



BOARD OF DIRECTORS

G Mangilal Surana	-	Chairman
Narender Surana	-	Managing Director
Devendra Surana	-	Director
O Swaminatha Reddy	-	Director
R Surender Reddy	-	Director
S R Vijayakar	-	Director
S Balasubramanian	-	Whole-Time Director

STATUTORY COMMITTEES

AUDIT COMMITTEE

O Swaminatha Reddy	-	Chairman
G Mangilal Surana	-	Member
R Surender Reddy	-	Member
S R Vijayakar	-	Member

SHAREHOLDERS' GRIEVANCE COMMITTEE

G Mangilal Surana	-	Chairman
Narender Surana	-	Member
Devendra Surana	-	Member

COMPANY SECRETARY & MANAGER (LEGAL)

P Rajesh Kumar Jain

BANKERS

State Bank of India
Development Credit Bank Limited
Corporation Bank
UTI Bank Limited
HDFC Bank Limited

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.

REGISTRARS & TRANSFER AGENTS

Karvy Computershare Private Limited.
Karvy House, 46, Avenue 4,
Street No: 1, Banjarahills,
Hyderabad- 500 034

WORKS

Power Cable
Plot No. 214, Phase II,
I.D.A., Cherlapally
Hyderabad – 500 051.

JFTC

Plot No. 12 to 16,
Pilerne Industrial Estate,
Panaji,
Goa – 403 001.

Optic Fibre Plant

Plot No. 212/3 & 4
Phase II, IDA Cherlapally
Ghatkesar (M)
Ranga Reddy District

Non-Conventional Energy

Kapatgudda, Gadag District,
Karnataka,
India

REGISTERED OFFICE

2nd Floor, Surya Towers,
Sardar Patel Road,
Secunderabad – 500 003.
India - 500 003
Tel: +91 40 27845119, 27841198
Fax : +91 40 27818868
E-mail: info@surana.com, surana@surana.com

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NOTICE OF 18th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 18th Annual General Meeting of the members of **SURANA TELECOM LIMITED**, will be held on thursday, the 27th September, 2007 at **12.00 Noon** at III floor, Surya Towers, S.P.Road, Secunderabad to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit & Loss Account for the year ended 31st March, 2007 along with the Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2007.
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. S.R. Vijayakar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Sekhar & Co., Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED that in accordance with Section 21 and other applicable provisions if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the name of the Company be changed from "Surana Telecom Limited" to "Surana Telecom and Power Limited".

RESOLVED FURTHER THAT the name "Surana Telecom Limited" wherever it appears in the Memorandum and Articles of Association of the Company be replaced with the "Surana Telecom and Power Limited".

RESOLVED FURTHER THAT for the purposes of giving effect to the above Resolution, the Board /

Company Secretary of the company and other designated officers are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including filing of applications and other documents with the concerned Authorities for necessary approvals as it may in its absolute discretion deem fit."

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT in supercession of the resolution passed by the Members of the Company at their meeting held on 27.09.2002 and pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956, Shri Narender Surana, be re-appointed as Managing Director of the Company for a period of 5 years from 18.01.2007 i.e., upto 17.01.2012 without any remuneration, to look after the day to day affairs of the Company subject to the superintendence, guidance and directions of the Board of Directors.

RESOLVED FURTHER THAT Shri Narender Surana shall be entitled for reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's Business."

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT Pursuant to the provisions of Section 314(1B) and other applicable provisions if any of the Companies Act 1956, the salary of Smt. Sunita Surana, Public Relations (Manager), wife of Shri. Narender Surana, Managing Director of the Company be enhanced from Rs.9850/- to Rs.25,000/- per month in the scale of Rs. 25,000 – 5,000 – 50,000 with effect from 08.08.2006.

FURTHER RESOLVED that in addition to her monthly remuneration she shall also be entitled to performance bonus, leave encashment and reimbursement of medical expenses in accordance with the Rules of the Company subject to a maximum of Rs.5,00,000/- p.a."



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 21.09.2007 to 27.09.2007 (both days inclusive).
3. Dividend on shares @ 20 % 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 21.09.2007 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 Department of Company 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. In view of the above:
 - i. 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 it's registered address.
 - ii. 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.

5. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, Dividends for the Financial Year ended 31st March, 2000 which remain unclaimed for a period of seven years, has been transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 (c) of the Companies Act, 1956.

It may be noted that no claim shall lie in respect of the Unclaimed Dividend transferred to the Investor Education and Protection Fund. Therefore Members who have not encashed the Dividend Warrant(s) so far for the Financial Year 2000-01 and subsequent Financial Years are requested to make their claim to the Company at its Registered Office.

Information in respect of the due date for transfer of such unclaimed dividend to the said fund is given below:

For the Financial Year	Date of Declaration	Due for Transfer on
2000-01	26.07.2001	23.08.2008
2001-02	27.09.2002	24.10.2009
2003-04	28.09.2004	01.11.2011
2004-05	01.07.2005	30.06.2012
2005-06	07.08.2006	06.09.2013

The Members who have not encashed the Dividend Warrant(s) so far for the Financial Year ended 31st March, 2001 or any subsequent Financial Years are requested to make their claim to the Company at its Registered Office. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.

The Company's Equity shares are listed at The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and The National Stock Exchange of India Ltd., 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.

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.

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.

Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at **KARVY COMPUTER SHARE PRIVATE LIMITED**, Karvy House, 46, Avenue 4, Street No: 1, Banjarahills, Hyderabad -500 034.

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 TELECOM LIMITED**

Place : Secunderabad
Date : 27.07.2007

P. RAJESH KUMAR JAIN
COMPANY SECRETARY

EXPLANATORY STATEMENT

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

ITEM NO. 6:

The Company was incorporated in the year 1989 and engaged in the business of manufacturing of Jelly Filled Telecommunication Cables (JFTC), Optic Fiber Cables, Joining Kits, Optical Testing and Measuring Instruments etc., Assembling of CDMA phones. Since its inception, the Company has steadily forged ahead both in terms of technology and profitability. Later in the recent years due to shift in demand from wireline to wireless telephones, the demand for telephone cables started falling. In order to sustain and further improve the performance of the Company, the Company has in the year 2006 ventured into Infrastructure business by investing in IT parks and Entertainment related Projects, manufacture of Power cables and Conventional & Non- Conventional power generation taking clue from recent developments in the respective fields.

In order to depict its diversified activities and accurately reflect the Corporate image and to carry on its business more conveniently, a need is felt to change the Name of the Company from 'Surana Telecom Limited to 'Surana Telecom and Power Limited'.

The change of Name of the Company requires approval of Members in the General Meeting pursuant to the provisions of Section 21 of the Companies Act, 1956. Accordingly, the resolution set forth in Item 6 seeks such approval.

Under Section 163 of the Companies Act 1956, your Directors recommend the Special Resolution for your approval.

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

ITEM NO. 7

Shri Narender Surana was re-appointed as Managing Director by the Board of Directors at their meeting held

on 18.01.2007 for a period of 5 years ending 17.01.2012, as per Sections 198, 269, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956

As per the provisions of Schedule XIII of the Companies Act, 1956 approval by a resolution of the Shareholders in the General Meeting is required for re-appointment of the Managing Director.

Your Directors recommend the resolution for your approval.

None of the Directors except Shri G.Mangilal Surana, Shri Narender Surana and Shri Devendra Surana are concerned or interested in the said resolution except as members.

ITEM NO. 8

Taking into consideration the past experience of over 8 years of Smt Sunita Surana, Public Relations (Manager) and in view of the increased responsibility with increase in business activities of the Company and the relentless efforts and time devoted by her in contributing to the success of the organization and current industry standards in the pay scale, the payment of salary to Smt Sunita Surana has been revised by the Board of Directors at their meeting held on 07.08.2006.

Pursuant to the provisions of Section 314(1B) and other applicable provisions if any of the Companies Act 1956 the approval of the members is therefore sought for revision in the salary of Smt Namrata Surana as set out in the resolution.

Your Directors recommend the resolution for your approval.

None of the Directors except Shri G.Mangilal Surana, Shri Narender Surana and Shri Devendra Surana are concerned or interested in the said resolution except as members.

The Directors recommend the resolution for your approval.

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

Place : Secunderabad
Date : 27.07.2007

P. RAJESH KUMAR JAIN
COMPANY SECRETARY



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2007

FINANCIAL RESULTS:

The performance during the year has been as under:

	Year ended 31st March, 2007	(Rupees in Lakhs) Year ended 31st March, 2006
Sales and other Income	8768.94	7833.07
Profit before Depreciation, Interest & Financial Charges.	1342.22	1655.61
DEDUCT:		
Depreciation	235.64	221.79
Interest & Financial Charges	139.76	80.24
Profit for the year	966.82	1353.58
Prior period Adjustments	0.38	4.80
Provision for Taxation : Current Tax	140.00	100.00
Fringe Benefit Tax	5.50	4.70
Deferred Tax	3.08	20.28
Profit after Tax	817.87	1223.80
Surplus brought forward from previous year	2193.86	1727.82
Balance available for appropriation	3011.74	2951.62
APPROPRIATION:		
Dividend	226.04	226.04
Tax on Dividend	38.42	31.70
Transfer to General Reserves	500.00	500.00
Balance c/f to Balance Sheet	2247.28	2193.88
TOTAL	3011.74	2951.62

OPERATIONS:

The Sales net of excise and other Income for the year stood at Rs. 8768.94 Lakhs as against Rs. 7833.07 Lakhs for the previous year and the Profit before tax for the year was Rs 966.42 Lakhs as against Rs. 1348.77 Lakhs for the previous year.

NEW PROJECT INITIATIVES:

In order to sustain and improve Profitability of the Company, your Directors are pleased to inform you that, the Company has diversified into new lines of activities as under:

A. HT CABLES :

During the year under review the Company started the production of LT (Low Tension) Power Cables and the production facility for manufacture of HT (High Tension) Power Cables is under installation and is likely to be commissioned by September'07.

B. ALUMINIUM CC RODS:

As a part of backward integration in the Power cables Sector the Company has initialized the setting up of the manufacturing facility for the manufacture of Aluminium CC Rods of 7.6mm & 9.6mm diameter. These Aluminium CC Rods are used as raw material for the Aluminium Conductor and power Cable Industry. The Company expects to rollout the first production by October'07.

C. WIND POWER:

The Company has purchased a 1.25MW Wind Turbine from Suzlon Energy Ltd., at a total cost of Rs.6.30 Crores. The Wind Turbines is installed by Suzlon Energy Ltd., at Loc. K-308, Kapatguda Site in Karnataka. The WTG was commissioned on 30.03.07 and have started generation of electricity. The Company has entered in to a Power Purchase Agreement with Gulbarga Electricity Supply Company at Gulbarga, Karnataka on 30.03.07, for supply of power generated for a period of 20 years.

D. INFRASTRUCTURE:

(i) Sri City Multi Product SEZ near Chennai:

The Company has acquired 50 Acres of land in a Sri City multi product SEZ, at Tada near Chennai on lease from Satyavedu Reserve Infracity pvt ltd., which has received formal approval from Ministry of Commerce & Industry, Govt of India.

(ii) Land in Rajiv Gandhi Infotech Park, Pune:

The Company has been allotted a plot of land admeasuring 20,000 sq.mts at Plot no.11/1, Rajiv Gandhi Infotech Park at Hinjavadi , Pune on lease by Maharashtra Industrial Development Corporation. The Company has appointed architects for the construction of IT project.

(iii) Land in Rajiv Gandhi IT Habitat, Goa:

The Company has been allotted a plot of land admeasuring 4000 sq.mts at Plot no.17, Rajiv Gandhi IT Habitat, Dona paula, Goa by Infotech Corporation of Goa Ltd on lease. Building plans for construction of an IT Complex has been submitted to the concerned authorities for approval. The Company shall commence the construction on receipt of all the required approvals.

(iv) Land in Industrial Park,Vishakapatnam:

The Company has been allotted a plot of land admeasuring 2.5 Acres at Plot no.9, G-Block, Industrial Park, Vishakapatnam by APIIC for expansion of the Company's manufacturing facilities.

FUTURE PLANS:

The Company already being a prominent player in the Telecommunication Cable Sector will thrive to position it self as strong Player in the Power Cable and further intends to diversify into the field of Infrastructure Development.

DIVIDEND:

Your Directors are pleased to recommend a Dividend @ 20 % amounting to Rs. 226.04 Lakhs for the year ended 31st March 2007. This will entail an out flow of Rs. 264.46 Lakhs .

RESERVES:

During the year the Company has transferred an amount of Rs. 500.00 Lacs to General Reserves Account.

FIXED DEPOSITS:

The Company had not accepted any deposits and consequently no deposits had matured / become due for re-payment as on 31st March, 2007.

DIRECTORS:

Shri O. Swaminatha Reddy 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.

The brief profile of the Directors seeking re-appointment at the ensuing Annual General Meeting is being annexed to the Corporate Governance Report.

AUDITORS :

M/s. Sekhar & Company, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are 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.

PARTICULARS OF EMPLOYEES:

Information relating to particulars of Employees who are drawing more than Rs.24,00,000/-per annum which is required to be disclosed under Section 217(2A) of the Companies Act 1956 read with The Companies (Particulars of Employees) Rules 1975 are provided in the Annexure forming part of this report.



INSURANCE:

The Properties and Assets of your Company are adequately insured.

ISO 9001-2000 CERTIFICATION:

Your Company continues to hold ISO 9001-2000 Certification by meeting all the requirements of Certification from time to time.

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

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, 2007, 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 or Loss 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, 2007 on a 'going concern' basis.

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.

CONSERVATION OF ENERGY, FOREIGN EXCHANGE ETC:

Information on Conservation of Energy, Research and Development, 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, 1998, are provided in the Annexure forming part of this Report.

APPRECIATION:

Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry, despite increased competition from several existing and new players.

ACKNOWLEDGEMENTS:

The Board desires to place on record its sincere appreciation for the support and co-operation that the Company received from the suppliers, customers, strategic partners, Bankers, Auditors, Registrar and Transfer Agents and all others associated with the Company. The Company has always looked upon them as partners in its progress and has happily shared with them rewards of growth. It will be the Company's endeavor to build and nurture strong links with trade based on mutuality, respect and co-operation with each other.

for and on behalf of the
Board of Directors

Place : Secunderabad
Date : 27.07.2007

G. Mangilal Surana
Chairman



ANNEXURE - I TO THE DIRECTORS' REPORT

I. INFORMATION 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.

A. CONSERVATION OF ENERGY :

- (i) Proper energy conservation measures has been taken up by the Company.
- (ii) The Company has not made any additional investments and has not proposed any amount for reduction of consumption of energy
- (iii) There is no impact of the measures at (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods.
- (iv) Disclosure under Form A is not applicable to the Company.

B. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption as per FORM B

FORM B

(Disclosure of particulars with respect to technology Absorption)

A) Research and Development (R & D) :

1. Specific areas in which R & D carried out by the Company : To Manufacture in smallest size PIJF Cables for supply to Private Operators for Broad Band Network, developing Quad Cables for Railways and Cable Assembly to Automobile Sector.
2. Benefits derived as a result of the above R & D for the Company : In the depressed market, looking for new areas like Automobile, Railway Signaling etc., for different varieties of Cable requirements therein
3. Future plan of action : Manufacture and supply of CPE (Customer Premises Equipment) and related Technical Support Services to the telecom sector.
4. Expenditure on R & D : As no significant amount has been spent, the same is not being shown separately.

B) Technology absorption, adaptation and innovation :

The Company is making all out efforts for improving productivity, product quality and reducing consumption of scarce raw materials and fuels.

C) Foreign Exchange Earnings and Outgo :

Activities relating to exports and initiatives taken to increase export products, services and export plans:

The Company is gearing up for better exports during the year 2006-2007.

Total Foreign Exchange earned and used :

Earned : Rs. Nil

Used : Rs. 1380.74 Lakhs



ANNEXURE - II TO THE DIRECTORS' REPORT

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March, 2007

Name	Age	Qualifications	Date of Employe- ment	Designation	Gross Remuneration in Rupees	Experi- ence	Last Employment held
Narender Surana	47	B.E. (Chemical)	14.08.89	Managing Director	24,79,200	23 years	First Employment

Note:

- (i) The appointment is contractual, other terms and conditions are as per Companies Rule.
- (ii) Gross remuneration includes monthly salary, perks, PF and commission on profits in terms of Schedule-XIII to the Companies Act 1956.
- (iii) The Managing Director is related to Shri. G..M Surana, Chairman and Shri Devendra Surana, Director of the Company.

for and on behalf of the Board of Directors

Place : Secunderabad

Date : 27.07.2007

G. Mangilal Surana
Chairman

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