent Directors is 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 2012-13, the Board met 10 times on 10.04.2012, 02.05.2012, 22.05.2012, 03.07.2012, 31.07.2012, 08.10.2012, 26.10.2012, 19.11.2012, 24.01.2013, and 07.03.2013.

The Annual General Meeting was held on 26th July 2012.

Particulars of attendance of Directors at the Board Meetings and at the last Annual General Meeting and the number of memberships held by the directors in the Boards of other companies and memberships/chairmanships held by them across the committees of all the companies during the year 2012-13 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**
Shri. Shantilal Surana	Promoter Executive Chairman	9	YES	NIL	NIL	NIL
Shri. Vijayraj Surana	Promoter Executive Managing Director	10	YES	NIL	NIL	NIL
Shri. S Guruswamy	Executive Director	10	YES	NIL	02	NIL
Shri. Deepak Surana (Resigned from the Board on 01.04.2013)	Promoter Executive Director	8	YES	NIL	NIL	NIL
Shri. Sandeep Surana	Promoter Executive Director	10	YES	NIL	NIL	NIL
Shri. K L Tilakchand	Independent Non - Executive	10	YES	NIL	NIL	01
Shri. Harish P Rajdev	Independent Non - Executive	NIL	YES	02	00	NIL
Shri. V M Swami	Independent Non - Executive	10	YES	02	NIL	02
Shri. Jagadish Gopal	Independent Non - Executive	10	YES	NIL	NIL	NIL
Sh. V. Pattabhiram (Resigned from the Board on 09.10.2012)	Independent Non - Executive	NIL	NO	NIL	02	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 Twenty Second Annual General meeting (in pursuance of Clause 49 of the Listing Agreement)

A. Name : Shri. K L Tilakchand  
 Age : 65 yrs  
 Qualification : B A, B Com. LLB.  
 Employment History : Chief Commissioner of Income Tax (Retd.,)  
 Present Position : Director.  
 Experience : Rich and varied experience.

B. Name : Shri. Jagadish Gopal  
 Age : 73 yrs  
 Qualification : B Com  
 Employment History : Worked in various positions including Accounts, Finance, Admin etc  
 Present Position : Director.  
 Experience : Rich 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 Directors.

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

The Audit Committee met 7 times during the year under review i.e. on 30.07.2012, 31.07.2012, 26.10.2012, 29.10.2012, 24.01.2013, 25.01.2013 and 29.04.2013. All the members of the committee attended the meeting.

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

### 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, 2013 the Share Transfer Committee met 5 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 2013.

#### 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. Shri. Jagadish Gopal as Chairman of the committee, Shri. K L Tilakchand and Shri. V M Swami.

During the year ended the Remuneration Committee Meeting was held on 15.01.2013 and all the Committee members attended the meeting.

#### Remuneration of Executive Directors:

Name	Salary (Rs. in lakhs)	Perquisites and Allowances
Shri. Shantilal Surana Chairman	33.00	Company's contribution to PF, Gratuity, Medical, leave encashment, LTC, telephone charges, Car with driver.
Shri. Vijayraj Surana Managing Director	33.00	
Shri. S Guruswamy Director (Marketing)	24.00	
Shri. Deepak Surana Executive Director	12.00	
Shri. Sandeep Surana Executive Director	12.00	

#### Non-Executive Directors:

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

Sitting Fees and Commission paid to Non Executive Directors:

Name	Commission (Rs. in lakhs)	Sitting Fees (In Rs)
Shri. K L Tilakchand Director	27.50	7,000
Shri. H P Rajdev Director	9.00	-
Shri. V M Swami Director	-	7,000
Shri. Jagadish Gopal Director	2.52	7,000

#### 6. General Body Meetings:

a. Location and time where annual 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	14.06.2010	11.30 A.M
2010-2011	The Raintree Hotels, 636, Anna Salai,, Teynampet, Chennai- 600 018	28.06.2011	03.00 P.M
2011-2012	Hotel Trident No.1/24, G.S.T Road, Chennai - 600 027.	26.07.2012	03.00 P.M

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

#### 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
14.06.2010	No Special Resolution was passed.
28.06.2011	1. Re-Designation of Shri. Sandeep Surana as Executive Director of the Company 2. Payment of Commission to Non Executive Independent Directors of the Company 3. Issue of share capital on Rights basis
26.07.2012	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.

### 1. General Shareholders' Information

#### 9.1 Annual General meeting:

Day, Date and Time: Thursday, the 27th June 2013 at 3.00 P.M.

Venue : The Leela Palace, Adyar Seaface, M.R.C. Nagar, Chennai- 600 028

#### 9.2 Financial Calendar Year:

Financial reporting for the quarter ending	Date of Approval
30th June 2012	31.07.2012
30th September 2012	26.10.2012
31st December 2012	24.01.2013
31st March 2013 (Audited)	30.04.2013

#### 9.3 Period of Book Closure:

The Register of Members will remain closed from 15th June, 2013 to 27th June, 2013 (both days inclusive)

#### 1.4 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

#### ISIN NO-DEMAT FORM: INE 357D01010

#### 9.5 Listing fees:

Annual Listing fees for the year 2013-14 have been duly paid to all the above stock exchanges.

#### 9.6 Stock market price data:

Month	Bombay Stock Exchange (Rs.)		National Stock Exchange (Rs.)	
	High price	Low price	High price	Low price
April 2012	98.00	82.00	95.00	82.00
May 2012	96.00	66.50	90.25	66.05
June 2012	78.95	65.00	76.95	64.00
July 2012	75.80	62.20	76.00	65.00
August 2012	76.75	66.55	77.40	66.60
September 2012	78.00	65.95	76.70	65.50
October 2012	103.75	71.00	102.50	70.50
November 2012	94.60	81.00	91.00	80.50
December 2012	88.00	68.00	88.80	67.15
January 2013	79.00	65.75	77.00	65.70
February 2013	80.50	53.20	69.90	56.45
March 2013	64.45	54.20	64.45	50.30

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

Period	Percentage change	
	Company's share price (%)	Sensex (%)
2009-2010	+211.19	+79.85
2010-2011	+ 65.36	+10.77
2011-2012	- 21.02	-10.58
2012-2013	- 43.21	+8.07

### 9.8 Share Transfer System:

With effect from 1st April 2003 the Company has appointed M/s. Cameo Corporate Services Limited as Company's Common Agency for Share Registry Work both for Physical & Demat in Compliance with circular No. D&CC/FITTC/CIR-15 /2002 dated 27.12.2002. Therefore the entire share transfer work (both physical & Demat) is centralized at a single point for better Investors Servicing.

#### Registrar and Share Transfer Agent:

M/s. Cameo Corporate Services Limited  
No.1 Club House Road, 5th Floor  
"Subramanian Building", Chennai 600 002  
Contact no: 044- 28460390; Fax 044-28460129

### 9.9 Distribution of Shareholding as on March 31, 2013:

Shareholding (Range)	Number of Holders	%	No. of shares	%
Up to 500	2,397	75.83	326,613	1.34
501-1000	209	6.61	167,457	0.69
1001-2000	267	8.45	372,011	1.53
2001-3000	103	3.26	265,166	1.09
3001-4000	24	0.76	82,586	0.34
4001-5000	34	1.08	160,005	0.66
5001-10000	54	1.71	406,643	1.67
10001 & above	73	2.31	22,578,253	92.69
<b>Total</b>	<b>3,161</b>	<b>100.00</b>	<b>24,358,734</b>	<b>100.00</b>

### 9.10 Shareholding pattern as on 31st March, 2013.

Category	No. of Share holders	No. of shares held	% to total
Promoters, Directors and their relatives	0010	12,216,713	50.15
Foreign Institutional investor	NIL	NIL	NIL
Bodies Corporate	0127	8,205,707	33.69
Resident Individuals, HUF & Trust	2922	2,356,371	9.67
NRI	0102	1,579,943	6.48
<b>Total</b>	<b>3,161</b>	<b>24,358,734</b>	<b>100.00</b>

### 9.11 Dematerialization of Shares as on 31st March, 2013:

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	4,777,266	19.61
Demat form - NSDL	14,481,707	59.45
Demat form - CDSL	5,099,761	20.94

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

### 9.13 Operational Locations:

#### SHOWROOM:

#### FACTORY:

#### SEZ:

- 1) Old No 79, No.161, No.121, 123, 125, N.S.C.Bose Road, Sowcarpet, Chennai-600 001
- 2) Old No 70, No.143, N.S.C.Bose Road, Sowcarpet, Chennai-600 001

### 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 (Rs.)
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	412,764.00
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	399,901.20
2009-2010	14.06.2010	19.07.2010	18.07.2017	18.08.2017	774,201.00
2010-2011	28.06.2011	03.08.2011	02.08.2018	02.09.2018	469,182.60
2011-2012 (Interim Dividend)	22.11.2011	05.01.2012	04.01.2019	04.02.2019	417,696.00
2011-2012 (Final Dividend)	26.07.2012	31.08.2012	30.08.2019	30.09.2019	3,14,224.00

### 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 at the minimum to reduce the cost for the customers.
- Strong Financial Revenues and standing of the Company.
- Excellent management team.
- Presence 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 errors while accounting.
- Commencement of NSEL Platform for trading in bullion.
- Contractual agreement with Institutions for Bullion Trade.

#### Weakness:

- Volatility in gold and silver prices.
- Uncertain regulatory atmosphere.
- Current account deficit and more and more restrictions by the Government on import of gold.
- Increased customs duty.

#### Opportunities:

- Expanding domestic markets.
- Growing middle class and upper middle class families with large disposable incomes.
- Emerging new markets in Tier II cities.
- Expected substantial increase in volume of imports owing to status of nominated agency.

#### Threats/ Challenges:

- Uncertainties of global economy, impacting overall growth.

#### 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, 2013.

Place: Chennai  
Date: 30/04/2013

**SHANTILAL SURANA**  
CHAIRMAN

## 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, 2013 and the Balance sheet of the Company as at March 31, 2013 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. 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.

SHANTILAL SURANA  
CHAIRMAN  
Dated: 30/04/2013

VIJAYRAJ SURANA  
MANAGING DIRECTOR  
Dated: 30/04/2013

## 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, 2013, 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- 79  
Date : 30.04.2013

## 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 2013, 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 2013 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2013 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, 2013.
  - (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.

**(C.S.PRITHVIRAJ JAIN)**  
Proprietor  
Membership No.11529

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

Place: Chennai  
Date : 30.04.2013



## 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 2013, 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 Windmills of Rs.30,62,46,301/- (cost) having Written Down Value of Rs.12,65,25,277/- were transferred to Subsidiary Companies for converting them under group captive scheme to augment revenues. This transfer has resulted in a Book Loss on sale of assets of Rs.7,70,25,277/-
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 Rs 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 relates to Steel division of erstwhile company since amalgamated with this company.	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 amount by way of issue of shares during the year. The company has allotted 25,00,000 shares during the year for funds received through preferential allotment in financial year 2011-2012.
21. According to information and explanations given to us, no frauds on or by the company has been noticed or reported during the year. MMTC is litigating and claiming old un-reconciled dues amounting to Rs.18.43 crores and interest thereon in various legal forums and departments. It was also instrumental in foisting a complaint with CBI (ACB), Chennai, which conducted searches and have seized accounted hypothecated stock in trade worth Rs.125 crores on 20.06.2012. Company in terms of significant accounting policy on Provisioning under Accounting Standard – 29 has prudently provided for an amount of Rs.28,38,52,800/- towards this ascertained liability.

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

Place: Chennai  
Date: 30.04.2013

**C.S PRITHIVRAJ JAIN**  
Proprietor  
M. No 11529

# SURANA CORPORATION LIMITED

## Balance Sheet as at 31st March 2013

(Amount in ₹)

Particulars		Note No.	Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1	243,587,340	218,587,340
	(b) Reserves and surplus	2	4,058,694,013	2,797,063,998
<b>2</b>	<b>Share application money pending allotment</b>		-	750,000,000
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	959,997,343	989,264,829
	(b) Deferred tax liabilities (Net)	4	327,460,919	185,351,371
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	5,876,001,804	580,845,043
	(b) Trade payables		8,184,752,622	17,353,554,959
	(c) Other current liabilities	6	2,668,835	23,912,150
	(d) Short-term provisions	7	388,280,677	86,244,067
	<b>TOTAL</b>		<b>20,041,443,552</b>	<b>22,984,823,757</b>
<b>ii.</b>	<b>ASSETS</b>			
<b>1</b>	(a) Fixed assets Tangible assets	8	1,170,993,469	1,467,731,969
	(b) Non-current investments	9	3,051,970	-
	(c) Long-term loans and advances	10	1,930,583	1,136,563
	(d) Other non-current assets	11	170,811,348	57,291,737
<b>2</b>	<b>Current assets</b>			
	(a) Current investments			
	(b) Inventories	12	4,322,862,045	4,571,060,411
	(c) Trade receivables	13	11,179,904,095	7,098,866,061
	(d) Cash and cash equivalents	14	3,093,922,399	9,642,692,412
	(e) Short-term loans and advances	15	97,967,642	146,044,604
	<b>TOTAL</b>		<b>20,041,443,552</b>	<b>22,984,823,757</b>

As per our report of even date attached.

For and on behalf of the Board

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

**C.S.PRITHVIRAJ JAIN**  
Proprietor  
Membership No.11529

**SHANTILAL SURANA**  
Chairman

**VIJAYRAJ SURANA**  
Managing Director

Place: Chennai  
Date : 30.04.2013

**DEVARAJAN K.E**  
Vice President - F & A

**Chandraprakash Abar**  
Company Secretary & AVP

## SURANA CORPORATION LIMITED

Profit and loss statement for the Year ended 31st March 2013.

(Amount in ₹)

Particulars		Refer Note No.	Year Ended 31-Mar-13	Year Ended 31-Mar-12
I.	Revenue from operations	16	84,698,303,136	86,660,020,105
II.	Other income	17	14,151,689	188,231
III.	<b>Total Revenue (I + II)</b>		<b>84,712,454,825</b>	<b>86,660,208,336</b>
IV.	Expenses:			
	Materials & Manufacturing Expenses	18	82,702,916,572	86,037,966,799
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		248,198,366	(1,005,056,993)
	Employee benefits expense	19	55,419,056	50,737,477
	Finance costs	20	637,394,600	445,306,197
	Depreciation and amortization expense		192,045,062	244,276,281
	Other expenses	21	166,069,221	112,074,515
	Total expenses		<b>84,002,042,878</b>	<b>85,885,274,276</b>
V.	<b>Profit before tax</b>		710,411,947	774,934,060
VI.	Tax expense:			
	(1) Current tax		36,717,294	57,766,619
	(2) Deferred tax		142,109,548	40,196,189
	(3) MAT Credit Availed during the year		(42,039,444)	(1,444,589)
VII.	<b>Profit (Loss) for the period</b>		<b>531,585,105</b>	<b>676,971,251</b>
VIII.	Earnings per equity share:			
	(1) Basic		21.82	30.97

As per our report of even date attached.

For and on behalf of the Board

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

**C.S.PRITHVIRAJ JAIN**  
Proprietor  
Membership No.11529

**SHANTILAL SURANA**  
Chairman

**VIJAYRAJ SURANA**  
Managing Director

Place: Chennai  
Date : 30.04.2013

**DEVARAJAN K.E**  
Vice President - F & A

**Chandraprakash Abar**  
Company Secretary & AVP

## Schedules to the Accounts for the Year Ended 31st March, 2013

### Note 1:

Share Capital	As at 31 March 2013		As at 31 March 2012	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of ` 10 each	55,000,000	550,000,000	55,000,000	550,000,000
<b>Issued Subscribed &amp; Paid Up (*)</b>				
Equity Shares of ` 10 each	24,358,734	243,587,340	21,858,734	218,587,340
<b>Total</b>	<b>24,358,734</b>	<b>243,587,340</b>	<b>21,858,734</b>	<b>218,587,340</b>

Particulars	Equity Shares	
	Number	₹
Shares outstanding at the beginning of the year	21,858,734	218,587,340
Shares Issued during the year Share application money	2,500,000	25,00,000
<b>Total</b>	<b>24,358,734</b>	<b>243,587,340</b>

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
G.R.Surana	3,054,179	12.54%	2,631,141	12.04%
Shantilal Surana	3,023,465	12.41%	3,022,865	13.83%
Dineshchand Surana	3,054,178	12.54%	3,054,178	13.97%
Vijayraj Surana	3,054,178	12.54%	3,053,647	13.97%
BLS Power Solutions Limited	3,347,856	15.32%	3,347,856	15.32%

### Note 2:

Reserves & Surplus	As at 31 March 2013		As at 31 March 2012	
	₹		₹	
<b>a. Securities Premium Account</b>				
Opening Balance	1,239,995,980		514,995,980	
Closing Balance	1,239,995,980		514,995,980	
<b>b. Amalgamation Reserve ( * )</b>				
Opening Balance	14,678,791		69,385,905	
(-) Written Back in Current Year	14,678,791		54,707,114	
Closing Balance	-		14,678,791	

**c. General Reserve**

Opening Balance	236,555,508	168,858,383
(+) Current Year Transfer	53,158,017	67,697,125
Closing Balance	<u>289,713,525</u>	<u>236,555,508</u>

**d. Surplus**

Opening balance	2,030,833,719	1,378,642,552
(+) Net Profit/(Net Loss) For the current year	531,585,105	676,971,251
(+) Transfer from Reserves	14,678,791	54,707,114
(-) Proposed Dividends	51,297,301	25,573,626
(-) Interim Dividends	-	25,573,626
(-) Transfer to Reserves	53,158,017	67,697,125
(+) MAT Credit Entitlement	56,342,210	39,357,179
Closing Balance	<u>2,528,984,507</u>	<u>2,030,833,719</u>
<b>Total</b>	<u><u>4,058,694,013</u></u>	<u><u>2,797,063,998</u></u>

\* Loss on sale of Assets acquired on Amalgamation has been offset against the Amalgamation Reserves as all the assets on amalgamation have been sold off.

**Note 3:**

Long Term Borrowings	As at 31 March 2013	As at 31 March 2012
	₹	₹
<b>Secured</b>		
<b>(a) Term loans</b>		
from banks	959,997,343	989,264,829
(Secured By first charge on Windmills)		
(the above is guaranteed by Promoter Directors)		
<b>Total</b>	<u>959,997,343</u>	<u>989,264,829</u>

**Note 4:**

Deferred Tax	As per Books ₹	As per IT ₹	Difference ₹
Written Down Value of Fixed Assets	1,105,023,380	94,165,310	1,010,858,071
Deferred Tax Liability on above @ 32.40%	358,027,575	30,566,656	327,460,919
Deferred Tax Liability provided so far			185,351,371
Deferred Tax Liability to be provided			142,109,548
Deferred Tax Assets			NIL

**Note 5:**

<b>Short Term Borrowings</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
from banks	5,876,001,804	580,845,043
(Secured By Hypothecation of stocks & Book debts & Fixed Assets )		
(the above is guaranteed by Promoter Directors)		
<b>Total</b>	<b><u>5,876,001,804</u></b>	<b><u>580,845,043</u></b>

**Note 6:**

<b>Other Current Liabilities</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
<b>(a) Other payables</b>		
Tax Deducted at Source payable	269,732	1,234,369
VAT payable	39	19,659,616
Creditors for Expenses	2,399,064	3,018,165
<b>Total</b>	<b><u>2,668,835</u></b>	<b><u>23,912,150</u></b>

**Note 7:**

<b>Short Term Provisions</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
<b>(a) Provision for employee benefits</b>		
Contribution to PF	-	112,423
Gratuity	4,726,705	3,116,988
Leave Encashment	717,317	853,736
Contribution to ESI	-	20,706
Bonus	1,403,724	1,365,937
<b>(b) Others (Specify nature)</b>		
Provision for Expenses	306,565,532	2,195,595
Provision for Current Tax	23,570,098	53,005,056
Provision for Dividend Tax	7,451,580	3,714,892
Proposed Dividend	43,845,721	21,858,734
<b>Total</b>	<b><u>388,280,677</u></b>	<b><u>86,244,067</u></b>

**Note 8:**

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2012	Additions	(Disposals)	Balance as at 31 Mar 2013	Balance as at 1 April 2012	Depreciation charge for the year	On disposals	Balance as at 31 Mar 2012	Balance as at 1 April 2012	Balance as at 31 Mar 2013	
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
<b>a</b>	<b>Tangible Assets</b>											
	Land	27,893,610	-	-	27,893,610	-	-	-	-	-	27,893,610	27,893,610
	Assets under lease*	5,382,738	-	(2,691,368)	2,691,370	-	-	-	-	-	5,382,738	2,691,370
	Land with Buildings	35,660,848	-	-	35,660,848	-	-	-	-	-	35,660,848	35,660,848
	Buildings	60,406,697	13,335,618	(157,195)	73,585,120	1,938,372	1,010,316	-	2,948,688	-	58,468,325	70,636,432
	Plant and Equipment	70,046,908	3,647,356	(190,662)	73,503,601	30,604,853	3,554,029	(78,945)	34,079,937	-	39,442,054	39,423,664
	Furniture and Fixtures	3,503,033	235,268	-	3,738,301	2,673,868	175,802	-	2,849,670	-	829,164	888,631
	Vehicles	10,746,161	513,168	(275,737)	10,983,592	1,843,150	1,003,401	-	2,846,551	-	8,903,011	8,137,041
	Office equipment	7,690,754	3,690,168	(291,065)	11,089,857	2,007,564	731,016	(104,866)	2,633,714	-	5,683,190	8,456,143
	Computers	18,661,527	1,475,340	-	20,136,867	12,061,451	2,293,373	-	14,354,824	-	6,600,076	5,782,043
	Windmill	1,663,092,675	-	(306,246,301)	1,356,846,374	384,223,721	183,277,129	(182,078,164)	385,422,686	-	1,278,868,954	971,423,688
	<b>Total</b>	<b>1,903,084,950</b>	<b>22,896,918</b>	<b>(309,852,328)</b>	<b>1,616,129,540</b>	<b>435,352,981</b>	<b>192,045,066</b>	<b>(182,261,975)</b>	<b>445,136,070</b>	<b>(182,261,975)</b>	<b>1,467,731,969</b>	<b>1,170,993,469</b>

\*Leasehold land written off on 1/5th basis

\*\* Deletion includes assets given to staff on recoverable loan basis

\*\*\* Depreciation on Windmills is followed on WDV method



**Note 9:**

<b>Current Investments</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
Gurudev Wind Energy P Ltd	739,990	-
Surana Overseas DMCC - Shares	1,472,000	-
Surana Projects P Ltd	99,990	-
Surana Wind Energy P Ltd	739,990	-
<b>Total</b>	<b><u>3,051,970</u></b>	<b><u>-</u></b>

**Note 10:**

<b>Long Term Loans and Advances</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
a. Security Deposits Unsecured, considered good	1,930,583	1,136,563
<b>Total</b>	<b><u>1,930,583</u></b>	<b><u>1,136,563</u></b>

**Note 11:**

<b>Other Non Current Assets</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
b. Others (specify nature) MAT Credit Availment Secured, considered good	100,775,770	57,291,737
Loan to Subsidiary Companies Unsecured, considered good	70,035,578	-
<b>Total</b>	<b><u>170,811,348</u></b>	<b><u>57,291,737</u></b>

**Note 12:**

<b>Inventories</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
a. Raw Materials and components	1,560,911,194	1,691,292,352
b. Work-in-progress	1,196,384,709	1,553,285,436
c. Finished goods*	1,460,561,416	1,325,607,519
d. Stock-in-trade	104,197,088	-
e. Stores and spares	807,638	875,104
(Valued at cost or Net Realisable Value whichever is lower as per Accounting Standard -2 on Valuation of Inventories)		
<b>Total</b>	<b><u>4,322,862,045</u></b>	<b><u>4,571,060,411</u></b>

\* includes 400.47 Kgs of Gold bullion and jewellery seized by CBI

**Note: 13**

<b>Trade Receivables</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	11,104,784,078	-
	<u>11,104,784,078</u>	-
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	75,813,517	-
	<u>75,813,517</u>	-
<b>Total</b>	<u><b>11,180,597,595</b></u>	<u><b>-</b></u>

**Note: 14**

<b>Cash and cash equivalents</b>	<b>As at 31 March 2013</b>		<b>As at 31 March 2012</b>	
	₹	₹	₹	₹
<b>a. Balances with banks This includes:</b>		3,076,114,190		9,623,425,950
Margin money for limit	324,554,563		405,000,000	
Margin money for Term Loan	45,700,000		45,700,000	
Guarantees	-		30,000,000	
Margin Money @ 100%	2,604,180,618		9,124,066,275	
<b>b. Cash on hand</b>		421,028		963,938
<b>c. Others (specify nature)</b>		-		18,302,524
- Cash with CBI		23,372,200		-
		<u><b>3,093,922,399</b></u>		<u><b>9,642,692,412</b></u>

**Note: 15**

Short-term loans and advances	As at 31 March 2013		As at 31 March 2012	
	₹	₹	₹	₹
a. Others (specify nature)				
Rent Advance				
Unsecured, considered good		1,262,300		1,152,700
Prepaid Expenses				
Unsecured, considered good		1,088,034		1,867,235
Other Current Assets				
Unsecured, considered good		95,617,308		143,024,669
		<u>97,967,642</u>		<u>146,044,604</u>

**Note:16**

Revenue from Operations	For the year ended 31 March 2013		For the year ended 31 March 2012	
	₹	₹	₹	₹
Sale of products		84,578,811,156		86,603,192,441
Income from Windpower Generation		1,19,491,981		56,827,664
<b>Total</b>		<u>84,698,303,136</u>		<u>86,660,020,105</u>

**Note:17**

Other Income	For the year ended 31 March 2013		For the year ended 31 March 2012	
	₹	₹	₹	₹
Other non-operating income (net of expenses directly attributable to such income)		12,846,689		188,231
Agricultural land Income from Windmill		1,305,000		-
<b>Total</b>		<u>14,151,689</u>		<u>188,231</u>

**Note:18**

Material and Manufacturing Expenses	For the year ended 31 March 2013		For the year ended 31 March 2012	
	₹	₹	₹	₹
Cost of Materials		83,288,788,180		86,014,226,923
Stores and Spares		2,940,736		4,634,937
Power and Fuel		1,742,890		1,393,937
Other Manufacturing Expenses		22,443,991		12,524,043
Clearing and Forwarding		3,357,411		5,186,959
<b>Total</b>		<u>82,702,916,572</u>		<u>86,037,966,799</u>

**Note:19**

<b>Employee Benefits Expense</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>
	₹	₹
(a) Salaries and incentives	47,435,227	45,669,288
(b) Contributions to -		
(i) Provident fund	1,675,244	1,324,098
(ii) Employee State Insurance	770,167	687,957
© Gratuity fund contributions & EI & Bonus	3,308,964	715,879
(d) Staff welfare expenses	2,229,454	2,340,255
<b>Total</b>	<b><u>55,419,056</u></b>	<b><u>50,737,477</u></b>

**Note:20**

<b>Earnings Per Share</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>
	₹	₹
Interest expense	608,371,540	432,869,944
Other borrowing costs	29,023,060	12,436,253
<b>Total</b>	<b><u>637,394,600</u></b>	<b><u>445,306,197</u></b>

**Note: 20**

Other Expenses	For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
ADVERTISEMENT	1,793,911	469,829
ANNUAL MAINTENANCE CHARGES	1,488,323	3,662,628
Audit Fees	568,400	452,440
BAD DEBTS	1,771,210	(8,000)
BUSINESS PROMOTION	1,476,787	2,172,670
COMPUTER MAINTENANCE	1,764,464	398,020
DONATION A/C	150,000	735,000
ELECTRICITY CHARGES	2,119,174	1,797,430
GENERAL EXPENSES	30,605	1,335,532
LEASEHOLD LAND W/OFF	2,691,368	2,691,368
INSURANCE CHARGES	4,631,537	5,011,191
INTERNAL AUDIT FEES	314,248	255,141
LISTING FEES & SUBSCRIPTION FEES	5,009,155	4,164,061
Loss on Sale of Assets	77,282,158	54,707,114
OFFICE MAINTENANCE	3,693,032	4,714,107
POSTAGE & TELEGRAMS	303,014	417,546
PRINTING & STATIONERY	1,973,417	1,657,120
PROFESSIONAL & CONSULTANCY EXPENSES	10,517,432	8,722,675
RENT, RATES & TAXES	5,403,245	4,136,318
REPAIRS & MAINTENANCE OF WIND TURBINES	28,760,181	3,993,077
SECURITY CHARGES	840,248	1,079,356
SITTING FEES, AGM & EGM EXPENSES	176,580	79,000
TELEPHONE EXPENSES	2,391,463	2,180,066
TRAVELLING & CONVEYANCE	7,532,318	5,099,523
VEHICLE MAINTENANCE	3,386,952	2,151,303
<b>Total</b>	<b><u>166,069,221</u></b>	<b><u>112,074,515</u></b>

**Note: 21**

Earnings Per Share	For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
Earnings	531,585,105	676,971,251
No. Of Shares	24,358,734	21,858,734
Earnings Per Share - Normal	<u>21.82</u>	<u>30.97</u>

## **SCHEDULE "R"**

### **Note 23:**

### **NOTES ON ACCOUNTS FOR THE YEAR ENDED 31-03-2013**

#### **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. The financial statements are prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

##### **2. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

##### **3. 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.

##### **4. 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 Windmills of Rs.30,62,46,301/- (cost) having Written Down Value of Rs.12,65,25,277/- were transferred to Subsidiary Companies for converting them under group captive scheme to augment revenues. This transfer has resulted in a Book Loss on sale of assets of Rs.7,70,25,277/-

##### **C) EMPLOYEES RETIREMENT BENEFITS**

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

##### **D) INVENTORIES**

1. Inventories are stated at lower of cost or net realizable value and as per Accounting Standard -2 on "Valuation of Inventories"

2. The cost formula used for the purpose of valuation is Weighted Average Rate method and includes direct cost incurred in bringing the items of inventory to their present location and condition.

3. Inventories are taken, verified, certified and valued by the Management.

4. Obsolete and non moving items of inventory have been adequately provided for.

##### **E) REVENUE RECOGNITION**

1. Revenue is recognized only when it can be reliably measured and when it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, income generated by own windmills and 40% of income generated by windmills sold to subsidiary company by overriding title.

2. Sales are recorded net of trade discounts, rebates and value added tax if any and are recorded at the realized foreign currency rates. Making charges are recognized at point of sale.

3. Interest received on fixed deposits made for margin purposes towards supply of raw materials by suppliers is netted off against the cost of purchases. Interest on bank deposits and other interest bearing loans is accounted on accrual basis.

## **II. BALANCE SHEET**

### **1. SECURED LOAN**

- a. 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. The Company has filed a writ through the Association of SEZ Owners and Units, Chennai challenging the applicability of retrospective amendment to the Income Tax Act levying Minimum Alternate Tax on Profits earned by SEZ units. The writ has been admitted by the High court of Madras and decision is awaited. Hence, the company has not provided for Minimum Alternate Tax on SEZ profits.

### **3. FOREIGN CURRENCY TRANSACTIONS**

- a. For its import and export transactions the company is exposed to foreign exchange transactions, the company hedges its foreign exchange transactions against its own imports and exports and also by way of forward contracts with banks.
- b. Completed foreign exchange transactions are recorded at the actual exchange rate paid. Pending foreign exchange transactions as on 31st March, 2013 are recorded at notional rates. The notional rates have been converted into prevailing rates on 31st March 2013 and the difference is recorded as purchase rate differences. Premium paid on forward contracts is recognized over the life of the contracts.
- c. Premium in respect of forward foreign exchange contract is charged to the Profit and Loss account. Premium in respect of foreign exchange option contracts is charged to the profit and loss account as and when the contracts are entered in to but the gain on such option contracts, is recognized only on maturity / cancellation of such option contracts.

### **4. MICRO AND SMALL ENTERPRISES DUES**

Based on the information / Documents available with the Company amounts due to micro and small enterprises is NIL.

### **5. EARNINGS PER SHARE**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable by the weighted average of number of equity shares outstanding during the year.

## **6. CONTINGENT LIABILITES**

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability in the financial statements, but are disclosed in the notes.

## **7. PROVISIONS**

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Provision / Write off of doubtful and unrecoverable book debts and advances have been made, wherever found necessary by the management.

## **8. INVESTMENTS**

Long term investments are stated at cost after deducting the provisions if any made for permanent diminution in values. Current investments are stated at lower of the cost and fair market value, whichever is less.

## **9. CASH FLOW STATEMENT**

The Cash flow statement is prepared by the indirect method set out in the accounting standard 3 on cash flow statement. Cash and Cash Equivalent for the purpose of cash flow statement comprise cash at bank & cash in hand.

## PROFIT & LOSS ACCOUNT

	2012-13 (in ₹)	2011-12 (in ₹)
<b>Outflow of Foreign Currency</b>		
Imports	25,27,48,44,882	41,834,207,362
Travel	17,59,751	697,183
Foreign Exchange Earnings Exports receivables	15,50,54,98,698	19,107,308,655

Details of unclaimed Dividend (Cumulative)		
Subject to reconciliation	2,456,756	2,456,756

Managerial Remuneration (Including commission)		
Chairman	40,10,000	4,075,000
Managing Director	40,10,000	4,075,000

Audit fees included under the head 'Administrative Expenses' is inclusive of the following:		
Statutory Audit Fees	5,61,800	449,440
Internal audit fees	3,14,248	255,141
Audit Expenses	4,600	3,000
<b>Total</b>	<b>880,648</b>	<b>707,581</b>

## IV GENERAL

### 1. RELATED PARTY DISCLOSURES

#### a. Related parties where Control Exists

- M/s. Surana Wind Energy Private Limited.
- M/s. Gurudev Wind Energy Private Limited.
- M/s. Surana Projects Private Limited.
- M/s. Surana Overseas DMCC, Dubai.

#### b. Names of the Key Personnel

- Sh. Shantilal Surana - Chairman
- Sh. Vijayraj Surana - Managing Director
- Sh. S. Guruswamy – Director Marketing
- Sh. Deepak Surana – Executive Director
- Sh. Sandeep Surana–Executive Director

## Transactions with Related Parties

### a. Related Parties where control Exists

Particulars	Current Year	Previous Year	Max. balance at any time during the year
-------------	--------------	---------------	--

#### Loans and Advances

Gurudev Wind Energy Private Limited	2,13,42,674	-	-
Surana Wind Energy Private Limited	2,74,12,270	-	-
Surana Projects Private Limited	-	-	-
Surana Overseas DMCC, Dubai	2,12,80,634	-	-

#### Sale of Assets

Gurudev Wind Energy Private Limited	1,95,00,000	-
Surana Wind Energy Private Limited	3,00,00,000	-

#### Sale of Ornaments

Surana Industries Limited	2,90,291	27,009
Sh. Shantilal Surana	-	32,45,271
Sh. Vijayraj Surana	-	3,90,000
Sh. Deepak Surana	-	1,50,000
Sh. Sandeep Surana	-	7,25,000

#### Remuneration Payments

Sh. Shantilal Surana	33,00,000	33,00,000
Sh. Vijayraj Surana	33,00,000	33,00,000
Sh. S. Guruswamy	24,00,000	24,00,000
Sh. Deepak Surana	12,00,000	3,00,000
Sh. Sandeep Surana	12,00,000	12,00,000

#### Sitting Fees

Sh. Shantilal Surana	6,000	12,000
Sh. Vijayraj Surana	7,000	12,000
Sh. S. Guruswamy	7,000	8,000
Sh. Deepak Surana	7,000	4,000
Sh. Sandeep Surana	7,000	8,000



**Note: 24****QUANTITATIVE DETAILS****a. Raw Materials - (Domestic)**

S. No.	Description	Opening Stock	Purchases	Consumption (sales)	Closing stock
1	Gold Bars (Kgs.) Domestic	1,290.75 (1,193.08)	18,704.91 (22,318.44)	19,555.70 (22,220.77)	439.95 (1,290.75)
2	Gold Bars (Kgs.) Exports	0.00 (0.00)	4,965.00 (6,760.00)	4,965.00 (6,760.00)	NIL NIL

**c. Domestic Production**

Description	2012 - 2013	2011 - 2012
For Production	20,366.06	21,270.25
Finished Goods	20,270.56	21,237.38
% of Yield	99.57%	99.86%

**b. Finished Goods – (Domestic & SEZ)**

S. No.	Description	Opening Stock	Production Net of wastage	Sales	Closing stock
1	Bullion sales (Kgs) under Nominated Agency	0.00 (0.00)	1,875.00 (2,000.00)	1,875.00 (2,000.00)	0.00 (0.00)
2	Gold Jewellery - Exports	0.00 (0.00)	4,960.22 * (6,756.62)	4,964.87 * (6,759.62)	0.00 (0.00)
3	Gold Jewellery- Domestic	587.56 (657.99)	20,270.56 (21,237.38)	19,761.03 (21,307.81)	1,097.09 (587.56)

\*During the year 4.65Kgs (3Kgs) of metal was recovered from the gross wastage of 4.78 Kgs (3.79 Kgs) was used for manufacturing and sale.

**Note: 25****SEGMENT RESULTS – GEOGRAPHICAL**

(as given under Accounting Standards AS-17)

Particulars	Domestic		Exports		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Sales	69,206,956,127	67,552,711,450	15,505,498,698	19,107,308,655	84,712,454,825	86,660,020,105
Expenditure	69,092,912,450	67,270,921,290	14,909,130,427	18,614,164,755	84,002,042,878	85,885,086,045
Profit Before Tax	114,043,677	281,790,160	596,368,271	493,143,900	71,04,11,947	774,934,060
Tax Included Deffered Tax	178,826,842	97,962,808	-	-	178,826,842	97,962,808
Profit After Tax	(64,788,103)	183,827,351	596,368,271	493,143,900	531,585,105	676,971,251
Assets	35,46,566,135	7,051,792,434	16,494,872,478	7,454,919,903	20,041,443,552	22,984,823,757
Liabilities	8,946,107,963	3,619,385,859	6,793,054,235	7,121,675,140	15,739,162,199	19,219,172,419
Capital Employed					4,302,281,353	3,765,651,338

	Domestic	Export	Total
1) Additions to the assets during the year which forms part of Assets value as mentioned above are as follows:	22,119,046	755,872	22,874,918
2) Depreciation & Amortization included in the expenditure as above are as follows:	191,768,280	276,782	192,045,062
3) Non cash expenditure other than Depreciation & Amortization included in the expenditure as above are as follows:	77,282,158 (Loss on sale of assets)	2,691,368 (Lease Rental)	79,973,526

**Note: 26**

Contingent liabilities and commitments (to the extent not provided for)	As at 31 March 2013 In ₹	As at 31 March 2012 In ₹
<b>(a) Contingent Liabilities</b>		
i. Other money for which the company is contingently liable*	13,539,725	13,539,725
ii. Guarantees fully secured by Fixed Deposits	-	3,00,00,000
	13,539,725	13,539,725

\* This relates to Steel division of erstwhile company since amalgamated with your company.

**Note: 27**

MMTC is litigating and claiming old un-reconciled dues amounting to Rs.18.43 crores and interest thereon in various legal forums and departments. It was also instrumental in foisting a complaint with CBI (ACB), Chennai, which conducted searches and have seized accounted hypothecated stock in trade worth Rs.125 crores on 20.06.2012. Company in terms of significant accounting policy on Provisioning under Accounting Standard – 29 has prudently provided for an amount of Rs.28,38,52,800/- towards this ascertained liability.

**Note: 28**

Company has identified that there is no material impairment of assets and as such no provision is required as per AS-28 issued by ICAI.

**As per our report of even date attached**

**C S Prithviraj Jain**  
Proprietor  
Membership No. 11529  
FRN No.001227S

**Shantilal Surana**  
Chairman

**Vijayraj Surana**  
Managing Director

**Place: Chennai**  
**Date: 30.04.2013**

**Devarajan K E**  
Vice President – F & A

**Chandraprakash Abar**  
Company Secretary & AVP

**Note: 29**

Brief particulars of Employees who were entitled to receive or were in receipt of emoluments aggregating to Rs.60,00,000/- or more per annum and /or Rs.5,00,000/- or more per month, if employed, for a part of the year is NIL (Previous Year – NIL)

**Note: 30**

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

**Note: 31**

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

**Note: 32**

Figures have been rounded off to the nearest rupee

**Signatories to Notes 1 to 32**

For and behalf of the Board

**GURUDEV  
SURANA CORPORATION LTD.**

**NO.29, WHITES ROAD, SECOND FLOOR, ROYAPETTAH, CHENNAI - 600 014.**

<b>CASH FLOW STATEMENT</b>	<b>Amount in Rs</b>	
	<b>Year Ended</b>	
A. CASHFLOW FROM OPERATING ACTIVITIES :	3/31/2013	3/31/2012
Net Profit before Taxes & Extraordinary Items	710,411,947	774,934,060
Adjustments for :		
Depreciation and Amortisation	192,045,062	244,276,281
Interest Expenses	637,394,600	445,306,197
Loss on sale of Assets	77,282,158	54,707,114
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,617,133,768</b>	<b>1,519,223,652</b>
Adjustments for :		
Trade and Other Receivables	(4,147,274,703)	(1,475,157,128)
Inventories	248,198,366	(1,005,086,993)
Trade and other Payables	(8,888,009,042)	11,680,304,333
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(11,169,951,611)</b>	<b>10,719,283,864</b>
Interest Paid	637,394,600	445,306,197
Taxes Paid	3,714,892	8,464,405
Dividend Paid	21,858,734	61,204,455
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>(11,832,919,837)</b>	<b>10,204,308,807</b>
Extraordinary Items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(11,832,919,837)</b>	<b>10,204,308,807</b>
B. CASHFLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(22,896,918)	(1,064,372,091)
Sale of Fixed Assets	49,547,125	2,423,400
Investments in Subsidiary	(3,051,970)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>23,598,237</b>	<b>(1,061,948,691)</b>
C. CASHFLOW FROM FINANCING ACTIVITIES :		
Proceeds from issue of Share Capital & Share Premium	-	750,000,000
Proceeds / (Repayment) from Long Term Borrowings	5,260,551,587	(528,857,757)
Repayment of Other Long Term Borrowings	-	(522,329,636)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>5,260,551,587</b>	<b>(301,187,393)</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(6,548,770,013)</b>	<b>8,841,172,723</b>
Cash & Cash Equivalents as at 31/03/2012	9,642,692,412	801,519,689
Cash & Cash Equivalents as at 31/03/2013	3,093,922,399	9,642,692,412

Notes to Cash Flow Statement for the year ended 31.03.2013	<b>Year Ended</b>	
	3/31/2013	3/31/2012
	<b>(Amount in Rs.)</b>	

1. Cash and Cash equivalents includes :

Cash in hand	421,028	963,938
Balance with Banks	3,093,501,371	9,641,728,474

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.

As per our report of even date attached.

For and on behalf of the Board

**SHANTILAL SURANA**  
Chairman

**VIJAYRAJ SURANA**  
Managing Director

**DEVARAJAN K.E**  
Vice President - F & A

**Chandraprakash Abar**  
Company Secretary & AVP

We have verified the attached Cash Flow Statement , books and records maintained by the Company for the year ended 31st March 2012 and 31st March 2013 and found the same in agreement therewith.

As per our report of even date attached.

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

**C.S.PRITHVIRAJ JAIN**  
Proprietor  
Membership No.11529

Place: Chennai  
Date : 30.04.2013

# AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To  
**The Board of Directors of  
M/s SURANA CORPORATION LTD  
Chennai - 14**

We have audited the attached Consolidated Balance Sheet of M/S SURANA CORPORATION LIMITED ("the company") and & ITS SUBSIDIARIES ( the Company and its Subsidiaries constitute "the Group"), Chennai as at 31st March 2013, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement of the Group 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 consolidated 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.

We did not audit the financial statements of the subsidiaries, for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information relating to the subsidiaries except M/s. SURANA OVERSEAS DMCC, Dubai, have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors. Our opinion, on the amounts included in respect of M/s. SURANA OVERSEAS DMCC, Dubai, in the Consolidated Financial Statement is based on the unaudited statements furnished to us by the Management.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures as notified under the Companies (Accounting Standards) Rules, 2006. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on other financial information of the components, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013.
- (ii) In the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
- (iii) In the case of the Consolidated Cash flow Statement, of the Cash flows of the Group for the year ended on that date.

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

**Place: Chennai  
Date: 30.04.2013**

**C.S PRITHIVRAJ JAIN**  
Proprietor  
M No 11529

# SURANA CORPORATION LIMITED & ITS SUBSIDIARIES

## Consolidated Balance Sheet as at 31st March 2013

(Amount in ₹)

S. No.	Particulars	Note No.	Year Ended 31-Mar-13	Year Ended 31-Mar-12
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1	243,587,340	-
	(b) Reserves and surplus	2	4,047,096,229	-
<b>2</b>	<b>Minority Interest</b>		(694,296)	-
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	959,997,343	-
	(b) Deferred tax liabilities (Net)	4	327,460,919	-
<b>4</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	5	5,876,001,804	-
	(b) Trade payables		8,184,752,622	-
	(c) Other current liabilities	6	2,668,835	-
	(d) Short-term provisions	7	388,325,621	-
	<b>TOTAL</b>		<b>20,029,196,416</b>	<b>-</b>
<b>ii.</b>	<b>ASSETS</b>			
<b>1</b>	<b>(a) Fixed assets</b>			
	(i) Tangible assets	8	1,224,605,872	-
	(c) Long-term loans and advances	9	2,453,133	-
	(d) Other non-current assets	10	100,775,770	-
<b>2</b>	<b>Current assets</b>			
	(a) Current investments			
	(b) Inventories	11	4,322,862,045	-
	(c) Trade receivables	12	11,180,597,595	-
	(d) Cash and cash equivalents	13	3,099,934,358	-
	(e) Short-term loans and advances	14	97,967,642	-
	<b>TOTAL</b>		<b>20,029,196,416</b>	<b>-</b>

As per our report of even date attached.

For and on behalf of the Board

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

**C.S.PRITHVIRAJ JAIN**  
Proprietor  
Membership No.11529

**SHANTILAL SURANA**  
Chairman

**VIJAYRAJ SURANA**  
Managing Director

Place: Chennai  
Date : 30.04.2013

**DEVARAJAN K.E**  
Vice President - F & A

**Chandraprakash Abar**  
Company Secretary & AVP

## SURANA CORPORATION LIMITED & ITS SUBSIDIARIES

Consolidated Profit and loss statement for the Year ended 31st March 2013.

(Amount in ₹)

Particulars		Refer Note No.	Year Ended 31-Mar-13	Year Ended 31-Mar-12
I.	Revenue from operations	15	84,711,388,229	-
II.	Other income	16	2,917,652	-
III.	<b>Total Revenue (I + II)</b>		84,714,305,881	-
IV.	Expenses:			
	Materials & Manufacturing Expenses	17	82,702,916,572	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		248,198,366	-
	Employee benefits expense	18	60,291,460	-
	Finance costs	19	637,442,775	-
	Depreciation and amortization expense		196,881,502	-
	Other expenses	20	170,744,407	-
	Total expenses		84,016,475,082	-
V.	<b>Profit before tax</b>		697,830,799	-
VI.	Tax expense:			
	(1) Current tax		36,717,294	-
	(2) Deferred tax		142,109,548	-
	(3) MAT Credit Availed during the year		(42,039,444)	-
	(4) Minority Interest share of Loss		(1,214,326)	-
VII.	<b>Profit (Loss) for the period</b>		520,218,282	-
VIII.	Earnings per equity share:			
	(1) Basic	21	21.17	-

As per our report of even date attached.

For and on behalf of the Board

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

**C.S.PRITHVIRAJ JAIN**  
Proprietor  
Membership No.11529

**SHANTILAL SURANA**  
Chairman

**VIJAYRAJ SURANA**  
Managing Director

Place: Chennai  
Date : 30.04.2013

**DEVARAJAN K.E**  
Vice President - F & A

**Chandraprakash Abar**  
Company Secretary & AVP

## Schedules to the Accounts for the Year Ended 31st March, 2013

### Note 1:

Share Capital	As at 31 March 2013		As at 31 March 2012	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of ` 10 each	55,000,000	550,000,000	-	-
<b>Issued Subscribed &amp; Paid Up (*)</b>				
Equity Shares of ` 10 each	24,568,734	245,687,340	-	-
<b>Total</b>	<u>24,568,734</u>	<u>245,687,340</u>	<u>-</u>	<u>-</u>

Particulars	Equity Shares	
	Number	₹
Shares outstanding at the beginning of the year	21,858,734	218,587,340
Shares Issued during the year Share application money	2,500,000	25,00,000
Shares Issued during the year Subsidiary company	210,000	2,100,000
<b>Total</b>	<u>24,568,734</u>	<u>245,687,340</u>

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
G.R.Surana	3,054,179	12.54%	2,631,141	12.04%
Shantilal Surana	3,023,465	12.41%	3,022,865	13.83%
Dineshchand Surana	3,054,178	12.54%	3,054,178	13.97%
Vijayraj Surana	3,054,178	12.54%	3,053,647	13.97%
BLS Power Solutions Limited	3,347,856	15.32%	3,347,856	15.32%

### Note 2:

Reserves & Surplus	As at 31 March 2013		As at 31 March 2012	
		₹		₹
<b>a. Securities Premium Account</b>				
Opening Balance		1,239,995,980		-
Closing Balance		<u>1,239,995,980</u>		-
<b>b. Amalgamation Reserve ( * )</b>				
Opening Balance		14,678,791		-
(-) Written Back in Current Year		14,678,791		-
Closing Balance		<u>-</u>		<u>-</u>



**c. General Reserve**

Opening Balance	236,555,508	-
(+) Current Year Transfer	53,158,017	-
Closing Balance	<u>289,713,525</u>	<u>-</u>

**d. Surplus**

Opening balance	2,030,833,719	-
(+) Net Profit/(Net Loss) For the current year	520,218,282	-
(+) Transfer from Reserves	14,678,791	-
(-) Proposed Dividends	51,297,301	-
(-) Interim Dividends	(230,962)	-
(-) Transfer to Reserves	53,158,017	-
(+) MAT Credit Entitlement	56,342,210	-
Closing Balance	<u>2,517,386,723</u>	<u>-</u>
<b>Total</b>	<u><u>4,047,096,229</u></u>	<u><u>-</u></u>

\* Loss on sale of Assets acquired on Amalgamation has been offset against the Amalgamation Reserves as all the assets on amalgamation have been sold off.

(\*\*) Minority Interest for Subsidiary companies separately shown in Balance Sheet.

**Note 3:**

Long Term Borrowings	As at 31 March 2013	As at 31 March 2012
	₹	₹
<b>Secured</b>		
<b>(a) Term loans</b>		
from banks	959,997,343	-
(Secured By first charge on Windmills)		
(the above is guaranteed by Promoter Directors)		
<b>Total</b>	<u>959,997,343</u>	<u>-</u>

**Note 4:**

Deferred Tax	As per Books ₹	As per IT ₹	Difference ₹
Written Down Value of Fixed Assets	1,105,023,380	94,165,310	1,010,858,071
Deferred Tax Liability on above @ 32.40%	358,027,575	30,566,656	327,460,919
Deferred Tax Liability provided so far			185,351,371
Deferred Tax Liability to be provided			142,109,548
Deferred Tax Assets			NIL

**Note 5:**

<b>Short Term Borrowings</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
from banks	5,876,001,804	-
(Secured By Hypothecation of stocks & Book debts & Fixed Assets )		
(the above is guaranteed by Promoter Directors)		
<b>Total</b>	<u><u>5,876,001,804</u></u>	<u><u>-</u></u>

**Note 6:**

<b>Other Current Liabilities</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
<b>(a) Other payables</b>		
Tax Deducted at Source payable	269,732	-
VAT payable	39	-
Creditors for Expenses	2,399,064	-
<b>Total</b>	<u><u>2,668,835</u></u>	<u><u>-</u></u>

**Note 7:**

<b>Short Term Provisions</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements		
Gratuity	4,726,705	-
Leave Encashment	717,317	-
Bonus	1,403,724	-
<b>(b) Others (Specify nature)</b>		
Provision for Expenses	306,610,476	-
Provision for Current Tax	23,570,098	-
Provision for Dividend Tax	7,451,580	-
Proposed Dividend	43,845,721	-
<b>Total</b>	<u><u>388,325,621</u></u>	<u><u>-</u></u>

**Note 8:**

	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
		Balance as at 1 April 2012	Additions	(Disposals)	Balance as at 31 Mar 2013	Balance as at 1 April 2012	Depreciation charge for the year	On disposals	Balance as at 31 Mar 2013	Balance as at 1 Mar 2013		
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
<b>a</b>	<b>Tangible Assets</b>											
	Land	27,893,610	-	-	27,893,610	-	-	-	-	-	-	27,893,610
	Assets under lease*	5,382,738	-	(2,691,368)	2,691,370	-	-	-	-	-	-	2,691,370
	Land with Buildings	35,660,848	8,322,378	-	43,983,226	-	-	-	-	-	-	43,983,226
	Buildings	60,406,697	13,335,618	(157,195)	73,585,120	1,938,372	1,010,316	-	2,948,688	-	-	70,636,432
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-
	Plant and Equipment	70,046,908	3,647,356	(190,662)	73,503,601	30,604,853	3,554,029	(78,945)	34,079,937	-	-	39,423,664
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-
	Furniture and Fixtures	3,503,033	556,542	-	4,059,575	2,673,868	180,250	-	2,854,118	-	-	1,205,457
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-
	Vehicles **	10,746,161	513,168	(275,737)	10,983,592	1,843,150	1,003,401	-	2,846,551	-	-	8,137,041
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-
	Office equipment	7,690,754	3,734,310	(291,065)	11,133,999	2,007,564	731,016	(104,866)	2,633,714	-	-	8,500,285
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-
	Computers	18,661,527	1,736,389	-	20,397,916	12,061,451	2,296,415	-	14,357,866	-	-	6,040,050
	Windmill ***	1,663,092,675	49,500,000	(306,246,301)	1,406,346,374	384,223,721	188,106,079	(182,078,164)	390,251,636	-	-	1,016,094,738
	<b>Total</b>	<b>1,903,084,950</b>	<b>81,345,761</b>	<b>(309,852,328)</b>	<b>1,674,578,383</b>	<b>435,352,981</b>	<b>196,881,506</b>	<b>(182,261,975)</b>	<b>449,972,510</b>	<b>1,224,605,872</b>	<b>1,224,605,872</b>	

\*Leasehold land written off on 1/5th basis

\*\* Deletion includes assets given to staff on recoverable loan basis

\*\*\* Depreciation on Windmills is followed on WDV method

**Note 9:**

<b>Long Term Loans and Advances</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
a. Security Deposits		
Unsecured, considered good	2,453,133	-
	2,453,133	-
<b>Total</b>	<b><u>2,453,133</u></b>	<b><u>-</u></b>

**Note 10:**

<b>Other Non Current Assets</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
a. Others (specify nature)		
MAT Credit Availment Secured, considered good	100,775,770	-
<b>Total</b>	<b><u>100,775,770</u></b>	<b><u>-</u></b>

**Note 11:**

<b>Inventories</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
a. Raw Materials and components	1,560,911,194	-
b. Work-in-progress	1,196,384,709	-
c. Finished goods*	1,460,561,416	-
d. Stock-in-trade	104,197,088	-
e. Stores and spares	807,638	-
(Valued at cost or Net Realisable Value whichever is lower as per Accounting Standard -2 on Valuation of Inventories)		
<b>Total</b>	<b><u>4,322,862,045</u></b>	<b><u>-</u></b>

\* includes 400.47 Kgs of Gold bullion and jewellery seized by CBI

**Note: 12**

<b>Trade Receivables</b>	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	11,104,784,078	-
	11,104,784,078	-
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	75,813,517	-
	75,813,517	-
<b>Total</b>	<b><u>11,180,597,595</u></b>	<b><u>-</u></b>

**Note:13****Cash and cash equivalents**

	<b>For the year ended 31 March 2013</b>		<b>For the year ended 31 March 2012</b>	
	₹	₹	₹	₹
<b>a. Balances with banks This includes:</b>		3,076,114,190		-
Margin money for limit	324,554,563		-	
Margin money for Term Loan	45,700,000		-	
Guarantees	-		-	
Margin Money @ 100%	2,604,180,618		-	
<b>b. Cash on hand</b>		447,968		-
<b>c. Others (specify nature)</b>				
- Cash with CBI		23,372,200		
		<b><u>3,099,934,358</u></b>		

**Note:14****Short-term loans and advances**

	<b>As at 31 March 2013</b>	<b>As at 31 March 2012</b>
	₹	₹
<b>a. Others (specify nature)</b>		
Rent Advance	-	
Unsecured, considered good	1,262,300	-
Prepaid Expenses	-	
Unsecured, considered good	1,088,034	-
Other Current Assets	-	
Unsecured, considered good	95,617,308	-
	<b><u>97,967,642</u></b>	

**Note:15**

<b>Revenue from Operations</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>
	₹	₹
Sale of products	84,578,811,156	-
Income from Windpower Generation	132,577,074	-
<b>Total</b>	<b><u>84,711,388,229</u></b>	<b>-</b>

**Note: 16**

<b>Other Income</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>
Other non-operating income (net of expenses directly attributable to such income)	1,612,652	-
Agricultural land Income from Windmill	1,305,000	-
<b>Total</b>	<b><u>2,917,652</u></b>	<b>-</b>

**Note: 17**

<b>Material and Manufacturing Expenses</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>
Cost of Materials	83,288,788,180	-
Stores and Spares	2,940,736	-
Power and Fuel	1,742,890	-
Other Manufacturing Expenses	22,443,991	-
Clearing and Forwarding	3,357,411	-
<b>Total</b>	<b><u>82,702,916,572</u></b>	<b>-</b>

**Note: 18**

<b>Employee Benefits Expense</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>
(a) Salaries and incentives	51,307,019	-
(b) Contributions to -		
(i) Provident fund	1,675,244	-
(ii) Employee State Insurance	770,167	-
(c) Gratuity fund contributions & EI & Bonus	3,308,964	-
(d) Staff welfare expenses	3,230,066	-
<b>Total</b>	<b><u>60,291,460</u></b>	<b>-</b>

**Note: 19**

<b>Finance Expenses</b>	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>
Interest expense	608,371,540	-
Other borrowing costs	29,071,235	-
<b>Total</b>	<b><u>637,442,775</u></b>	<b>-</b>

**Note: 20****Other Expenses**

	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>
ADVERTISEMENT	₹ 1,793,911	-
ANNUAL MAINTENANCE CHARGES	1,488,323	-
Audit Fees	613,344	-
BAD DEBTS	1,771,210	-
BUSINESS PROMOTION	1,529,471	-
COMPUTER MAINTENANCE	1,764,464	-
DONATION A/C	150,000	-
ELECTRICITY CHARGES	2,130,565	-
GENERAL EXPENSES	30,605	-
LEASEHOLD LAND W/OFF	2,691,368	-
INSURANCE CHARGES	4,631,537	-
INTERNAL AUDIT FEES	314,248	-
LISTING FEES & SUBSCRIPTION FEES	5,463,652	-
Loss on Sale of Assets	77,282,158	-
OFFICE MAINTENANCE	4,193,062	-
POSTAGE & TELEGRAMS	319,935	-
PRINTING & STATIONERY	2,010,101	-
PROFESSIONAL & CONSULTANCY EXPENSES	11,413,643	-
RENT, RATES & TAXES	7,455,311	-
REPAIRS & MAINTENANCE OF WIND TURBINES	28,964,505	-
SECURITY CHARGES	903,248	-
SITTING FEES, AGM & EGM EXPENSES	176,580	-
TELEPHONE EXPENSES	2,433,680	-
TRAVELLING & CONVEYANCE	7,771,758	-
VEHICLE MAINTENANCE	3,397,548	-
<b>Total</b>	<b><u>170,744,407</u></b>	<b>-</b>

**Note: 21****Earnings Per Share**

	<b>For the year ended 31 March 2013</b>	<b>For the year ended 31 March 2012</b>
Earnings	520,218,282	-
No. Of Shares	24,568,734	-
Earnings Per Share - Normal	21.17	-

## Note: 22

### Notes On Accounts For The Year Ended 31-03-2013

#### I. Principles Of Consolidation:

The Consolidated Financial Statements consist of **SURANA CORPORATION LIMITED** ("the Company") and its subsidiary Companies. The Consolidated Financial Statements have been prepared on the following basis:

- (a) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses. Intra group balances, intra group transactions and unrealised profits or losses have been fully eliminated as per Accounting Standard 21 - Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006.
- (b) In case of foreign subsidiaries, being non-integral operation, revenue items and all assets and liabilities are converted at the rate prevailing at the end of the year.
- © The financial statements of the subsidiaries, used in the consolidation are drawn up to the same reporting date as that of the Company i.e March 31, 2013.
- (d) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the Company's shareholders.

Minority Interest in the net assets of the consolidated subsidiaries consists of:

- i) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made and
- ii) The Minorities' share of movements' in equity since the date the parent subsidiary relationship came into existence.
- (e) Minority interest's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

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

Name of the Subsidiary Company	Proportion of Ownership and Voting		Country of Incorporation
	2012 – 2013	2011 – 2012	
M/s. Surana Wind Energy Private Limited.	74%		India
M/s. Gurudev Wind Energy Private Limited.	74%		India
M/s. Surana Projects Private Limited.	100%		India
M/s. Surana Overseas DMCC, Dubai.	100%		UAE

#### V.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. The financial statements are prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

##### 2. Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

##### 3. 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.



#### 4. 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 Windmills of ₹30,62,46,301/- (cost) having Written Down Value of ₹12,65,25,277/- were transferred to subsidiary Companies for converting them under group captive scheme to augment revenues. This transfer has resulted in a book Loss on sale of assets of ₹7,70,25,277/-

#### C) Employees Retirement Benefits

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

#### D) Inventories

1. Inventories are stated at lower of cost or net realizable value and as per Accounting Standard - 2 on "Valuation of Inventories"
2. The cost formula used for the purpose of valuation is Weighted Average Rate method and includes direct cost incurred in bringing the items of inventory to their present location and condition.
3. Inventories are taken, verified, certified and valued by the Management.
4. Obsolete and non moving items of inventory have been adequately provided for.

#### E) Revenue Recognition

1. Revenue is recognized only when it can be reliably measured and when it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, income generated by own windmills and 40% of income generated by windmills sold to subsidiary company by overriding title.
2. Sales are recorded net of trade discounts, rebates and value added tax if any and are recorded at the realized foreign currency rates. Making charges are recognized at point of sale.
3. Interest received on fixed deposits made for margin purposes towards supply of raw materials by suppliers is netted off against the cost of purchases. Interest on bank deposits and other interest bearing loans is accounted on accrual basis.

## VI. BALANCE SHEET

### 1. SECURED LOAN

- a. 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. The Company has filed a writ through the Association of SEZ Owners and Units, Chennai challenging the applicability of retrospective amendment to the Income Tax Act levying Minimum Alternate Tax on Profits earned by SEZ units. The writ has been admitted by the High court of Madras and decision is awaited. Hence, the company has not provided for Minimum Alternate Tax on SEZ profits.

### 3. Foreign Currency Transactions

- a. For its import and export transactions the company is exposed to foreign exchange transactions, the company hedges its foreign exchange transactions against its own imports and exports and also by way of forward contracts with banks.
- b. Completed foreign exchange transactions are recorded at the actual exchange rate paid. Pending foreign exchange transactions as on 31st March, 2013 are recorded at notional rates. The notional rates have been converted into prevailing rates on 31st March 2013 and the difference is recorded as purchase rate differences. Premium paid on forward contracts is recognized over the life of the contracts.
- c. Premium in respect of forward foreign exchange contract is charged to the Profit and Loss account. Premium in respect of foreign exchange option contracts is charged to the profit and loss account as and when the contracts are entered in to but the gain on such option contracts, is recognized only on maturity / cancellation of such option contracts.

### 4. Micro And Small Enterprises Dues

Based on the information / Documents available with the Company amounts due to micro and small enterprises is NIL.

### 5. Earnings Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable by the weighted average of number of equity shares outstanding during the year.

### 6. Contingent Liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow

of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability in the financial statements, but are disclosed in the notes.

#### 7. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current

best estimate. Provision / Write off of doubtful and unrecoverable book debts and advances have been made, wherever found necessary by the management.

#### 8. Investments

Long term investments are stated at cost after deducting the provisions if any made for permanent diminution in values. Current investments are stated at lower of the cost and fair market value, whichever is less.

#### 9. Cash Flow Statement

The Cash flow statement is prepared by the indirect method set out in the accounting standard 3 on cash flow statement. Cash and Cash Equivalent for the purpose of cash flow statement comprise cash at bank & cash in hand.

### PROFIT & LOSS ACCOUNT

	2012-13 (in ₹)	2011-12 (in ₹)
<b>Outflow of Foreign Currency</b>		
Imports	25,27,48,44,882	41,834,207,362
Travel	17,59,751	697,183
<b>Foreign Exchange Earnings</b>		
Exports receivables	15,50,54,98,698	19,107,308,655
<b>Details of unclaimed Dividend (Cumulative)</b>		
Subject to reconciliation	2,456,756	2,456,756
<b>Managerial Remuneration (Including commission)</b>		
Chairman	40,10,000	4,075,000
Managing Director	40,10,000	4,075,000
<b>Audit fees included under the head 'Administrative Expenses' is inclusive of the following:</b>		
a. Statutory audit fees	6,13,344	449,440
b. Internal audit fees	3,14,248	255,141
c. Audit expenses	4,600	3,000
<b>TOTAL</b>	<b>9,32,192</b>	<b>7,07,581</b>

## IV GENERAL

### 2. Related Party Disclosures

#### a. Names of the Key Personnel

- Sh. Shantilal Surana - Chairman
- Sh. Vijayraj Surana - Managing Director
- Sh. S. Guruswamy – Director Marketing
- Sh. Deepak Surana – Executive Director
- Sh. Sandeep Surana – Executive Director

### Transactions with Related Parties

#### b. Related Parties where control Exists

Particulars	Current Year	Previous Year	Max. balance at any time during the year
Gurudev Wind Energy Private Limited	2,13,42,674	-	213,42,674
Surana Wind Energy Private Limited	2,74,12,270	-	2,74,12,270
Surana Projects Private Limited	-	-	-
Surana Overseas DMCC, Dubai	2,12,80,634	-	2,12,80,634

#### Sale of Assets

Gurudev Wind Energy Private Limited	1,95,00,000	-
Surana Wind Energy Private Limited	3,00,00,000	-

#### Sale of Ornaments

Surana Industries Limited	2,90,291	27,009
Sh. Shantilal Surana	-	32,45,271
Sh. Vijayraj Surana	-	3,90,000
Sh. Deepak Surana	-	1,50,000
Sh. Sandeep Surana	-	7,25,000

#### Remuneration Payments

Sh. Shantilal Surana	33,00,000	33,00,000
Sh. Vijayraj Surana	33,00,000	33,00,000
Sh. S. Guruswamy	24,00,000	24,00,000
Sh. Deepak Surana	12,00,000	3,00,000
Sh. Sandeep Surana	12,00,000	12,00,000

#### Sitting Fees

Sh. Shantilal Surana	6,000	12,000
Sh. Vijayraj Surana	7,000	12,000
Sh. S. Guruswamy	7,000	8,000
Sh. Deepak Surana	7,000	4,000
Sh. Sandeep Surana	7,000	8,000

## Note: 23

### QUANTITATIVE DETAILS

#### a. Raw Materials - (Domestic)

	Description	Opening Stock	Purchases	Consumption (sales)	Closing stock
1	Gold Bars (Kgs.) Domestic	1,290.75 (1,193.08)	18,704.91 (22,318.44)	19,555.70 (22,220.77)	439.95 (1,290.75)
2	Gold Bars (Kgs.) Exports	0.00 (0.00)	4,965.00 (6,760.00)	4,965.00 (6,760.00)	NIL NIL

#### b. Finished Goods – (Domestic & SEZ)

S. No.	Description	Opening Stock	Production Net of wastage	Sales	Closing stock
1	Bullion sales (Kgs) under Nominated Agency	0.00 (0.00)	1,875.00 (2,000.00)	1,875.00 (2,000.00)	0.00 (0.00)
2	Gold Jewellery - Exports	0.00 (0.00)	4,960.22 * (6,756.62)	4,964.87 * (6,759.62)	0.00 (0.00)
3	Gold Jewellery- Domestic	587.56 (657.99)	20,270.56 (21,237.38)	19,761.03 (21,307.81)	1,097.09 (587.56)

\*During the year 4.65Kgs (3Kgs) of metal was recovered from the gross wastage of 4.78 Kgs (3.79 Kgs) was used for manufacturing and sale.

#### c. Domestic Production

Description	2012 - 2013	2011 - 2012
For Production	20,366.06	21,270.25
Finished Goods	20,270.56	21,237.38
% of Yield	99.57%	99.86%

**Note: 24****SEGMENT RESULTS – GEOGRAPHICAL**

(as given under Accounting Standards AS-17)

Particulars	Domestic		Exports		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>Sales</b>	69,208,807,183	-	15,505,498,698	-	84,714,305,881	-
<b>Expenditure</b>	69,107,344,655	-	14,909,130,427	-	84,016,475,082	-
<b>Profit Before Tax</b>	<b>101,462,528</b>	-	<b>596,368,271</b>	-	<b>697,830,799</b>	-
<b>Tax Included Deffered Tax</b>	178,826,842	-	-	-	178,826,842	-
<b>Profit After Tax</b>	<b>(77,364,314)</b>	-	<b>596,368,271</b>	-	<b>520,218,282</b>	-
<b>Assets</b>	<b>35,34,323,938</b>	-	<b>16,494,872,478</b>	-	<b>20,029,196,416</b>	-
<b>Liabilities</b>	<b>8,949,152,909</b>	-	<b>6,793,054,235</b>	-	<b>15,739,207,144</b>	-
<b>Capital Employed</b>		-		-	<b>4,289,989,272</b>	-

**Note: 25**

Contingent liabilities and commitments (to the extent not provided for)	As at 31 March 2013 In ₹	As at 31 March 2012 In ₹
<b>(a) Contingent Liabilities</b>		
i. Other money for which the company is contingently liable*	13,539,725	13,539,725
ii. Guarantees fully secured by Fixed Deposits	-	3,00,00,000
	13,539,725	13,539,725

\* This relates to Steel division of erstwhile company since amalgamated with your company.

**Note: 26**

MMTC is litigating and claiming old un-reconciled dues amounting to Rs.18.43 crores and interest thereon in various legal forums and departments. It was also instrumental in foisting a complaint with CBI (ACB), Chennai, which conducted searches and have seized accounted hypothecated stock in trade worth Rs.125 crores on 20.06.2012. Company in terms of significant accounting policy on Provisioning under Accounting Standard – 29 has prudently provided for an amount of Rs.28,38,52,800/- towards this ascertained liability.

**Note: 27**

Company has identified that there is no material impairment of assets and as such no provision is required as per AS-28 issued by ICAI.

**Note: 28**

Brief particulars of Employees who were entitled to receive or were in receipt of emoluments aggregating to Rs.60,00,000/- or more per annum and /or Rs.5,00,000/- or more per month, if employed, for a part of the year is NIL (Previous Year – NIL)

**Note: 29**

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

**Note: 30**

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

**Note: 31**

Figures have been rounded off to the nearest rupee

**Signatories to Notes 1 to 31****As per our report of even date attached**

**For C S P Jain & Co.,  
Chartered Accountants  
FRN No.001227S**

For and behalf of the Board

**C S Prithviraj Jain**  
Proprietor  
Membership No. 11529  
FRN No.001227S

**Shantilal Surana**  
Chairman

**Vijayraj Surana**  
Managing Director

**Place: Chennai  
Date: 30.04.2013**

**Devarajan K E**  
Vice President – F & A

**Chandraprakash Abar**  
Company Secretary & AVP

**GURUDEV  
SURANA CORPORATION LTD.**

**NO.29, WHITES ROAD, SECOND FLOOR, ROYAPETTAH, CHENNAI - 600 014.**

<b>Consolidated CASH FLOW STATEMENT</b>	<b>Amount in Rs</b>	
	<b>Year Ended</b>	
A. CASHFLOW FROM OPERATING ACTIVITIES :	3/31/2013	3/31/2012
Net Profit before Taxes & Extraordinary Items	697,830,799	-
Adjustments for :		
Depreciation and Amortisation	196,881,502	-
Interest Expenses	637,442,775	-
Loss on sale of Assets	77,282,158	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,609,437,234</b>	<b>-</b>
Adjustments for :		
Trade and Other Receivables	(4,078,455,175)	-
Inventories	248,198,366	-
Trade and other Payables	(8,890,635,018)	-
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(11,111,454,593)</b>	<b>-</b>
Interest Paid	637,442,775	
Taxes Paid	3,714,892	-
Dividend Paid	21,858,734	-
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>(11,774,470,994)</b>	<b>-</b>
Extraordinary Items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(11,774,470,994)</b>	<b>-</b>
B. CASHFLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(81,345,761)	-
Sale of Fixed Assets	49,547,125	-
Investments in Subsidiary	(3,051,970)	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(34,850,606)</b>	<b>-</b>
C. CASHFLOW FROM FINANCING ACTIVITIES :	5,260,551,587	-
Proceeds from issue of Share Capital & Share Premium	-	-
Proceeds / (Repayment) from Long Term Borrowings	5,260,551,587	-
Repayment of Other Long Term Borrowings	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(6,548,770,013)</b>	<b>-</b>
Net Increase in Cash & Cash Equivalents	9,642,692,412	-
Cash & Cash Equivalents as at 31/03/2012	6,011,959	-
Cash & Cash Equivalents as at 31/03/2013	3,099,934,358	-

Notes to Cash Flow Statement for the year ended 31.03.2013	<b>Year Ended</b>	
	3/31/2013	3/31/2012
	<b>(Amount in Rs.)</b>	

1. Cash and Cash equivalents includes :

Cash in hand	447,968	-
Balance with Banks	3,099,486,390	-

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.

As per our report of even date attached.

For and on behalf of the Board

**SHANTILAL SURANA**  
Chairman

**VIJAYRAJ SURANA**  
Managing Director

**DEVARAJAN K.E**  
Vice President - F & A

**Chandraprakash Abar**  
Company Secretary & AVP

We have verified the attached Consolidated Cash Flow Statement , books and records maintained by the Company for the year ended 31st March 2013 and found the same in agreement therewith.

As per our report of even date attached.

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

**C.S.PRITHVIRAJ JAIN**  
Proprietor  
Membership No.11529

Place: Chennai  
Date : 30.04.2013

**Details as on 31st March '13**

₹.in Lakhs.

Sl. No.	Name of the Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	Country
1	Surana Wind Energy Private Limited	INR	10.00	(17.28)	267.01	274.29	Nil	76.18	(17.28)	Nil	(17.28)	Nil	India
2	Gurudev Wind Energy Private Limited	INR	10.00	(29.42)	194.15	213.57	Nil	2.33	(29.42)	Nil	(29.42)	Nil	India
3	SuranaProjects Private Limited	INR	1.00	(0.72)	0.42	0.14	Nil	Nil	(0.72)	Nil	(0.72)	Nil	India
4	Surana Overseas DMCC	UAE Dirham	1.00	(5.30)	9.94	14.24	Nil	Nil	(5.30)	Nil	(5.30)	Nil	Dubai

₹.in Crores.

Sl. No.	Particulars	2012-13	2011-12
1	Human Resources	52.94	43.33



**SURANA CORPORATION LIMITED**

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

**PROXY FORM**

I/We .....of.....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 Twenty Second Annual General Meeting  
of the Company to be held on 27th June 2013, at The Leela Palace, Adyar Seaface, M.R.C.  
Nagar, Chennai- 600 028 at 3.00 PM and at any adjournment date to the changed thereof.

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

**ATTENDENCE 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 Twenty Second Annual General Meeting of the  
Company on 27th June 2013, at The Leela Palace, Adyar Seaface, M.R.C. Nagar, Chennai-  
600 028 at 3.00 PM.

Regd. Folio No..... Client ID.....  
No. of Shares held.....

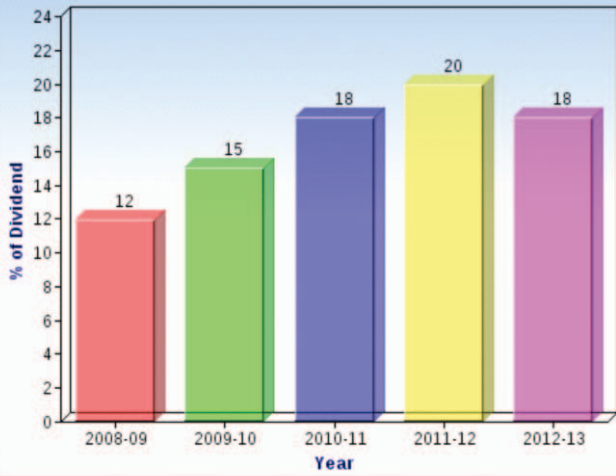
Signature

Member’s / Proxy’s

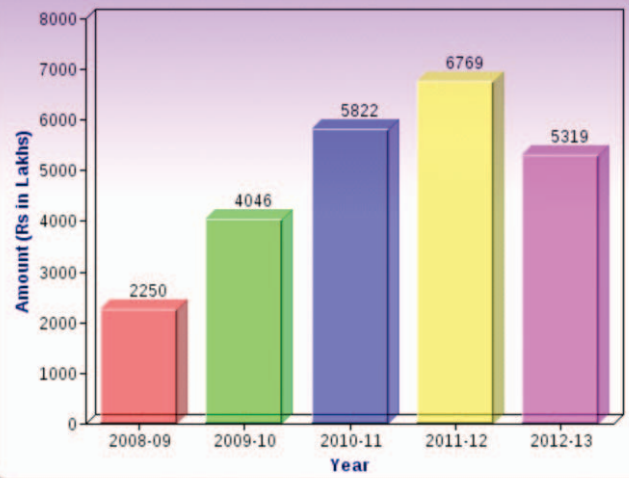
(to be signed at the time of



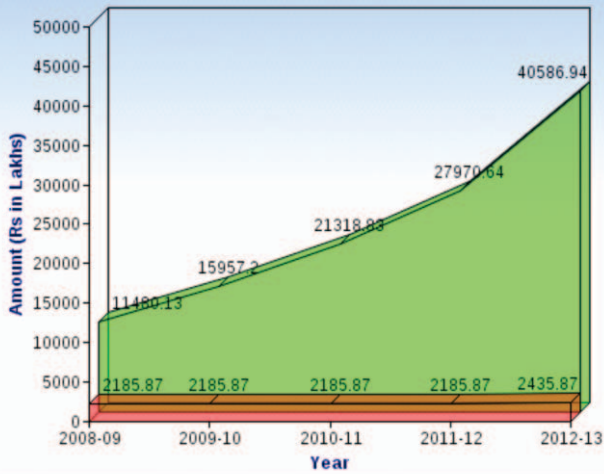
**Dividend paid to share holders**



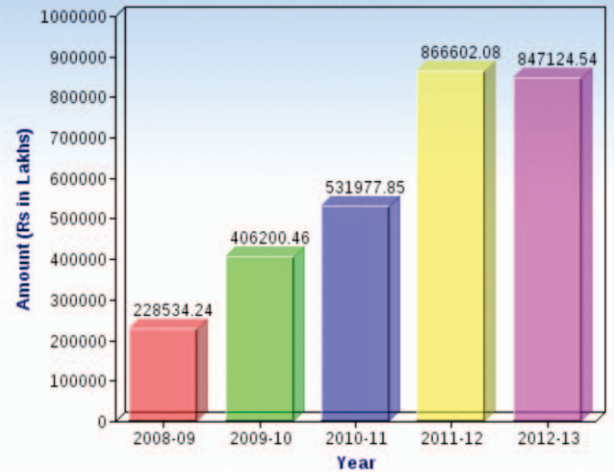
**Profit After Tax**



**Share Capital and Reserves & Surplus**



**Sales and Other Income**



BOOK-POST

To.

*If undelivered, please return to :*



**SURANA CORPORATION LIMITED**

**Regd. Cum Corporate H.O.**

No. 29, Whites Road, II Floor, Royapettah, Chennai - 600 014, Tamilnadu, India.

P : +91-44-28525127 | F : +91-44-28521143

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