



SURANA VENTURES LIMITED

**7th Annual Report
2012-13**



My Home-My Power



190Wp, 230Wp, 250Wp, 290Wp



Solar Module



Solar Water Pump



Solar Lantern



Solar Remote Communications Tower



Solar Street Light



Solar Home Lighting System

BOARD OF DIRECTORS

G M Surana	- Chairman
O Swaminatha Reddy	- Director
R Surender reddy	- Director
S R Vijayakar	- Director
Dr. R. N. Sreenath	- Director
Narender Surana	- Managing Director
Devendra Surana	- Director
Manish Surana	- Director - Finance & Technical
Nirmal Kumr Jain	- Director

COMPANY SECRETARY

Badarish H Chimalgi

BANKERS

Indian Overseas Bank
State Bank of India
Corporation Bank

STATUTORY AUDITORS

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

INTERNAL AUDITORS

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

COST AUDITORS

BVR & Associates
H.No. 6-3-628/3,
Flat No. 101, R.V. Naipunya Apts
Anand Nagar Colony, Khairatabad
Hyderabad - 500 004

REGISTRAR & TRANSFER AGENT: KARVY COMPUTERSHARE PRIVATE LIMITED

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

STATUTORY COMMITTEES

AUDIT COMMITTEE

O Swaminatha Reddy	- Chairman
G M Surana	- Member
R Surender Reddy	- Member
S R Vijayakar	- Member
Dr. R. N. Sreenath	- Member

SHAREHOLDERS GRIEVANCE COMMITTEE

G M Surana	- Chairman
Narender Surana	- Member
Devendra Surana	- Member

REMUNERATION COMMITTEE

R Surender Reddy	- Chairman
O Swaminatha Reddy	- Member
S R Vijayakar	- Member

WORKS :

SOLAR PHOTOVOLTAIC DIVISION

1. Plot No 212/3, Phase II,
I.D.A., Cherlapally
Hyderabad - 500 051
2. Plot No.21, Ravirayal (Village)
Maheswaram (Mandal)
Rangareddy (Dist)
Fabcity, Hyderabad

NON-CONVENTIONAL ENERGY (WIND)

1. Kaladhon Village,
Khatav Taluka,
Satara Dist.,
Maharashtra.
2. Puliyur Village,
Tenkasi Taluk
Tirunelveli Dist.,
Tamilnadu.



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 7th Annual General Meeting of the members of **SURANA VENTURES LIMITED**, will be held on 27th day of September, 2013 at 11.30 A.M at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended 31st March, 2013 along with Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2013.
3. To appoint a Director in place of Shri. O. Swaminatha Reddy , who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a Director in place of Shri. R. Surender Reddy, who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Sekhar & Co., Chartered Accountants, (Registration No. 003695S), be and are hereby appointed as Auditors of the Company, to hold office from

the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

6. APPOINTMENT OF SHRI. NIRMAL KUMAR JAIN AS DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT Shri. Nirmal Kumar Jain, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 05.02.2013 and who holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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

Place: Secunderabad
Date : 03.08.2013

NARENDER SURANA
MANAGING DIRECTOR

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2013 to 27.09.2013 (both days inclusive).
3. Dividend on shares @ 10% as recommended by the Board of Directors, if declared by the Company at the meeting, will be paid subject to the provisions of Section 205A of the Companies Act, 1956, to those shareholders whose names appear on the Register of Members of the Company as on 27.09.2013



- or to their mandates, to the extent eligible, and also to the Beneficial Owners of equity shares held in electronic form on the same date as per the details furnished by the Depositories for this purpose.
4. The Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs have made it mandatory for all the listed companies to offer Electronic Clearing Service (ECS) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders' account, elimination of loss of instruments in transit or fraudulent encashment etc. Currently, the facility is available at locations specified by RBI. In case of shareholders staying at locations not currently covered by ECS, the bank account details will be used for suffixing along with the name of the shareholder on the Dividend Warrant.
 5. Shareholders holding shares in Physical Form and desirous of availing the facility are requested to complete the ECS Form attached to this Annual Report and forward the same to the Company at its registered address.
 6. Shareholders holding shares in Dematerialised Form are requested to provide the Bank details to their Depository participants for incorporation in their records. The Depository in turn would also forward the required information to the Company.
 7. The Company's Equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (E), Mumbai - 400 051 and the Company has paid the Listing Fees to the said Stock Exchanges.
 8. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
 9. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be made through electronic mode. In view of the circular issued by MCA the Company proposes to henceforth deliver document like the Notice calling the Annual General Meeting /Extra Ordinary General Meeting /Auditors / Report of the Directors, etc., in electronic form to the email address provided by the shareholders.
 10. Shareholders are requested to furnish their e-mail id's enable the Company forward all the requisite information in electronic mode. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and mode available to the Company shall be the registered email ID unless communication is received to the contrary.
 11. Shareholders requiring a printed copy of the Annual Report should forward their request to the Company.
 12. The Securities Exchange Board of India has notified that the shareholder/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company's RTA while transacting in the securities market including transfer ,transmission or any other corporate action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN Card to the Company's RTA while transacting in the securities market including transfer, transmission or any other corporate action.
 13. Members holding shares in physical form, may write to the Company's Registrars & Transfer Agents for any change in their address and bank mandates, members having shares in electronic form may inform the same to their depository participants immediately so as to

enable the Company to despatch dividend warrants at their correct addresses.

14. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at KARVY COMPUTERSHARE PRIVATE LIMITED, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad-500 081.

15. Please note that, any queries pertaining to Accounts related aspects, in order to give proper clarification should reach the Company Secretary at Registered Office of the Company at least 48 hours before Annual General Meeting.

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

Place: Secunderabad
Date : 03.08.2013

NARENDER SURANA
MANAGING DIRECTOR

EXPLANATORY STATEMENT

Pursuant to Section 173 (2) of the Companies Act, 1956

ITEM NO. 6.

Shri. Nirmal Kumar Jain was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 05.02.2013 and holds office upto the date of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri. Nirmal Kumar Jain, liable for retirement by rotation, from a member together with the requisite deposit.

The profile of Shri. Nirmal Kumar Jain is annexed to Corporate Governance Report. The Board is of the view that the vast knowledge and experience

of Shri. Nirmal Kumar Jain will be of immense value and benefit to the Company and therefore recommends the resolution for the approval of the Members.

Under Section 173 of the Companies Act 1956, your Directors recommend the Ordinary Resolution for your approval.

None of the directors of the Company are concerned or interested in the resolution

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

Place: Secunderabad
Date : 03.08.2013

NARENDER SURANA
MANAGING DIRECTOR



DIRECTORS REPORT

To
The Members

Your Directors have pleasure in presenting the 7th Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2013, together with the Auditors Report thereon.

FINANCIAL RESULTS:

The performance of the Company during the year is summarized below.

(₹ in Lakhs)

Particulars	Standalone (Audited)		Consolidated (Audited)
	2012-13	2011-12	2012-13
Sales and other Income	9,554.63	7,387.42	9,554.63
Profit before Depreciation, Interest and exceptional Items	968.76	698.22	967.75
DEDUCT:			
Depreciation	231.94	223.07	231.94
Interest and Finance charges	298.29	357.03	298.29
Profit for the year before exceptional items	438.54	118.12	437.52
Less: Prior period Adjustments	-1.77	-	-1.77
Less: Amortisation of Intangible Assets	81.19	73.85	81.19
Profit before Taxation	359.12	44.27	358.10
Provision for Taxation:			
Current Tax	72.00	8.00	72.00
Deferred Tax	24.08	5.14	24.08
MAT Entitlement Credit	-	(0.98)	-
Taxes for Earlier Years	4.08	-	4.08
Profit after Tax	258.96	32.11	257.93
Surplus brought forward from previous year	440.79	801.66	440.79
Balance available for appropriation	699.75	833.77	698.73
APPROPRIATION:			
Dividend	246.03	123.02	246.03
Tax on Dividend	41.82	19.96	41.82
Transfer to General Reserves	250.00	250.00	250.00
Balance c/f to Balance Sheet	161.90	440.79	160.88
TOTAL	699.75	833.77	698.73

OPERATIONS:

During the year under review, the Income from Operations is ₹ 9,490.90 Lakhs as against ₹ 7,266.86 Lakhs for the corresponding previous year. The Profit Before Tax is ₹ 359.12 Lakhs as against ₹ 44.27 Lakhs for the previous year. The Profit After Tax is ₹ 258.96 Lakhs as against ₹ 32.11 Lakhs for the corresponding period. The Basic Earnings Per Share for the year-ended 31.03.2013 is ₹ 1.05 as against ₹ 0.13 for the corresponding previous year ended 31.03.2012.

DIVIDEND:

Your Directors recommend Dividend @10% amounting to ₹ 246.03 Lakhs for the year ended 31st March 2013. This will entail an outflow of ₹ 287.85 Lakhs (inclusive of tax thereon).

RESERVES

During the year the Company has transferred an amount of ₹ 250 lakhs to General Reserves Account.

SUBSIDIARY

During the year under review, M/s. Surana Solar Systems Private Limited ceased to be subsidiary of the Company w.e.f 10th June 2013.

CONSOLIDATED FINANCIAL STATEMENTS:

The Ministry of Corporate Affairs (MCA) by General Circular No. 2/2011 dated 8th February, 2011, issued a direction under Section 212(8) of the Companies Act, 1956 that the provisions of Section 212 shall not apply to Companies in relation to their subsidiaries, subject to fulfilling certain conditions mentioned in the said circular with immediate effect. The Board of Directors of your Company at its meeting held on 06.05.2013 approved the Audited Consolidated Financial Statements for the financial year 2012-13 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as Clause 32 of the Listing Agreement, which include financial information of all its subsidiaries, and forms part of this report.

The annual accounts, financial statements and related detailed information of Company's Subsidiaries are available on the website of the Company and the same shall also be made available to members on request and are open for inspection at the Registered Office of your Company. Your Company has complied with all the conditions as stated in the circular and accordingly has not attached the financial statements of its subsidiary Company for the financial year 2012-13. A statement of summarized financials of all subsidiary including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to the General Circular issued by Ministry of Corporate Office, forms part of this report.

FUTURE BUSINESS PLAN:

The Company has initiated for setting up of 110 MW PV Cell Line for the existing manufacturing of Solar Modules. Apart from proposal to setup Cell line, the Company is about to expect vast improvement in performance of existing business due to favorable market conditions.

Looking forward, the Company's Business strategy shall be to focus on the following areas

- a) Continue with existing off-grid market with existing product mix and enlarge the market share.

- b) To increase the market share in on-grid market segment.
- c) To enlarge the export market.
- d) To improve the relationship with customers by frequent interaction and continuous visiting to their places.
- e) To establish a separate cell for taking care of customer grievances.
- f) To participate in exhibitions in India and abroad to get visibility.
- g) To set up small solar power projects of 1-5 MW capacity under REC mechanism.

FIXED DEPOSITS

The Company has not accepted any deposits from the public for the year under review within the meaning of Section 58A of the Companies Act, 1956.

DIRECTORS

In order to comply with Section 256 of the Companies Act 1956 and Articles of Association of the Company Shri. O. Swaminatha Reddy and Shri. R. Surender Reddy, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Shri. Nirmal Kumar Jain was appointed as Additional Independent Director on 05.02.2013 and is hereby proposed to be regularized as Independent Director w.e.f 27.09.2013 and Shri. Harish Nair ceased to be a Director from the Board of the Company w.e.f 06.05.2013. The Board records its appreciation & recognition for the valuable contribution and services rendered by Mr. Harish Nair.

The brief particular of the Directors seeking appointment/re-appointment at this Annual General Meeting is being annexed to the Annual Report.

AUDITORS

M/s. Sekhar & Co, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and eligible for re-appointment. The Company is in receipt of confirmation from M/s Sekhar & Company that in the event of their re-appointment as Statutory Auditors of the Company at the ensuing Annual General Meeting, such re-appointment will be in accordance with the limits specified in Sub-section (1B) of Section 224 of the Companies Act, 1956.

**COST AUDITORS**

As per the Companies (Cost Accounting Records) Rules 2011, the Company filed the Cost Audit Report along with Cost Compliance Report for the financial year 2011-12 in XBRL format.

The Board of Directors, subject to the approval of the Central Government, re-appointed M/s BVR & Associates, Cost Accountants, holding certificate of practice No.16851, as a Cost Auditor for conducting the Cost Audit for the financial year 2013-14. Subject to the compliance with all the requirements as stipulated in Circular no.15/2011 dated 11th April 2011 and No. 36/2012 dated 6th November 2012 issued by the MCA, the Audit Committee recommended their re-appointment.

The Company has also received a letter from the Cost Auditor, stating that the appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR activities of the Surana Group are guided by the vision and philosophy of its Founding Father, Shri. G Mangilal Surana, who embodied the value of trusteeship in business and laid the foundation for its ethical and value-based functioning. The core elements of CSR activities include ethical functioning, respect for all stake-holders, protection of human rights, and care for the environment.

CREDIT RATING

Your Directors have pleasure to inform that CRISIL has reaffirmed BB+/Stable rating for long term exposure and A4+ rating for short term debt instruments of the Company. CRISIL had carried out a credit rating assessment of the company both for short term and long term exposures in compliance with BASEL II norms implemented by Reserve Bank of India for all banking facilities.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement, forms part of this Report and is annexed hereto.

CORPORATE GOVERNANCE

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges.

A separate report on Corporate Governance is annexed herewith, as a part of the Annual Report along with the Auditor's Certificate on its compliance.

PARTICULARS OF EMPLOYEES

During the period under review, none of the employees who were under employment for whole of the year or part of the year, were in receipt of remuneration exceeding ₹ 60,00,000 per annum or ₹ 5,00,000 per month as set out in Section 217 (2A) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956

In Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i. That in the preparation of the accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors have prepared the accounts for the financial year ended 31st March, 2013 on a 'going concern' basis.

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under 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, forms part of this Report and is annexed herewith.