

Surana Telecom And Power Limited



5MW
Solar Power Plant at
Charanka, Gujarat

22nd Annual Report 2010-2011

SURANA GROUP



BOARD OF DIRECTORS

Dr. R N Sreenath
Nirmal Kumar Jain
D Venkatasubbiah
Narender Surana
Devendra Surana
Sanjay Kumar Sanghi

- Director
- Director
- Director
- Director
- Director
- Wholetime Director

CHIEF FINANCIAL OFFICER

R Lakshman Raju

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
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

REGISTERED OFFICE

5th 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
D Venkatasubbiah - Member
Dr. R N Sreenath - Member

SHAREHOLDERS' GRIEVANCE COMMITTEE

D Venkatasubbiah - Chairman
Narender Surana - Member
Devendra Surana - Member

REMUNERATION COMMITTEE

Shri Nirmal Kumar Jain - Chairman
Dr. R.N.Sreenath - Member
D Venkatasubbiah - Member

WORKS**Solar Power Project (Under Commissioning)**

Gujarat Solar Park,
Charanka Village
Santalpur Taluk
Patan District, Gujarat

Aluminum Wire Rods

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

Optic Fibre Cable Plant

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

Non- Conventional Energy (Wind)

Kapatgudda, Gadag District,
Karnataka,
India



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NOTICE OF 22nd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 22nd Annual General Meeting of the members of **SURANA TELECOM AND POWER LIMITED**, will be held on 21st day September, 2011 at 4.30 pm 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, 2011 and the Profit & Loss Account for the year ended 31st March, 2011 along with the Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2011.
3. To appoint a Director in place of Shri Narender Surana, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Devendra Surana, 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."

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

Place : Secunderabad
Date : 06.08.2011

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 16.09.2011 to 21.09.2011 (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 16.09.2011 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 sufficing 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, 2004 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 | 26.10.2014 |
| 2007-08 | 17.09.2008 | 16.10.2015 |
| 2008-09 | 29.09.2009 | 28.10.2016 |
| 2009-10 | 24.09.2010 | 23.10.2017 |
- 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 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. 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.
 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 to 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 made 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 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 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. Further, kindly note that members holding shares in physical

form and intending to transfer their shares have to furnish the PAN particulars of transferee along with the share transfer deeds for effecting the physical share transfer.

14. 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 : 06.08.2011

PAVANI AKILLA
COMPANY SECRETARY



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **22nd Annual Report** and the Audited Statement of Accounts of the Company for the Financial Year ended 31st March, 2011.

FINANCIAL RESULTS

The financial performance of the Company for the year ended 31.03.2011 is summarized below. (Rs. in Lakhs)

	Consolidated Results		Standalone Results	
	2011	2010	2011	2010
Sales and other Income	7,711.82	5,121.12	7,711.82	5,121.12
Profit before Depreciation and Interest	495.75	558.04	496.14	558.50
DEDUCT :				
Depreciation	211.06	241.25	211.06	241.26
Interest	148.51	185.88	148.51	185.88
Profit for the year	136.18	130.91	136.57	131.36
Prior Period Adjustment	(2.51)	(2.41)	(2.51)	(2.41)
Profit before Taxation	133.67	128.50	134.06	128.95
Provision for Taxation : Income Tax	25.00	18.00	25.00	18.00
Fringe Benefit Tax				
Deferred Tax	(9.04)	(3.98)	(9.04)	(3.98)
Profit after Tax	117.71	114.48	118.10	114.93
Surplus brought forward from previous year	2,194.93	2,401.75	2,195.38	2,401.75
Balance available for appropriation	2,312.64	2,516.23	2,313.48	2,516.68
APPROPRIATION:				
Dividend	104.02	104.02	104.02	104.02
Tax on Dividend	17.28	17.28	17.28	17.28
Transfer to General Reserves	50.00	200.00	50.00	200.00
Balance c/f to Balance Sheet	2,141.34	2,194.93	2,142.18	2,195.38
TOTAL	2,312.64	2,516.23	2,313.48	2,516.68

OPERATIONS

During the year under review, the Income from Operations is Rs. 6244.52 lakhs as against Rs. 4764.71 lakhs for the corresponding previous year, indicating a growth of 31.06%. The profit before Tax stood at Rs.134.06 lakhs as against Rs. 128.95 lakhs for the previous year, indicating a growth of 3.96%. The Profit After Tax stood at Rs. 118.10 lakhs as against Rs. 114.93 lakhs for the corresponding period, indicating a growth of 2.76%. The basic Earnings Per Share for the year ended 31.03.2011 is Rs. 0.57 as against Rs. 0.55 for the corresponding previous year ended 31.03.2010.

CONSOLIDATED FINANCIAL STATEMENTS

The Ministry of Corporate Affairs, New Delhi, vide Circular no. 5/12/2007 CL-III dated 08.02.2011 granted general exemption under Section 212(8) of the Companies Act, 1956 in relation to providing information on the Subsidiary Companies. Accordingly, the accounts of the Subsidiary Company and the detailed related information will be made available to the investors of the Company and its subsidiaries on request and are also available for inspection at Registered Office of the Company.



SOLAR POWER PROJECT

During the year under review, the Company was allotted 5 MW Power Capacity under Solar Power Policy, 2009 by M/s Gujarat Energy Development Agency (GEDA), Government of Gujarat. Subsequently on 01.12.2010, the Company entered into Power Purchase Agreement with Gujarat Urja Vikas Nigam Limited. M/s Gujarat Power Corporation Limited which is appointed as Licensor for facilitating the setting up of power projects within the state of Gujarat, handed over the possession of 1,00,000 sq. mtrs (approx) of land situated at Gujarat Solar Park, Charanka Village, Santalpur Taluk, Patan District, Gujarat. The Company entered into Engineering Procurement Construction Contract (EPC) with AEG Power Solutions (P) Limited, for the Development of the Project. The other steps for implementation of the project were also undertaken so as to ensure the commissioning of the project by November, 2011.

JV COMPANY IN BANGLADESH

During the year under review, the Company floated a JV Company by name "Radiant Alliance Limited" in Bangladesh with M/s EC Distribution Limited (ECDL), Bangladesh for the purpose of establishing and operating a Solar PV Module manufacturing plant in Bangladesh with an installed capacity of 10 MW.

SALE/LEASE OF COMPANY'S UNDERTAKINGS

During the year under review, the approval of members by way of Postal Ballot was obtained on 21.12.2010 pursuant to the provisions of Section 293(1)(a) and 192 A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, for the purpose of lease /sale/disposal of Jelly Filled Telecom Cables situated at Plot No.13 to 15, Pilerne Industrial Estate, Panajim, Goa and/or Power Cable Division situated at Plot No. 215/A, Phase II, IDA, Cherlapally, Hyderabad - 500 051 and/or Optic Fibre Plant situated at Plot No. 214, Phase II, IDA, Cherlapally, Hyderabad - 500 051.

Accordingly, the Company closed its JFTC operations at Goa and transferred leasehold rights on the said land property and disposed of the plant and machinery. Further the Power Cable Division situated at Plot No. 215/A, Phase II, IDA, Cherlapally, Hyderabad-500 051 was leased out w.e.f. 01.04.2011.

DIVIDEND

Your Directors are pleased to recommend a Dividend @ 10% amounting to Rs 1.04 crores for the year ended 31st March 2011. 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 50 lakhs 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, 2011.

DIRECTORS

During the year under review, Shri G. M. Surana, Promoter, Non-Executive Director and Chairman of the Company resigned w.e.f 7th March, 2011 after having served for more than two decades as Chairman. As a founder promoter of the Company, who joined the Board in 1989, he played a key role in the phenomenal growth and success of the Company.

Shri M. V. Jeshwanth Rao, Independent Director of the Company expired on 12th September 2010. The Board while expressing profound grief places on record its deep sense of appreciation for the contribution made by Shri M. V. Jeshwanth Rao during his tenure as Director of the Company.

In order to comply with Section 256 of the Companies Act 1956 and Articles of Association of the Company Shri Narender Surana and Shri Devendra Surana, Directors of the Company will retire by rotation at the ensuing Annual General meeting and being eligible, offers themselves for re-appointment.

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

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, none of the employees who were under employment for whole of the year or part of the year, were in receipt of remuneration exceeding Rs.60,00,000 per annum or



Rs.5,00,000 per month as set out in Section 217 (2A) of the Companies Act, 1956.

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, 2011, 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, 2011 on a 'going concern' basis.

Auditors Observations:

The Auditors observation reported in point No. 4(vi) of the Auditors Report is not a qualification and it is self explanatory in nature and hence not commented upon.

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 : 06.08.2011

Narender Surana
Chairman

