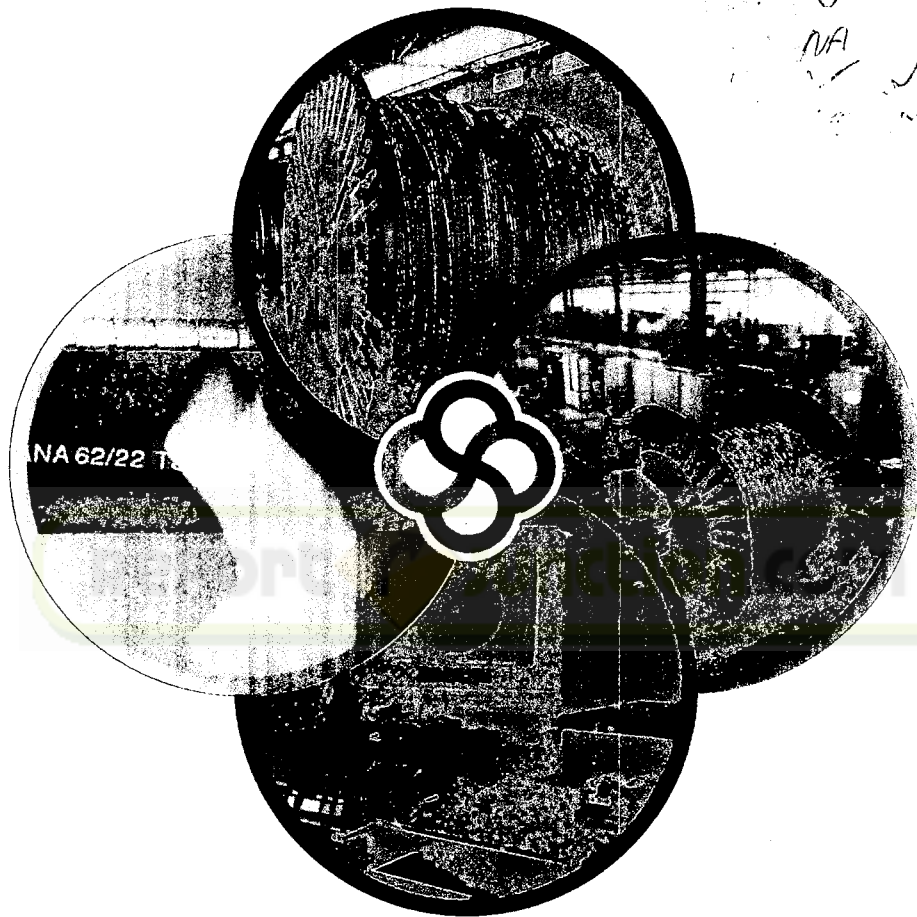


*Growth through Diversification*



**Ninth**  
**Annual Report**  
**1997 - 98**

***Surana Telecom Limited***



**BOARD OF DIRECTORS**

|                     |                   |
|---------------------|-------------------|
| G.M. Surana         | Chairman          |
| Narender Surana     | Managing Director |
| O. Swaminatha Reddy | Director          |
| R. Surender Reddy   | Director          |
| Devendra Surana     | Director          |
| S.R. Vijayakar      | Director          |

**Auditors**

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

**Company Law Consultant**

V.K. Bafna & Co.,  
Company Secretaries  
H.No.79, Lane No.2,  
Street No.3  
East Marredpally,  
Secunderabad - 500 026.

**Bankers**

State Bank of Hyderabad  
State Bank of Mysore

**Registered Office**

2nd Floor, Surya Towers  
Sardar Patel Road  
Secunderabad - 500 003.

**Works**

Plot No.214, Phase II, I.D.A.  
Cherlapally,  
Hyderabad - 500 051.





## NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Members of **SURANA TELECOM LIMITED**, will be held on Friday, the 25th day of September, 1998 at 12.00 Noon at Surana Udyog Auditorium, Federation of Andhra Pradesh Chambers of Commerce and Industry Premises, 11-6-841, Red Hills, Hyderabad - 500 004 to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1998 and Profit & Loss Account for the year ended 31st March, 1998 along with Auditors' Report and Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 1998.
3. To appoint a Director in place of Shri G. M. Surana who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri S. R. Vijayakar who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s.Sekhar & Co., Chartered Accountants, as Auditors to hold office from the conclusion of the 9th Annual General Meeting until the conclusion of the 10th Annual General Meeting and to authorise the Board to fix their remuneration.

### SPECIAL BUSINESS :

6. To consider, and if thought fit, to pass the following resolution with or without modification(s), as a Special Resolution:

**"RESOLVED THAT** subject to the provisions of the Companies Act, 1956 and any statutory modifications thereof and other applicable statutes, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to buy-

back its own shares, whether or not there is any consequent reduction of capital and to re-issue the shares so bought back upon such terms and conditions as may be applicable at the time of such purchase and re-issue and as may be decided by the Board of Directors."

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

**"RESOLVED THAT** pursuant to the provisions of Section 293(1)(a) and other applicable provisions, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging on such terms and conditions and at such time or times, and in such form and manner, as it may think fit, the whole or substantially the whole of the Company's any one or more, or all the undertakings, including the present and/or future properties and undertakings of the Company as the case may be in favour of the Lenders for the Loans upto an aggregate value not exceeding Rs.100 Crores to secure the loans raised/to be raised by the Company upon the terms and conditions as may be decided by the Board of Directors of the Company from Banks/ financial and/or other institutions, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies including any increase as a result of devaluation/revaluation of the aforesaid Financial Assistance under the respective documents entered into/to be entered into by the Company in respect of the said Loans".

**"RESOLVED FURTHER** that the securities to be created by the Company as aforesaid may be created either subject to the charges already created or subservient to other



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existing charges or rank as second charge or rank pari-passu with the mortgages and/or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board of Directors and as may be agreed to between the concerned parties and the institutions".

**"RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to finalise and execute any and all Agreements and documents, necessary for creating mortgages and/or charges as aforesaid and to do all such acts, deeds,

matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt relating thereto, or otherwise considered by the Board of Directors to be in the best interests of the Company".

By Order of the Board  
for **SURANA TELECOM LIMITED**

Place : Secunderabad  
Dated : 28th July, 1998

**Narender Surana**  
Managing Director

### NOTES :

1. A member entitled to attend and vote 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. Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 1998 to 25th September, 1998, both days inclusive.
3. Dividend on the shares, if declared by the Company at the meeting, will be paid subject to the provisions of Section 206A of the Companies Act, 1956 to those members whose names appear on the Company's Register of Members as on 16th September, 1998.
4. Members are requested to notify promptly any change in their addresses and to furnish dividend mandates, if any, to reach the Registered Office of the Company before 16th September, 1998, quoting their Registered Folio Numbers.
5. Members are requested to bring their

copies of the Annual Report with them for the Annual General Meeting. Copies of Annual Report will not be distributed at the meeting.

6. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business set out above is annexed hereto.

### Explanatory Statement

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

#### Item No.6

The Members of the Company had at their meeting held on 20th September, 1997 authorised the Board of Directors to buy-back the Company's shares and to re-issue the same. Since the amendment of the Companies Act, 1956 enabling the buy back did not come through, this resolution was not given effect to. However, to maintain the currency of the authority given to the Board of Directors, a fresh resolution is being proposed at this meeting.

The Directors commend the resolution for your approval.

**Surana Telecom Limited**

None of the directors are interested in the above resolution.

**Item No.7**

Section 293 (1)(a) of the Companies Act, 1956 provides, inter alia that the Board of Directors of a public limited Company shall not, without the consent of the Company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertakings of the Company.

The Company, for the purpose of its business, obtains loans and/or other facilities from Financial Institution/Banks or other parties or persons, which may have to be secured by mortgages and or charges on the movable and/or immovable properties of the Company.

Since the mortgages and/or charges to be created in respect of the above loans may be regarded as disposal of the Company's undertakings, the approval of the members under Section 293(1)(a) Companies Act is being sought.

The Directors commend the resolution for your approval.

None of the Directors are interested in the resolution.

By Order of the Board  
for **SURANA TELECOM LIMITED**

Place : Secunderabad  
Dated : 28th July, 1998

**Narender Surana**  
Managing Director

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## Annual Report 1997 - 98

### DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 9th Annual Report and the Audited Statement of Accounts for the period ended 31st March, 1998.

#### FINANCIAL RESULTS :

The performance during the year has been as under :

|  | (Rs.in lacs)   |                |
|--|----------------|----------------|
|  | <u>1997-98</u> | <u>1996-97</u> |
| Sales and other income                       | 3613.98        | 2182.20        |
| Profit before Depreciation and Interest      | 584.90         | 365.04         |
| <b>DEDUCT</b>                                |                |                |
| Depreciation                                 | 253.12         | 117.96         |
| Interest                                     | <u>178.39</u>  | <u>153.04</u>  |
|  | <u>431.51</u>  | <u>271.00</u>  |
| Profit for the year                          | 153.39         | 94.04          |
| Prior period adjustment                      | (14.70)        | (5.86)         |
| Provision for taxation                       | <u>15.60</u>   | <u>12.15</u>   |
| Profit after tax                             | 123.09         | 76.03          |
| Surplus brought forward from previous year   | 217.06         | 178.42         |
| Income tax refund in respect of earlier year | —              | 10.51          |
| Balance available for appropriation          | <u>340.15</u>  | <u>264.96</u>  |
| <b>APPROPRIATION</b>                         |                |                |
| Proposed Dividend                            | 52.26          | 43.55          |
| Tax on Dividend                              | 5.23           | 4.35           |
| Transfer to General Reserves                 | 50.00          | —              |
| Balance c/f to Balance Sheet                 | <u>232.66</u>  | <u>217.06</u>  |
| TOTAL  | <u>340.15</u>  | <u>264.96</u>  |

#### OPERATIONS :

The performance of your Company during the year 1997-98 has been on the whole satisfactory. The income from operations has increased from Rs. 2142.76 lacs in 1996-97 to Rs. 3577.38 lacs in 1997-98. The profit before depreciation and tax has gone up from Rs.212.00 lacs to Rs.406.50 lacs and the Net Profit from Rs. 76.03 lacs to Rs.123.09 lacs.

Your Company has during the year received the ISO quality certification for both the Jelly Filled Telephone cable and the Jointing Kits divisions.

#### FUTURE PLANS :

The future outlook for the company is stable. The Company is exploring avenues for diversification in related areas.

#### DIVIDEND :

Your Directors are pleased to recommend a dividend @ 12% amounting to Rs.52.26 lacs for the year ended 31st March, 1998. This will entail an outflow of Rs.57.49 lacs inclusive of Rs.5.23 lacs towards tax on dividend.



## Surana Telecom Limited



### FIXED DEPOSITS :

Your 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 and the rules made thereunder.

### DIRECTORS :

Shri G.M.Surana and Shri S.R.Vijayakar, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### AUDITORS :

M/s. Sekhar & Company., Chartered Accountants, Auditors of the Company retire at the Annual General Meeting and are eligible for re-appointment. The members are requested to re-appoint them and to authorise the Board to fix the remuneration.

### CONSERVATION OF ENERGY, FOREIGN EXCHANGE ETC. :

Information on Conservation of Energy, Technology absorption, Foreign Exchange Earnings and outgo required to be disclosed under Section 217(1)(e) of the Companies Act 1956, read with Companies (Disclosure of particulars in the Report of the Board of

Directors) Rules, 1988, are provided as an Annexure forming part of this Report.

### EMPLOYEES RELATIONS :

Your Directors are pleased to record their appreciation of the sincere and dedicated services of the workmen and employees of the company at all levels.

The Company has no employee whose salary exceeds the limits prescribed Under Section 217(2A) of the Companies Act, 1956. Hence information required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of the Employees) Rules, 1975, has not been provided in this report.

### ACKNOWLEDGEMENTS :

The Directors thank the Company's Bankers, viz., State Bank of Hyderabad and State Bank of Mysore and also the Financial Institutions viz., Industrial Development Bank of India and officials of the concerned Government Departments for their co-operation and continued support to the Company.

for and on behalf of the  
Board of Directors

Place : Secunderabad  
Dated : 28th July, 1998

**G. Mangilal Surana**  
Chairman