

BOARD OF DIRECTORS

G Mangilal Surana	-	Chairman
Dr. R.N.Sreenath	-	Director
M V Jeshwanth Rao	-	Director
Nirmal Kumar Jain	-	Director
D Venkatasubbiah	-	Director
Narender Surana	-	Director
Devendra Surana	-	Director
Sanjay Kumar Sanghi	-	Wholetime Director

CHIEF FINANCIAL OFFICER

Arihant Rakecha

COMPANY SECRETARY

Pavani Akilla

BANKERS

State Bank of India
Corporation Bank
Development Credit 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.
Plot No. 17-24,
Vittalrao Nagar,
Madhapur, Hyderabad- 500 081
Phone # +91-40-44655000
Fax # +91-40-23420814
Email ID : einward.ris@karvy.com

REGISTERED OFFICE

2nd Floor, Surya Towers,
Sardar Patel Road,
Secunderabad - 500 003.
India - 500 003
Tel:+ 91 40 27845119, 27841198, 44665700
Fax: + 91 40 27818868
E-mail: surana@surana.com
Investors: cs@surana.com, investorservices_stl@surana.com
Website: www.surana.com, www.suranatele.com

STATUTORY COMMITTEES**AUDIT COMMITTEE**

Nirmal Kumar Jain	-	Chairman
G Mangilal Surana	-	Member
Dr. R N Sreenath	-	Member
M V Jeshwanth Rao	-	Member

SHAREHOLDERS' GRIEVANCE COMMITTEE

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

REMUNERATION COMMITTEE

Shri Nirmal Kumar Jain	-	Chairman
Dr. R N Sreenath	-	Member
Shri M V Jeswanth Rao	-	Member

WORKS**Power Cable**

Plot No. 215/A, Phase II,
I.D.A., Cherlapally
Hyderabad - 500 051.

Aluminum Wire Rods

Plot No. 215/D, Phase II,
I.D.A., Cherlapally
Hyderabad - 500 051

Optic Fibre Plant

Plot No.214
Phase II, IDA Cherlapally
Ghatkesar (M)
Ranga Reddy District

JFTC

Plot No. 13, 14 & 15
Pilerne Industrial Estate,
Panaji, Goa - 403 001.

Non-Conventional Energy (Wind)

Kapatgudda, Gadag District,
Karnataka, India

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ECS, ATTENDANCE SLIP AND PROXY FORM



NOTICE OF 21st ANNUAL GENERAL MEETING

NOTICE is hereby given that the 21st Annual General Meeting of the members of **SURANA TELECOM AND POWER LIMITED**, will be held on Friday the 24th day of September, 2010 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, 2010 and the Profit & Loss Account for the year ended 31st March, 2010 along with the Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2010.
3. To appoint a Director in place of Dr R.N. Sreenath, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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:

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Shri Sanjay Kumar Sanghi, who was appointed as an Additional Director at the meeting of Board of Directors held on 07.08.2010 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Act from 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 .

RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310 and Schedule

XIII and other applicable provisions of the Companies Act, 1956, Shri Sanjay Kumar Sanghi be and is hereby appointed as Wholetime Director of the Company and shall be designated as 'Director- Operations' for a period of 3 years w.e.f 07.08.2010 upto 06.08.2013 on a remuneration of Rs. 50,000/- per month .

RESOLVED FURTHER THAT Shri Sanjay Kumar Sanghi, shall also be entitled for reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company as per the service rules of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion deem necessary to give effect to this resolution."

6. 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 and independent Director of the Company by the Board of Directors at their meeting held on 07.08.2010 and who holds office upto the date of this Annual General Meeting of the Company 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 of Shri Nirmal Kumar Jain 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."

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

"RESOLVED THAT Shri D.Venkatasubbiah, who was appointed as an Additional and independent Director of the Company by the



Board of Directors on 07.08.2010 and who holds office upto the date of ensuing Annual General Meeting of the Company 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 of Shri D.Venkatasubbiah 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."

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

"**RESOLVED THAT** Shri M.V. Jeshwanth Rao, who was appointed as an Additional and independent Director of the Company by the Board of Directors on 24.10.2009 and who holds office upto the date of ensuing Annual General Meeting of the Company 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 of Shri M.V.Jeshwanth Rao 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."

9. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION:**

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals as may be required, the appointment of Shri Manish Surana as Executive Director of the Company for a period from 24.10.2009 to 07.08.2010 on a remuneration of Rs. 1,00,000/- per month in addition to reimbursement of actual expenses be and is hereby ratified."

RESOLVED FURTHER THAT in addition to salary, the commission paid at the rate of 1% of the net profits of the company computed in the manner laid down under Section 309(5) of

the Companies Act, 1956, subject to the overall ceiling laid down in Section 198 and Section 309 of the Companies Act, 1956 to Shri Manish Surana be and is hereby ratified.

RESOLVED FURTHER THAT reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company as per the service rules of the Company paid to Shri Manish Surana, be and is hereby ratified.

RESOLVED FURTHER THAT Shri Devendra Surana, Director be and is hereby authorised to file e-form 32 and other relevant forms with Registrar of Companies, A.P. by applying his digital signature thereto and do all such acts, deeds and things as may be necessary to give effect to this resolution."

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

"**RESOLVED THAT** pursuant to Section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and hereby accorded to the Board of Directors of the Company for borrowing from time to time, as they may think fit, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however, the total amount so borrowed shall not exceed twice the networth of the Company."

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

Place : Secunderabad
Date : 07.08.2010

PAVANI AKILLA
COMPANY SECRETARY



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 21.09.2010 to 24.09.2010 (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 21.09.2010 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 its 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, 2003 and thereafter, which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 (c) of the Companies Act, 1956,

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
2003-04	28.09.2004	01.11.2011
2004-05	01.07.2005	30.06.2012
2005-06	07.08.2006	06.09.2013
2006-07	27.09.2007	26.09.2014
2007-08	17.09.2008	16.09.2015
2008-09	29.09.2009	28.09.2016

Members who have not encashed the Dividend Warrant(s) so far for the Financial Year ended 31st March, 2004 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.

6. The Company's Equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and The 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.
7. 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.



8. The relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Businesses set out above is annexed herewith.
9. 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.
10. 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

11. 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 AND POWER LIMITED**

Place : Secunderabad
Date : 07.08.2010

PAVANI AKILLA
COMPANY SECRETARY

EXPLANATORY STATEMENT

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

ITEM NO. 5 :

Shri Sanjay Kumar Sanghi was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 07.08.2010 and holds office upto the date of this Annual General Meeting 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 Sanjay Kumar Sanghi, as Whole time Director, liable for retirement by rotation, from a member together with the requisite deposit.

Shri Sanjay Kumar Sanghi holds Bachelor Degree in Commerce and has experience of over 20 years in sales and Marketing and Administration. The particulars of Shri Sanjay Kumar Sanghi are detailed in the Report on Corporate Governance, which is herewith annexed.

The Board is of the view that the vast knowledge and experience of Shri Sanjay Kumar Sanghi 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

ITEM NO. 6:

Shri Nirmal Kumar Jain, was appointed as an Additional and Independent Director of the Company by the Board of Directors at their meeting held on 07.08.2010 and holds office upto the date of this Annual General Meeting 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 as Director, liable for retirement by rotation, from a member together with the requisite deposit. The particulars of Shri Nirmal Kumar Jain are detailed in the report on Corporate Governance, which is herewith annexed.

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

ITEM NO. 7:

Shri D.Venkatasubbiah, was appointed as an Additional and Independent Director of the Company by the Board of Directors at their meeting held on 07.08.2010 and



holds office upto the date of this Annual General Meeting 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 D.Venkatasubbiah as Director, liable for retirement by rotation, from a member together with the requisite deposit. The particulars of Shri D.Venkatasubbiah are detailed in the report on Corporate Governance, which is herewith annexed.

The Board is of the view that the vast knowledge and experience of Shri D.Venkatasubbiah 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

ITEM NO. 8:

Shri M.V. Jeshwanth Rao, was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 24.10.2010 and holds office upto the date of this Annual General Meeting 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 M.V. Jeshwanth Rao, as Director, liable for retirement by rotation, from a member together with the requisite deposit. The particulars of Shri M.V. Jeshwanth Rao are detailed in the report on Corporate Governance, which is herewith annexed.

The Board is of the view that the vast knowledge and experience of Shri M.V. Jeshwanth Rao 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

ITEM NO. 9:

Shri Manish Surana was appointed as Executive Director of the Company as per the provisions of Section 198, 269, 309 and Schedule XIII for a period

of 5 years w.e.f 24.10.2009 to 23.10.2014 on a remuneration of Rs.1, 00,000/- p.m.

Pursuant to the Scheme of arrangement, the Board of Directors at their meeting held on 07.08.2010 unanimously resolved to reconstitute the Board in such a manner that there would be an optimum combination of professional and expert Board to suit the business requirements of the company according to its Business Plan for the forthcoming years. Accordingly Shri Manish Surana resigned w.e.f 08.08.2010. The appointment of Shri Manish Surana requires the approval of members as Shri Manish Surana served on the Board of the Company as Executive Director w.e.f 24.10.2009 to 07.08.2010 on a remuneration as mentioned in the resolution. Hence the resolution is set forth for members' approval.

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

None of the directors of the Company other than Shri G.M. Surana, Shri Narender Surana and Shri Devendra Surana are concerned or interested in the resolution

ITEM NO. 10:

Under Section 293(1) (d) of the Companies Act, 1956, the Board of Directors cannot, except with the consent of the Company in General Meeting, borrow money, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of the paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. Having regard to the need for borrowing in future for expansion/modernisation, it is proposed to increase the borrowing limits of the Board of Directors under section 293(1) (d) of the Companies Act, 1956, not exceeding two times the networth of the Company. The Resolution is of an enabling nature.

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 TELECOM AND POWER LIMITED**

Place : Secunderabad
Date : 07.08.2010

PAVANI AKILLA
COMPANY SECRETARY



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2010.

SCHEME OF ARRANGEMENT

During the year under review, the 'Solar Division' of the Company has been demerged with the Company and merged with M/s Surana Ventures Limited. The Scheme of arrangement was sanctioned by the Hon'ble High Court of A.P. vide its order dated 28.06.2010. The Scheme became effective on 28.07.2010 and the appointed date of the Scheme is 01.10.2009. The Scheme of arrangement was for the purpose of re-organising the Company for greater focus in the various activities of the Company, accelerate growth, improve profitability, ensure better operational management and focus on accelerated growth of individual units so as to ensure higher returns to the shareholders, creditors, employees and is also in general public interest.

Consequent upon the demerger of the 'Solar Division', the shareholders of the Company shall be allotted equity shares of M/s Surana Ventures Limited in the ratio of 3 equity shares of Rs.10/- each of M/s Surana Ventures Limited for every 4 equity shares of Rs. 5/- each held by them in the Company. The share swap ratio has been determined based on the valuations done by M/s. CNGSN & Associates, independent Chartered Accountants, M/s. Sekhar & Co, Statutory Auditors of the Company and the fairness opinion issued by M/s Fortune Financial Services (India) Limited, a SEBI authorised Merchant Banker

FINANCIAL RESULTS

The assets and liabilities of the 'Solar Division' and its operating results have not been incorporated in the Company's books with effect from 01.10.2009 (Appointed Date). As the results for the financial year 2009-10 does not include the figures of erstwhile 'Solar Division' from appointed date, therefore to that extent are not comparable with the figures for 2008-09. The financial performance of the Company for the year ended 31.03.2010 is summarized below.

(Rs. in Lakhs)

	Standalone Results		Consolidated Results	
	2010	2009	2010	2009
Sales and other Income	5121.71	9534.05	5121.71	9534.05
Profit before Depreciation and Interest	558.05	638.06	558.05	638.06
DEDUCT:				
Depreciation	241.26	223.56	241.26	223.56
Interest	185.88	99.62	185.88	99.62
Profit for the year	131.36	314.88	130.91	314.88
Provision for Taxation : Income Tax	18.00	32.00	18.00	32.00
Fringe Benefit Tax	-	4.80	-	4.80
Deferred Tax	(3.98)	2.49	(3.98)	2.49
Profit after Tax	114.93	282.00	114.48	282.00
Share in net assets of companies no longer consolidated	-	-	38.66	-
Share in net assets of Associates	-	-	-	(38.66)
Surplus brought forward from previous year	2401.75	2402.30	2363.09	2402.30
Balance available for appropriation	2,516.68	2,684.30	2,516.23	2,645.64
APPROPRIATION:				
Dividend	104.02	156.03	104.02	156.03
Tax on Dividend	17.27	26.52	17.27	26.51
Transfer to General Reserves	2000.00	100.00	200.00	100.00
Balance c/f to Balance Sheet	2195.38	2401.75	2194.93	2363.10
TOTAL	4316.67	2684.30	2516.22	2645.64



OPERATIONS:

The year under review was a transformational year for the Company. In the light of demerger of its Solar Division, the Company has to refocus and reorganize its operations to ensure growth and profitability. In view of the same it proposes to strengthen its business in Power Cables, Aluminium CC Rods and Telephone Cables and to venture into new areas of growth and profitability

TRANSFER OF COMPANY'S PROPERTY

The Company has entered into Memorandum of Understanding for transfer/surrender of vacant land admeasuring approx. 16,000 Sq.Mts out of 31,726 Sq.Mts bearing Plot Nos.12 & 16 from Plot bearing Nos. 12,13, 14, 15 & 16 in the property known as 'Pilerne Industrial Estate' bearing Survey No.85 of Marra Village within the village Panchayat limits of Pilerne, Marra Taluq Bardez, District North-Goa. The Company shall also enter into tripartite deed of lease with Goa Industrial Development Corporation enabling the Corporation to transfer the property to the said Company.

DIVIDEND

Your Directors are pleased to recommend a Dividend @ 10% amounting to Rs 1.04 crores for the year ended 31st March 2010. This will entitle an out flow of Rs 1.21 crores including dividend tax

RESERVES

During the year the Company has transferred an amount of Rs 2.00 crore 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, 2010.

JOINT VENTURE COMPANY

During the year under review, the Company entered into a Joint Venture Agreement with M/s EC

Distribution Limited (ECDL), Bangladesh to form a special purpose vehicle/JV by name "Radiant Alliance Limited" for the purpose of establishing and operating a Solar PV Module manufacturing plant in Bangladesh with an installed capacity of 10 MW.

DIRECTORS

In view of restructuring of the Company pursuant to the Scheme of arrangement as approved by the Hon'ble High Court of Andhra Pradesh vide its order dated 28.06.2010, the Board of Directors unanimously resolved to reconstitute the Board in such a manner that there would be an optimum combination of professional and expert Board to suit the business requirements of the Company according to its Business Plan for the forthcoming years.

Shri M V Jeshwanth Rao was appointed as Additional Director on 24.10.2009. Shri Nirmal Kumar Jain and Shri D.Venkatasubbiah were appointed as Additional Directors of the Company on 07.08.2010. Shri Sanjay Kumar Sanghi, has been inducted into the Board of the Company as Wholtime Director and designated as Director-Operations of the Company on 07.08.2010. He has rich experience of over 20 years in the fields of administration, sales and marketing which would enhance the Company's growth and profitability.

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

Shri O. Swaminatha Reddy, Shri R.Surender Reddy, Shri S.R.Vijayakar and Shri S.Balasubramanian have resigned w.e.f 08.08.2010. Shri Narender Surana, Managing Director of the Company has resigned from the office of Managing Director with effect from 08.08.2010 and continues to be the Director of the Company. Shri Manish Surana was appointed as Executive Director on the Board of the Company at their meeting held on 24.10.2009 for a period of 3 years. He resigned as Director w.e.f 08.08.2010.



The composition of Board w.e.f 08.08.2010 is as follows:

Sl. No.	Name of the Director	Designation
1.	Shri G.M.Surana	Non-executive Director
2.	Shri Narender Surana	Executive Director
3.	Shri Devendra Surana	Executive Director
4.	Shri Sanjay Kumar Sanghi	Director-Operations
5.	Dr. R.N. Sreenath	Independent Director
6.	Shri M V Jeshwanth Rao	Independent Director
7.	Shri Nirmal Kumar Jain	Independent Director
8.	Shri D.Venkatasubbiah	Independent Director

The Board wishes to place on record its appreciation for the contributions made by Shri O. Swaminatha Reddy, Shri R. Surrender Reddy, Shri S.R. Vijayakar, Shri Manish Surana and Shri S. Balasubramanian during their tenure on the Board of the Company.

AUDITORS

M/s. Sekhar & Company, Chartered Accountants, Auditors of the Company retires 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

During the period under review, there are no employees covered under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of the Employees) Rules, 1975.

Ms. Vinita Surana, relative of Shri Narender Surana, Director of the Company who was promoted to "G.M. Finance" on 26.10.2008 with a remuneration of Rs.40,000/- per month resigned from office w.e.f 08.08.2010.

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, 2010, 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, 2010 on a 'going concern' basis.

Auditors Observations:

The observation reported in para 4(e)(1) regarding the provision for loss of goods, your company filed

