

**BOARD OF DIRECTORS**

G M Surana	-	Chairman
O Swaminatha Reddy	-	Director
R Surender Reddy	-	Director
S R Vijayakar	-	Director
Dr. R N Sreenath	-	Director
Narender Surana	-	Director
Devendra Surana	-	Director
Manish Surana	-	Director

**CHIEF FINANCIAL OFFICER**

Vishal Didwania

**COMPANY SECRETARY**

Biswaranjan Subudhi

**BANKERS**

State Bank of India  
Corporation Bank  
Development Credit Bank Limited  
Axis 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.  
India - 500 003.  
Tel:+ 91 40 27845119, 27841198  
Fax: + 91 40 27848851  
E-mail: surana@surana.com  
Investors: cs@surana.com  
Website: www.surana.com, www.suranaventures.com

**STATUTORY COMMITTEES****AUDIT COMMITTEE**

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

**SHAREHOLDERS' GRIEVANCE COMMITTEE**

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

**WORKS :****SOLAR PHOTOVOLTAIC DIVISION**

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

**NON-CONVENTIONAL ENERGY (WIND)**

1. Kaladhon Village, Khatav Taluka,  
Satara Dist.,  
Maharashtra.
2. Kurichampatti Village,  
V.K. Pudur Taluk, Tirunelveli Dist.,  
Tamilnadu.



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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 4th Annual General Meeting of the Members of SURANA VENTURES LIMITED will be held on Tuesday, 10th August 2010 at 10.30 A.M. at the Registered Office of the Company at 2nd Floor, Surya Towers, S P Road, Secunderabad - 500 003 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended 31st March, 2010 along with Auditors' Report & Directors' Report thereon.
2. To appoint M/s. Sekhar & Co., Chartered Accountants, Auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** Shri O. Swaminatha Reddy, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 15.07.2010 and who holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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

**"RESOLVED THAT** Shri R Surender Reddy, who was appointed as an Additional Director of the Company by the Board of Directors at

their meeting held on 15.07.2010 and who holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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

**"RESOLVED THAT** Shri S R Vijayakar, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 15.07.2010 and who holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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

**"RESOLVED THAT** Dr. R N Sreenath, who was appointed as an Additional Director of the Company at their meeting held on 15.07.2010 and who holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."



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

**"RESOLVED THAT** Shri Narender Surana, who was appointed as an Additional Director of the Company at their meeting held on 15.07.2010 and who holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall not 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** pursuant to the provisions of sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions of the Companies Act, 1956, Shri Narender Surana be and is hereby appointed as Managing Director of the Company for a period of 5 years w.e.f 08.08.2010 upto 07.08.2015 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 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."

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

**"RESOLVED THAT** Shri Devendra Surana, who was appointed as an Additional Director of the Company at their meeting held on 15.07.2010

and who holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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

**"RESOLVED THAT** Shri Manish Surana, who was appointed as an Additional Director of the Company at their meeting held on 15.07.2010 and who holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall not be liable to determination by retirement of Directors by rotation."

11. 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, Shri Manish Surana be appointed as Executive Director of the Company for a period of 5 years with effect from 08.08.2010 upto 07.08.2015 on a remuneration of Rs. 2,00,000/- per month in addition to reimbursement of actual expenses.

**RESOLVED FURTHER THAT** in addition to salary, Shri Manish Surana shall be entitled to commission 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.



RESOLVED FURTHER THAT Shri Manish Surana, shall also be entitled for 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."

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

"**RESOLVED THAT** Shri G.M. Surana, who was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on 07.08.2010 and who holds office upto the date of this Annual General Meeting as per Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Act in writing by a member proposing the candidature for the office of Director, be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

13. 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 Rs.150 crores."

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

"**RESOLVED THAT** the consent of the Company be and is hereby accorded pursuant to the provisions of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (hereinafter called "the Board " and which term shall be deemed to include any committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons ), to mortgage and/or charge any of its movable and/or immovable properties wherever situated, both present and future, or the whole, or substantially the whole, of the undertaking or undertakings of the Company on such terms and in such manner as the Board may think fit, for securing any loan(s) obtained/to be obtained from, or securities issued/to be issued to, Bank(s), Financial or Other Institution(s), Mutual Fund(s), Non-resident Indians(NRI's), Overseas Corporate Bodies(OCB's), Foreign Institutional Investors(FII's), or any other person(s), Body(ies), Corporate(s) etc., whether shareholder or not (hereinafter collectively referred to as "lenders").

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto to give effect to this resolution."

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

"**RESOLVED THAT** pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by substituting and replacing new Clause 104 instead of existing Clause 104 as set out below under the head "**The Seal**"



"The Seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or a Committee of the Board authorized by it in that behalf and except in the presence of atleast one Director and of the secretary or such other person as the Board may appoint for the purpose; and the Director and Secretary or other person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence"

16. 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 16, 17 and other applicable provisions of the Companies Act, 1956, the Memorandum of Association of the Company be and is hereby altered by substituting and replacing new Clause III(A)(5) instead of existing Clause III(A)(5) as set out below under the head **"MAIN OBJECTS"**

5. To Carry on business of manufacturers, procurers, suppliers, distributors, converters, producers, developers, storers, processors, assemblers, exporters and importers of any components, plant and machinery, raw materials relating to the generation, transmission and

distribution of all forms of electricity, fuel handling equipments and machinery, fuel handling facilities and any product or by-product such as solar photovoltaic modules, solar photovoltaic cells, solar water heaters, solar photovoltaic lighting systems, solar lantern, solar home lighting system, solar street lighting system (both LED & CFL based), solar power plant off grid and grid interacted type, natural gas in liquefied or vaporized form and distillate fuel oil under conditions of direct ownership or through its affiliate, associate, franchisee, licensee or subsidiary companies.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Shri Narender Surana and Shri Devendra Surana Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to finalize and/or execute all documents and writings as may be necessary, proper, desirable or expedient."

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

Place : Secunderabad  
Date : 07.08.2010

**G.M SURANA**  
CHAIRMAN

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**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.**
2. The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



**EXPLANATORY STATEMENT****Pursuant to Section 173 (2) of the Companies Act, 1956****ITEM NO. 3.**

Shri O Swaminatha Reddy was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 15.07.2010 and holds office upto the date of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri O. Swaminatha Reddy, liable for retirement by rotation, from a member together with the requisite deposit.

The profile of Shri O. Swaminatha Reddy is annexed to Corporate Governance Report. The Board is of the view that the vast knowledge and experience of Shri O. Swaminatha Reddy 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.4**

Shri R. Surender Reddy was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 15.07.2010 and holds office upto the date of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri R. Surender Reddy as Director, liable for retirement by rotation, from a member together with the requisite deposit.

The profile of Shri R. Surender Reddy is annexed to Corporate Governance Report. The Board is of the

view that the vast knowledge and experience of Shri R. Surender Reddy 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. 5**

Shri S.R. Vijayakar was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 15.07.2010 and holds office upto the date of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri S.R. Vijayakar as Director, liable for retirement by rotation, from a member together with the requisite deposit.

The profile of Shri S.R.Vijayakar is annexed to Corporate Governance Report. The Board is of the view that the vast knowledge and experience of Shri S.R. Vijayakar 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**

Dr. R.N. Sreenath was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 15.07.2010 and holds office





upto the date of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Dr.R.N.Sreenath as Director, liable for retirement by rotation, from a member together with the requisite deposit.

The profile of Dr.R.N.Sreenath is annexed to Corporate Governance Report. The Board is of the view that the vast knowledge and experience of Dr. R.N. Sreenath 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 & 8**

Shri Narender Surana was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 15.07.2010 and holds office upto the date of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri Narender Surana as Director, not liable for retirement by rotation, from a member together with the requisite deposit.

Further, pursuant to the provisions of sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions of the Companies Act, 1956, Shri Narender Surana be appointed as Managing Director of the Company for a period of 5 years w.e.f 08.08.2010 upto 07.08.2015 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. He 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."

The profile of Shri Narender Surana is annexed to Corporate Governance Report. The Board is of the view that the vast knowledge and experience of Shri Narender Surana 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 other than Shri G.M. Surana, Shri Devendra Surana and Shri Manish Surana are concerned or interested in the resolution.

### **ITEM NO. 9**

Shri Devendra Surana was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 15.07.2010 and holds office upto the date of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri Devendra Surana as Director, liable for retirement by rotation, from a member together with the requisite deposit.

The profile of Shri Devendra Surana is annexed to Corporate Governance Report. The Board is of the view that the vast knowledge and experience of Shri Devendra Surana 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 other than Shri G.M. Surana, Shri Narender Surana and Shri Manish Surana are concerned or interested in the resolution.





**ITEM NO. 10 & 11**

Shri Manish Surana was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 15.07.2010 and holds office upto the date of this Annual General Meeting of the Company as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri Manish Surana as Director, liable for retirement by rotation, from a member together with the requisite deposit.

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, Shri Manish Surana be appointed as Executive Director of the Company for a period of 5 years with effect from 08.08.2010 i.e., upto 07.08.2015 on a remuneration of Rs. 2,00,000/- per month in addition to reimbursement of actual expenses. In addition to salary, he shall also be entitled to commission 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.

Shri Manish Surana, shall also be entitled for 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.

The profile of Shri Manish Surana is annexed to Corporate Governance Report. The Board is of the view that the vast knowledge and experience of Shri Manish Surana 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 other than Shri G.M.Surana, Shri Narender Surana and Shri Devendra Surana are concerned or interested in the resolution.

**ITEM NO.12**

Shri G.M. Surana was appointed as an Additional Director and Chairman 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 of the Company as per Section 260 of the Companies Act, 1956. The Company has received notice in accordance with Section 257 of the Act in writing, proposing the appointment of Shri G.M. Surana as Director and Chairman, liable for retirement by rotation, from a member together with the requisite deposit.

The profile of Shri G.M. Surana is annexed to Corporate Governance Report. The Board is of the view that the vast knowledge and experience of Shri G.M. Surana 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 other than Shri Narender Surana, Shri Devendra Surana and Shri Manish Surana are concerned or interested in the resolution.

**ITEM NO. 13**

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/modernization, 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 Rs.150 crores. 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.

### **ITEM NO. 14**

The borrowings as stated in item no.13, may be required to be secured by way of mortgage/charge over all or any part of the movable and/or immovable properties of the undertaking or substantial undertaking of the Company as per the provisions of Section 293(1)(a) of the Companies Act, 1956. The mortgage of the whole, or substantially the whole, of the undertaking of the company may be deemed as disposal on all or any part of the movable and/or immovable properties of the Company, and hence requires the approval from the shareholders of the Company.

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. 15**

The Company intends to alter the number of signatories on the deeds or any other instruments on which the Common Seal of the Company is required to be affixed. In view of this, the existing

Article 104 needs to be amended to make a corresponding change by substituting it with new Article 104. Any such alteration to the Articles of Association needs to be approved by the members by special resolution pursuant to the provisions of section 31 of the Companies Act, 1956.

Under Section 173 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. 16**

The Company intends to produce new types of solar products as set forth in the resolution so as to carry on different products of solar energy which are not specifically provided in the clause 5 of the main objects of Memorandum of Association of the Company. Therefore according to Section 16, 17 of the Companies Act, 1956 the resolution set forth in the notice requires the approval of members through special resolution.

Under Section 173 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, except to the extent of the shareholding held by them.

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

Place : Secunderabad  
Date : 07.08.2010

**G.M SURANA**  
CHAIRMAN



**DIRECTORS REPORT**

To  
The Members

Your Directors have pleasure in presenting the 4th Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2010, together with the Auditors Report thereon.

**SCHEME OF ARRANGEMENT**

The 'Solar Division' of M/s Surana Telecom and Power Limited was merged with the Company pursuant to the Scheme of arrangement. 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 being 01.10.2009. The scheme of arrangement was for the purpose of re-organizing the demerged company for greater focus in the various activities, 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 Company shall allot equity shares in the ratio of 3 equity shares of Rs.10/- each of the Company for every 4 equity shares of Rs. 5/- each held by the shareholders in M/s Surana Telecom and Power Limited. The share swap ratio has been determined based on the valuations done by M/s. CNGSN & Associates, independent Chartered Accountants and 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 been incorporated in the Company's books with effect from 01.10.2009 (Appointed Date). As the Results for the financial year 2009-10 includes 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)		
Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Sales and other Income	<b>3163.02</b>	30.37
Profit before exceptional Items	<b>708.48</b>	(53.09)
<b>DEDUCT :</b>		
Depreciation	<b>17.44</b>	0.28
Interest	<b>67.20</b>	19.40
Profit for the year	<b>623.85</b>	(72.77)
Provision for Taxation:		
Current Tax	<b>104.52</b>	-
Fringe Benefit Tax	-	0.50
Deferred Tax	<b>(101.70)</b>	-
Taxes for earlier years	<b>(0.09)</b>	-
Profit after Tax	<b>621.11</b>	(73.27)
Surplus brought forward from previous year	<b>(77.87)</b>	(4.61)
Balance available for appropriation	<b>543.24</b>	(77.88)
Transfer to Debenture Redemption Reserve	<b>150.00</b>	-
Balance c/f to Balance Sheet	<b>393.24</b>	(77.88)
<b>TOTAL</b>	<b>543.24</b>	(77.88)

**FUTURE PROJECTIONS**

Your Company plans to consolidate its presence in export market, obtain necessary certifications for modules required in connection with power projects and towards backward integration of the manufacturing processes for which the Company proposes to set up Automotisation of Module plant at Fab City and a PV cell plant (60 MW approximately).



The solar business in the county is further opening up due to announcement of National Solar Mission and state wise solar policy announced by some of the State Governments. The module business is likely to get further boost as it has been mandated that solar modules manufactured in India only will be used for setting up solar power plants. Policy guidelines has been announced by MNRE for inviting expression of interest for setting up 150 MW Grid-connected Solar P.V. Power Plants under National Solar Mission.

With these policy announcements, an additional demand for 500 MW of modules is expected in 2010-11 and the company expects to achieve a turnover of about Rs.104 Crores in the year 2010-2011.

### **DIVIDEND**

Your Company has not declared any dividend during the financial year 2009-10.

### **FIXED DEPOSITS**

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

### **DIRECTORS**

In view of restructuring of the Company and M/s. Surana Telcome & Power Limited pursuant to the Scheme of arrangement as approved by the Hon'ble High Court of Andhra Pradesh vide its order dated 28.06.2010, there has been a change in composition of Board.

In view of the same, Shri O Swaminatha Reddy, Shri R Surender Reddy and Shri S R Vijayakar were appointed as additional directors at the meeting held on 15.07.2010 and Shri G.M. Surana was appointed as additional director and Chairman at the meeting held on 07.08.2010

In view of the withdrawal of nominations by M/s. Surana Telecom And Power Limited and M/s. Bhagyanagar India Limited at their meetings held on 14.05.2010 and 29.01.2010 respectively, Shri S. Balasubramanian, Dr. R.N. Sreenath, Shri Narender Surana, Shri Devendra Surana and

Shri Manish Surana, Ms. Vinita Surana resigned as Nominee Directors from the Board of the Company.

Further, Dr. R.N. Sreenath, Shri Narender Surana, Shri Devendra Surana and Shri Manish Surana were appointed as additional directors at the board meeting held on 15.07.2010.

Further, Shri Narender Surana was appointed as Managing Director and Shri Manish Surana was appointed as Executive Director w.e.f. 08.08.2010 for a period of 5 years.

### **TRANSFER OF EQUITY SHARES HELD IN M/S. AP GOLDEN APPARELS PRIVATE LIMITED**

During the year under review, the Company has transferred its entire shareholding in M/s. AP Golden Apparels Private Limited and thereby M/s. AP Golden Apparels Private Limited ceased to be a wholly owned subsidiary of the Company.

### **AUDITORS**

M/s. Sekhar & Company, Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting 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.

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

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

- i. That in the preparation of the accounts for the financial year ended 31st March, 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 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.

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

Information as required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of

Directors) Rules, 1988, forms part of this Report and is annexed herewith.

**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.

**ACKNOWLEDGEMENTS**

The Board desires to place on record its sincere appreciation for the support and co-operation received from the Company's Bankers and Officials of the concerned Government Departments, employees and the members for the confidence reposed by them in the management.

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

Place : Secunderabad  
Date : 07.08.2010

G.M. SURANA  
CHAIRMAN



**ANNEXURE TO THE DIRECTORS REPORT**

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors ) Rules, 1988, and forming part of the Directors Report:

**1. CONSERVATION OF ENERGY:**

Energy conservation measures taken: The Company is very careful in using the power to reduce the cost of maintenance and conserve the resources.

Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

Impact of the clause (1) and (2) above for reduction of energy consumption and consequent impact on the production of goods: N.A

**2. TECHNOLOGY ABSORPTION:****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 | : | Nil |
| 2. Benefits derived as a result of the above R&D          | : | Nil |
| 3. Future plan of action                                  | : | Nil |
| 4. Expenditure on R&D                                     | : | Nil |

**B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

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

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans:

Foreign Exchange inflow : 53.41 Lakhs

Foreign Exchange Outgo : 1361.95 Lakhs

(Rs. in lakhs)

Particulars	2009-2010
Raw Material	1356.01
Expenditure in Foreign Currency (Capital Items)	5.94
<b>Total</b>	<b>1361.95</b>

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

Place : Secunderabad  
Date : 07.08.2010

G.M. SURANA  
CHAIRMAN



## **REPORT ON CORPORATE GOVERNANCE**

### **1. Company's Philosophy on Corporate Governance:**

Corporate Governance is more a way of Business life than a mere legal compulsion. Your Company believes that, though its primary focus is on the core objective of earning profits, the corporate governance goes beyond being a regulatory requirement, actually it builds a long-term value to stakeholders, contemplates that corporate actions which balance the interests of all stakeholders and satisfy the tests of transparency, accountability, fairness and social responsibility and it must serve the underlying goal of enhancing the shareholder value over a sustained period of time.

### **2. Board of Directors (Board):**

#### **a) The Board of Directors of the Company as on 31.03.2010 is as under:**

1. Shri Narender Surana
2. Shri Devendra Suran
3. Dr. R.N.Sreenath
4. Shri Manish Surana
5. Shri S.Balasubramanian
6. Ms. Vinita Surana

#### **b) Attendance Record for 2009-10:**

<b>Sl. No</b>	<b>Name of Director</b>	<b>Category</b>	<b>Meetings attended</b>	<b>Attendance at last AGM on 30.09.2009</b>	<b>Remarks</b>
1.	Narender Surana	Director	12	Present	The company was unlisted public company as on 31st March, 2010
2.	Devendra Surana	Director	12	Present	
3.	Dr R.N. Sreenath	Director	-	Present	
4.	Manish Surana	Director	12	Present	
5.	Vinita Surana	Director	-	Present	
6.	S.Balasubramanian	Director	-	Present	

#### **c) Number of other Directorships, Committee Membership(s) & Chairmanship(s):**

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>Other Directorship</b>	<b>Other Committee Membership</b>	<b>Other Committee Chairmanship</b>
1.	Narender Surana	27	2	None
2.	Devendra Surana	30	2	None
3.	Dr R.N.Sreenath	5	0	None
4.	S.Balasubramanian	2	None	None
5.	Manish Surana	18	None	None
6.	Vinita Surana	2	None	None





**d) Number of Board Meetings held and the date on which held:**

A total of 12 Board Meetings were held during the year as against the minimum requirement of 4 meetings.

The dates on which the Board meetings were held are:

08.04.2009	09.06.2009	20.06.2009	16.07.2009	14.09.2009	12.10.2009
26.11.2009	05.01.2010	30.01.2010	17.02.2010	04.03.2010	10.03.2010

**e) Pecuniary relationship or transactions of Non-Executive Director:**

Apart from receiving Directors Remuneration, Non-Executive Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect independence of judgment of the Director.

**f) Reconstitution of Board**

In view of the scheme of arrangement and proposed listing of equity shares and to comply with the provisions of the listing agreement, the composition of the Board was altered and reconstituted at its Board meetings held on 15.07.2010 and 07.08.2010. The composition of Board as on 08.08.2010 as under:

S. No.	Name of the Director	Designation
1.	Shri G. M. Surana	Non-executive Director
2.	Shri O. Swaminatha Reddy	Independent Director
3.	Shri R. Surender Reddy	Independent Director
4.	Shri S. R.Vijayakar	Independent Director
5.	Dr. R. N. Sreenath	Independent Director
6.	Shri Narender Surana	Managing Director
7.	Shri Devendra Surana	Executive Director
8.	Shri Manish Surana	Executive Director

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

**3) Audit Committee****a) Composition, Name of Members and Chairperson:**

As on 31.03.2010, the Company's Audit Committee comprises of the following Directors all of whom are Non-Executive.

- |    |                      |   |          |
|----|----------------------|---|----------|
| 1. | S. Balasubramanian   | - | Chairman |
| 2. | Dr. R.N. Sreenath    | - | Member   |
| 3. | Shri Devendra Surana | - | Member   |

**b) Terms of reference:**

As per the provisions of Section 292A of the Companies Act, 1956, the audit committee has reviewed the half-yearly and annual financial statements before its submission to the Board in its meetings held on 10.06.2009 and 25.02.2010.



The terms of reference stipulated by the Board to the Audit Committee includes review of the following:

- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions submitted by Management;
- Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- Internal Audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor;
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of Audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- The annual financial statements before submission to the Board for approval, with particular reference to following with the Management:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgment by Management.
  - iv. Significant adjustments made in the financial statements arising out of Audit findings.
  - v. Compliance with listing and other legal requirements relating to financial statements.
  - vi. Disclosure of any related party transactions.
  - vii. Qualifications in the draft Audit Report.
- Reviewing, with the Management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of internal audit.
- Discussion with Internal Auditors, any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with Statutory Auditors before the Audit commences, about the nature and scope of Audit as well as post-Audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non payment of declared dividends) and Creditors.



The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising three Non-Executive Directors. Minutes of each Audit Committee are placed before the Board and discussed in the meeting.

**c) Meetings and Attendance:**

During the year, the audit Committee meetings were held on the following dates:

10.06.2009	25.02.2010
------------	------------

All the members of the Committee attended the meetings.

**d) Reconstitution of Committee**

In view of the change in composition of the Board, proposed listing of equity shares and to comply with the provisions of the listing agreement, the Committee was reconstituted at the Board Meeting held on 07.08.2010. The composition of the committee as on 07.08.2010 is as under:-

- |    |                         |   |          |
|----|-------------------------|---|----------|
| 1. | Shri O Swaminatha Reddy | - | Chairman |
| 2. | Shri G Mangilal Surana  | - | Member   |
| 3. | Shri R Surender Reddy   | - | Member   |
| 4. | Shri S R Vijayakar      | - | Member   |

Biswaranjan Subudhi, Company Secretary, is acting as secretary to the Audit Committee.

**e) Remuneration to Non-executive Directors**

The Board at its meeting held on 15.07.2010 approved the sitting fees payable to all the Non-executive Directors at the rate of Rs.3,000/- for each meeting.

No pecuniary relationship exists between the Company and its Non- Executive Directors except for the Sitting Fees as mentioned above.

**f) Remuneration to Executive Directors**

The Board recommended the appointment of Shri Narender Surana as Managing Director and Shri Manish Surana as Executive Director w.e.f 08.08.2010. Shri Narender Surana was appointed without any remuneration except entitlement to reimbursement of actual entertainment, traveling, boarding and lodging expenses in connection with company's business and Shri Manish Surana was entitled to a remuneration of Rs.2,00,000/- per month.

**4. Shareholders Grievance Committee:**

In view of the scheme of arrangement, proposed listing of equity shares and to comply with the provisions of the listing agreement, the Shareholders Grievance Committee was constituted at the Board meeting held on 15.07.2010 comprising of Dr. R.N.Sreenath (Chairman), Shri Devendra Surana, Shri Narender Surana as the members of the Committee inter-alia oversee the transfer of shares and redressal of shareholders'/ investors grievances and complaints regarding non-receipt of Dividends, Annual Reports, etc.

**Reconstitution of Committee**

In view of the change in composition of the Board of the Company, the Committee was reconstituted at the Board Meeting held on 07.08.2010 comprising of Shri G.M.Surana (Chairman), Shri Devendra Surana and Shri Narender Surana as the members of the Committee.

The Board has designated, Biswaranjan Subudhi, Company Secretary, as the Compliance Officer.



**5. General Body Meetings:****A. Location and time for last 3 years General Meetings were:**

<b>Year</b>	<b>Locations</b>	<b>Date</b>	<b>Time</b>
2008-2009 (AGM)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	30th Septemeber, 2009	12:00 noon
2009-2010 (EGM)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	10th August, 2009	10.00 A.M
2007-2008 (AGM)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	27th September, 2008	10.00 A.M
2008-2009 (EGM)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	7th July, 2008	10:00 A.M
2008-2009 (EGM)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	30th May, 2008	10.00 A.M
2008-2009 (EGM)	3rd Floor, Surya Towers, S.P.Road, Secunderabad	14th May, 2008	10.30 A.M
2008-2009 (EGM)	3rd Floor, Surya Towers, S.P.Road, Secunderabad	6th May, 2008	10.30 A.M
2007-2008 (EGM)	3rd Floor, Surya Towers, S.P.Road, Secunderabad	26th March, 2008	11.30 A.M
2007-2008 (EGM)	3rd Floor, Surya Towers, S.P.Road, Secunderabad	12th February, 2008	11.30 A.M
2006-2007 (EGM)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad	24th September, 2007	10:00 A.M

**6. Disclosures:**

- a) Disclosures on materially significant related party transactions, i.e., transactions of the Company of material nature with the Promoters, the Directors or the Management, their subsidiaries, Group Companies or relatives etc., that may have potential conflict with the interest of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

- b) There were no strictures or penalties imposed on the Company by Stock Exchanges or Securities Exchange Board of India (SEBI) or any other statutory authority for non-compliance of any matter related to Capital Markets, during the last 3 years.

**7. The Management Discussion and Analysis Report:**

A Report of the Management Discussion and Analysis is attached as part of the Annual Report.



## 8. General Shareholders Information:

Annual General Meeting : Date : 10.08.2010  
 Time : 10.30 a.m  
 Venue : Regd Off: 2nd Floor,  
 Surya Towers, S.P. Road, Secunderabad

Financial Calendar : April 1st to March 31st

## 9. Share Transfer System:

Pursuant to the guidelines issued by the Securities and Exchange Board of India, vide circular number D&CC/FITTC/CIR-15/2002 dated 27.12.2002 regarding 'Appointment of Common Agency for Share Registry Work', the Board of Directors have appointed M/s KARVY COMPUTERSHARE PRIVATE LIMITED, as Registrars & Share Transfer Agents for the proposed listing of equity shares.

## 10. Shareholding Pattern as on 31st March, 2010:

Particulars	Total Shares	% To Equity
G.M. Surana	8,343	0.05
Narender Surana	62,494	0.42
Devendra Surana	1,37,503	0.91
Sunita Surana	8,330	0.06
Namrata Surana	8,330	0.06
Manish Surana	75,000	0.50
Bhagyanagar India Limited	73,50,000	49
Surana Telecom And Power Limited	73,50,000	49
<b>Total</b>	<b>1,50,00,000</b>	<b>100.00 %</b>

Pursuant to scheme of arrangement, the paid up share capital of the Company has reduced from Rs.15,00,00,000 divided into 1,50,00,000 equity shares of Rs.10/- each to Rs. 9,00,00,000 divided into 90,00,000 equity shares of Rs.10/- each.

## 11. Plant Locations:

SOLAR PHOTOVOLTAIC DIVISION	NON- CONVENTIONAL ENERGY (WIND)
1. Plot No. 212/3, Phase II, I.D.A., Cherlapally, Hyderabad - 500 051.	1. Kaladhon Village, Khatav Taluka, Satara Dist., Maharashtra.
2. Plot No.21, Ravirayal (Village), Maheswaram (Mandal), Rangareddy (Dist), Fabcity, Hyderabad.	2. Kurichampatti Village, V.K.Pudur Taluk, Tirunelveli Dist., Tamilnadu.



**12. Depository Services:**

Your company's share capital has admitted on both National Securities Depository Ltd and Central Depository Services (India) Limited with ISIN: INE272L01014

**13. Company's Policy on prevention of insider trading:**

Pursuant to the proposed listing of shares pursuant to the scheme of arrangement, as per requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and to enhance the standards of corporate governance in the company, and to strictly monitor and prevent insider trading within the company, your company has framed 'Code of Conduct' in the Board meeting held on 15th July, 2010 .

Shri Biswaranjan Subudhi, Company Secretary has been appointed as the Compliance Officer for this purpose. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The code has been circulated to all the members of the Board and Senior Management.

**14. Profile of Directors who are appointed as Directors of the Company:-**

Name of Director	Date of Birth and Qualification	Expertise in specific functional areas	List of other Companies in which Directorship is held as on 31st March, 2010.	Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2010
<b>G.M. Surana</b>	8.11.1930 B.com. LL.B.,	He had around 3 decades of rich experience in the Ferrous & Non-Ferrous metal industry in his capacity as promoter, Director, Partner of the various units belongs to the Surana Group. He was the former Chairman of the Federation of Andhra Pradesh Chamber of Commerce and Industry, (FAPCCI) former Director of Indian Overseas Bank, former Director of Andhra Pradesh State Trading Corporation besides being the Member of Govt. Advisory Board, Minimum Wages Board. He is actively involved in various philanthropic activities.	<p><b>CHAIRMAN</b></p> <ol style="list-style-type: none"> <li>1. Bhagyanagar India Limited</li> <li>2. Surana Telecom and Power Ltd.</li> </ol> <p><b>DIRECTOR</b></p> <ol style="list-style-type: none"> <li>1. Bhagyanagar Energy &amp; Telecom Pvt. Ltd.</li> <li>2. Every Time Foods Industries Pvt. Ltd.</li> <li>3. Bhagyanagar Telecom Limited</li> <li>4. Bhagyanagar Entertainment Ltd.</li> <li>5. Innova Technologies Pvt. Ltd.</li> <li>6. Scientia Infocom India Pvt. Ltd.</li> <li>7. Bhagyanagar Foods &amp; Beverages Pvt. Ltd.</li> <li>8. Bhagyanagar Metals Limited</li> <li>9. Surana Infocom Private Limited</li> <li>10. Globecom Infotech Pvt. Ltd.</li> <li>11. Bhagyanagar Infrastructure Ltd.</li> <li>12. Bhagyanagar Entertainment &amp; Infra Development Company (P) Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Surana Telecom And Power Limited</li> <li>2. Bhagyanagar India Limited</li> </ol>



Name of Director	Date of Birth and Qualification	Expertise in specific functional areas	List of other Companies in which Directorship is held as on 31st March, 2010.	Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2010
<b>O. Swaminatha Reddy</b>	25.12.1930 B.com(Hons) C.A	He is former Chairman of Andhra Bank and also former Chairman and Managing Director of APSFC. He had rich experience of almost four decades. He has been the Director of the Company since 1994 and guiding the Company in the areas of financial decision making and management policies.	<b>CHAIRMAN</b> <ol style="list-style-type: none"> <li>1. Sagar Cements Ltd.,</li> <li>2. Sagar Power Ltd.,</li> <li>3. T.C.I Finance Ltd.,</li> <li>4. Sujana Resorts Ltd.</li> </ol> <b>DIRECTOR</b> <ol style="list-style-type: none"> <li>1. Transport Corp. Of India Ltd.,</li> <li>2. Bhagyanagar India Ltd.,</li> <li>3. K.C.P. Limited</li> <li>4. E.P.R. Pharmaceuticals Pvt. Ltd.</li> <li>5. E.P.R. Gene Technologies Pvt. Ltd.</li> <li>6. E.P.R. Center for Cancer Research &amp; Biometrics Pvt. Ltd.</li> <li>7. K.M Power Pvt. Ltd.</li> <li>8. TCI Developers Ltd.</li> <li>9. Thembu Power Pvt. Ltd.</li> <li>10. Surana Telecom And Power Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Sagar Cements Limited</li> <li>2. Transport Corp of India Ltd.</li> <li>3. Bhagyanagar India Limited.</li> <li>4. Surana Telecom And Power Limited</li> <li>5. K.C.P. Ltd.</li> </ol>
<b>R. Surender Reddy</b>	10.10.1931 B.Com	Shri R. Surender Reddy, a Graduate, having almost three decades of experience in various fields of Industry. He was well known for his social and political activities in the State of A.P. He has been guiding the Surana group as an Independent Director since 1989.	<b>CHAIRMAN</b> <ol style="list-style-type: none"> <li>1. Hyderabad Race Club</li> <li>2. Surya Latha Spinning Mills Ltd.,</li> <li>3. Suryaamba Spinning Mills Ltd.,</li> </ol> <b>DIRECTOR</b> <ol style="list-style-type: none"> <li>1. Bhagyanagar India Ltd.</li> <li>3. Suryavanshi Spinning Mills Ltd.,</li> <li>5. Surya Kiran International Ltd.</li> <li>6. Novopan Industries Ltd.,</li> <li>7. Surya Lakshmi Cotton Mills Ltd.,</li> <li>8. Lakskmi Finance &amp; Indl. Cropn. Ltd.,</li> </ol>	<b>Chairman</b> <ol style="list-style-type: none"> <li>1. Suryalatha Spinning Mills Ltd.</li> <li>2. Bhagyanagar India Limited</li> <li>3. Suryavanshi Spinning Mills Ltd.</li> <li>4. Noovapan Industries Ltd.</li> </ol> <b>Member</b> <ol style="list-style-type: none"> <li>1. Lakskmi Finance &amp; Indl. Cropn. Ltd.,</li> <li>2. Noovapan Industries Limited</li> <li>3. Bhagyanagar India Limited</li> <li>4. Surana Telecom And Power Limited</li> </ol>





Name of Director	Date of Birth and Qualification	Expertise in specific functional areas	List of other Companies in which Directorship is held as on 31st March, 2010.	Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2010
<b>Dr. R. N. Sreenath</b>	18.3.1941 M.Sc. Ph.D (I.I.S.C.) Field of Specialization Semi-conductor & Solar Photo voltaic Technology	<p>He has 42 years of experience out of which 25 years of experience in Semiconductor technology and balance 17 years in Solar Photovoltaic Technology</p> <p>He served on the following companies as Senior Vice President and head of solar factory:</p> <ol style="list-style-type: none"> <li>1966-1999 BEL, Bangalore</li> <li>1999-2009 Maharishi Solar Technology (P) Ltd, New Delhi</li> </ol> <p>He expertise in the following areas</p> <ol style="list-style-type: none"> <li>Capability to set up any discrete semiconductor project and successful productionisation</li> <li>Capability to set up Solar Photovoltaic project and successful productioni-sation</li> <li>Capability for Commercial exploitation of any of the Semiconductor and Solar Photovoltaic projects &amp; products.</li> </ol>	<p><b>DIRECTOR</b></p> <ol style="list-style-type: none"> <li>1. Surana Telecom And Power Limited</li> <li>2. Bhagyanagar India Limited</li> <li>3. Udhaya Semiconductors Limited</li> <li>4. USL Photovoltaics Private Limited</li> <li>5. Maharishi Solar Technology Private Limited</li> </ol>	None
<b>S.R.Vijayakar</b>	17.12.1928 B.E (Chemical & Mechanical)	<p>Four Decades of Experience in Electrical &amp; Electronics in various capacities. He was the General Manager for E.C.I.L ,and also acted as Chairman and Managing Director of the said Corpn.,</p> <p>He was also the secretary of Department of Electronics of Government of India.</p> <p>After retirement, he was the Chairman for Maharashtra Electronics Limited, Advisor - E.T &amp;T.D.C etc.,</p>	<p><b>DIRECTORS</b></p> <p>TVS Electronics Ltd. SPEL Semiconductors Limited</p>	TVS Electronics Limited



Name of Director	Date of Birth and Qualification	Expertise in specific functional areas	List of other Companies in which Directorship is held as on 31st March, 2010.	Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2010
<b>Narender Surana</b>	6.7.1960 B.E., (Chemical)	He is the Managing Director of Bhagyanagar India Limited, a Flagship Company of the Surana Group. He was the President of Federation of Andhra Pradesh Chambers of Commerce and Industry (FAPCCI) Federation of Indian Chambers of Commerce and Industry (FICCI). He has over 23 years of experience in the Telecom Cable Industry.	<b>MANAGING DIRECTOR</b> <ol style="list-style-type: none"> <li>1. Bhagyanagar India Ltd.</li> <li>2. Surana Telecom And Power Ltd.</li> </ol> <b>DIRECTOR</b> <ol style="list-style-type: none"> <li>1. Bhagyanagar Entertainment Limited.</li> <li>2. Surana Infocom Private Limited.</li> <li>3. Bhagyanagar Energy &amp; Telecom Pvt. Ltd.</li> <li>4. Every time Foods Industries Pvt. Ltd.</li> <li>5. Scientia Infocom India Private Limited</li> <li>6. Bhagyanagar Infrastructure Limited</li> <li>7. Bhagyanagar Entertainment &amp; Infra Development Company Private Ltd.</li> <li>8. Bhagyanagar Metals Limited</li> <li>9. AP Golden Apparels Private Limited</li> <li>10. Bhagyanagar Aviation and Cargo Services Pvt. Ltd.</li> <li>11. Green Energy Systems Pvt. Ltd.</li> <li>12. Savitrimata Realtors Pvt. Ltd.</li> <li>13. Surana Biochemicals Pvt. Ltd.</li> <li>14. Advantage Real Estate India Pvt. Ltd.</li> <li>15. Tranquil Avenues India Pvt. Ltd.</li> <li>16. Royal Skyscrapers India Pvt. Ltd.</li> <li>17. Surana Technopark Pvt. Ltd.</li> <li>18. Bhagyanagar Properties Private Limited</li> <li>19. Bhagyanagar Securities Pvt. Ltd.</li> <li>20. Innova Technologies Private Limited</li> <li>21. Value Infrastructure and Properties Pvt. Ltd.</li> <li>22. Surana Telecom and Power Limited</li> <li>23. Shahsons Private Limited</li> <li>24. Sapthagiri Infrastructures &amp; Developers Pvt. Ltd.</li> <li>25. Bhagyanagar Ventures Private Limited</li> <li>26. Genten infra-Projects Pvt. Ltd.</li> </ol>	Surana Telecom And Power Limited Bhagyanagar India Limited



Name of Director	Date of Birth and Qualification	Expertise in specific functional areas	List of other Companies in which Directorship is held as on 31st March, 2010.	Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2010
<b>Devendra Surana</b>	8.2.1965 B.E., (Mechanical) PGDBA	He has been in the field of Ferrous, Non-Ferrous & Telecom Industry for the last 21 years. He has been chosen as the Best Brain of the batch (IIM, Bangalore). He was also the President of Young Entrepreneurs Organisation (Y.E.O) of A.P Chapter	<b>MANAGING DIRECTOR</b> 1. Bhagyanagar India Limited <b>DIRECTOR</b> 1. Surana Telecom and Power Ltd. 2. Bhagyanagar Entertainment Ltd. 3. Surana Infocom (P) Ltd. 4. Every time Foods Industries (P) Ltd. 5. Scientia Infocom India (P) Ltd. 6. Bhagyanagar Infrastructure Ltd. 7. Bhagyanagar Entertainment & Infra Development Company (P) Ltd. 8. Bhagyanagar Foods & Beverages (P) Ltd. 9. AP Golden Apparels (P) Ltd. 10. Bhagyanagar Capital (P) Ltd. 11. Globecom Infra Ventures India (P) Ltd. 12. Bhagyanagar Aviation and Cargo Services (P) Ltd. 13. Green Energy Systems (P) Ltd. 14. Epicenter Entertainment (P) Ltd. 15. Surana Biochemicals Pvt. Ltd. 16. Advantage Real Estate India (P) Ltd. 17. Tranquil Avenues India (P) Ltd. 18. Surana Technopark (P) Ltd. 19. Bhagyanagar Properties (P) Ltd. 20. Bhagyanagar Securities (P) Ltd. 21. Value Infrastructure and Properties (P) Ltd. 22. Metropolitan Ventures India Ltd. 23. Majestic Logistics (P) Ltd. 24. Celestial Avenues (P) Ltd. 25. Bhagyanagar Ventures (P) Ltd. 26. Shahsons (P) Ltd. 27. Bhagyanagar Telecom Ltd. 28. Genten infra-Projects (P) Ltd. 29. Savitrimata Realtors (P) Ltd.	Bhagyanagar India Limited  Surana Telecom And Power Limited



Name of Director	Date of Birth and Qualification	Expertise in specific functional areas	List of other Companies in which Directorship is held as on 31st March, 2010.	Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2010
<b>Manish Surana</b>	8.8.1986 BBM	<p>Helped in the establishment and commissioning of the power cable plant for a company under same management in the year 2006 with a total capacity 4000 cable kilometers</p> <p>Worked as management executive in Megasoft Ltd., relating to financial and technical aspects at 1.5 million square feet IT project site with a value of \$90 million.</p>	<p><b>DIRECTOR</b></p> <ol style="list-style-type: none"> <li>1. Blossom Residency Private Limited</li> <li>2. Celestial Avenues Private Limited</li> <li>3. Majestic Logistics Private Limited</li> <li>4. Epicenter Entertainment Pvt. Ltd.</li> <li>5. Bhagyanagar Ventures Limited</li> <li>6. Metropolitan Ventures India Limited</li> <li>7. Innova Biotech India Pvt. Limited</li> <li>8. Innova Infrastructure Pvt. Limited</li> <li>9. Site Tonic Web Solutions Pvt. Limited</li> <li>10. Bhagyanagar Foods &amp; Beverages Pvt. Ltd.</li> <li>11. Scientia Infocom India Pvt. Ltd.</li> <li>12. Bhagyanagar Telecom Ltd.</li> <li>13. Bhagyanagar Infrastructure Ltd.</li> <li>14. Bhagyanagar Properties Pvt. Ltd.</li> <li>15. Bhagyanagar Aviation &amp; Cargo Services Pvt. Ltd.</li> <li>16. Bhagyanagar Metals Ltd.</li> <li>17. Corpmedia Publications India Pvt. Ltd.</li> <li>18. Surana Telecom And Power Limited</li> </ol>	None



## MANAGEMENT DISCUSSION & ANALYSIS

Surana Ventures Limited was incorporated as a Company Limited by shares on 08.11.2006 and obtained "Certificate of Commencement of Business" on 30.11.2006 from the Registrar of Companies, Andhra Pradesh.

The Company did not commence its operations during the year 2006-2007. However, in the year 2008, the Company entered into the business of manufacture of solar energy systems with focus on solar PV Modules. In the same year, the Company became Joint Venture Company of M/s. Surana Telecom And Power Limited and M/s. Bhagyanagar India Limited.

During the year 2009-2010, a Scheme of arrangement was entered by the Company with M/s Surana Telecom & Power Limited which was approved by the Board at the meeting held on 26.11.2009 and the members meeting was dispensed by Hon'ble High Court of A.P. vide its Order dated 10th March, 2010. The said Scheme of arrangement was sanctioned by Hon'ble High Court of A.P. on 28.06.2010 and became effective on 28.07.2010. The appointed date of the Scheme is 01.10.2009.

### 1. SOLAR PV MODULES:

#### 1.1 INTRODUCTION:

The Company has manufacturing units at Fabcity, SEZ, Hyderabad and Cherlapally, Hyderabad. The manufacturing unit at Cherlapally has installed capacity of 40 MW and the manufacturing unit at Fabcity has installed capacity of 20 MW for manufacture of 'Solar Photovoltaic Modules'. The Company has finalised the setting up of Cell manufacturing plant at Fabcity, SEZ which is expected to be commissioned by June' 2011. The Company's products are sold under the brand 'Surana Ventures' in the domestic market. It has system-driven processes for manufacturing products and operations, following quality process at every stage to ensure delivery of high quality products and services. The Company is manufacturing/ assembling the following solar products:

- Solar Photovoltaic Modules
- Solar Street Light
- Solar Lantern

- Solar Emergency Light
- Solar Charge Controllers
- Solar Home Lighting

#### 1.2 INDUSTRY ANALYSIS:

The Indian solar energy sector has been growing rapidly, in the past few years, majorly due to Government's initiatives such as tax exemptions and subsidies and depleting energy sources.

Due to technical potential of 5,000 trillion Kwh per year and minimum operating cost, Solar Power is considered the best suited energy source for India. Today the Solar power, has an installed capacity of 9.84 MW which is about less than 0.1 percent of the total installed renewable energy of India. Currently total installed renewable energy stands at 13,242.41 MW as per MNRE. India's power sector has a total installed capacity of approximately 1,46,753 Megawatt (MW) of which 54% is coal-based, 25% hydro, 8% is renewable's and the balance is the gas and nuclear-based. Power shortages are estimated at about 11% of total energy and 15% of peak capacity requirements which is likely to increase in the coming years.

The cost of production range is Rs 15 to Rs 20 per unit for the solar energy, which is very high when compared to Rs 2 to Rs 5 per unit for other conventional sources in India.

Much of the country do not have an electrical grid, so solar power would be indeed be a boon for water pumping, to begin replacing India's four to five million diesel powered water pumps, each consuming about 3.5 kilowatt of off-grid lighting. Solar energy technology consists of solar thermal technologies, which utilize sun's energy and solar photovoltaic technology, which convert solar energy directly into electricity.

According to the 11th five year plan, the government of India projects a massive expansion in installed solar capacity and aims to reduce the price of electricity generated from solar energy, to match that from fossil fuels like coal and diesel by 2030.



The Integrated Energy Policy of India envisages electricity generation installed capacity of 800,000 MW by 2030 and a substantial contribution would be from renewable energy.

India has been ranked 7th worldwide for solar photovoltaic (PV) cell production and 9th rank in solar thermal power generation. This capacity is growing rapidly due to the entry of various private players in manufacturing of solar energy equipment. According to NOVONOUS INSIGHTS, the Indian solar energy sector is estimated to grow at 25% year on year in next few years. At this rate, the global market is likely to exceed the annual production mark of 12 GW during the year 2012. Likewise, the Indian market demand is expected to reach 200MW by the year 2012. The implementation of the three-phase plan for solar PV capacity expansion is expected to begin this year in 2010, with the Indian Government spending approximately US\$20 billion over a 30 year period.

### 1.3 BUSINESS OUTLOOK:

The Company produces high quality Solar PV Modules with the best price performance ratio in the Indian market and has flexible manufacturing facility to produce according to the customer's need.

The solar business is opening up due to announcement of National Solar Mission and state wise solar policy announced by some of the State Governments. The module business is likely to get further boost as it has been mandated that solar modules manufactured in India only be used for setting up solar power plants. Application have been finalized for allotment of 100 MW of Small and Rooftop power plants under National Solar Mission. Apart from the same, Government of Gujarat has signed PPA for about 365 MW and is in process of signing PPA for another 135 MW. Policy Guidelines has been announced by MNRE for inviting expression of interest for setting up 150 MW Grid-connected Solar PV Power Plants under National Solar Mission.

These policy announcements will see an additional demand for 500 MW of modules in

2010-11. With these developments the company expects to achieve a turnover of about Rs. 104 crores in the year 2010-11.

The company proposes to set up the following manufacturing process to consolidate company's presence in export market, to obtain certain certifications for modules to be approved for power projects and towards backward integration of the manufacturing process:

1. Automisation of module plant at Fab City.
2. Setting up PV Cell plant of about 60 MW capacity.

The setting up of cell plant is also essential as under the guidelines announced under National Solar Mission, use of cells manufactured in India has been mandated under next phase of capacity addition.

### 2. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate Internal Control Systems and Procedures with regard to purchase of Stores, Raw Materials including Components, Plant and Machinery, equipment, sale of goods and other assets. The company has clearly defined roles and responsibilities for all managerial positions and all operating parameters are monitored and controlled.

The company has an Internal Audit System commensurate with its size and nature of business. M/s Luharuka & Associates, a firm of Chartered Accountants, are acting as Internal Auditors of the Company. Periodic reports of Internal Auditors are reviewed in the meeting of the Audit Committee of the Board. Compliance with laws and regulations is also ensured and confirmed by the Internal Auditors of the company. Standard operating procedures and guidelines are issued from time to time to support best practices for internal control.

### 3. FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:

The assets and liabilities of the 'Solar Division' of Surana Telecom And Power Limited and its operating results have been incorporated in the Company's books with effect from 01.10.2009 (Appointed Date). The financial performance of



the Company for the year ended 31.03.2010 is summarized below

### **3.1 Financial Performance:**

#### ***Capital Structure:***

The Equity Share Capital of the Company as on 31st March 2010 is Rs.9,00,00,000/- comprising of 90,00,000 Equity Shares of Rs.10/- each fully paid.

#### ***Reserves and Surplus:***

The Reserves and Surplus of the Company for the current year is Rs 543.24 lakhs.

#### ***Fixed Assets:***

During the year, the Company has added Fixed Assets amounting to Rs. 2314.82 lakhs making the gross fixed assets as on 31.03.10 to Rs.2439.08 lakhs.

#### ***Inventories:***

Inventories, as on 31st March, 2010, amounted to Rs.1945.32 lakhs and in the previous year is Rs. 261.31 lakhs.

#### ***Sundry Debtors:***

Sundry Debtors amounted to Rs.240.88 lakhs as on 31st March, 2010.

#### ***Cash and Bank Balances:***

Cash and Bank balances with Scheduled Banks, as on 31st March, 2010, amounted to Rs. 418.05 lakhs which includes amounts deposited with banks as Security and margin Money Deposit.

#### ***Loans and Advances:***

'Loans and Advances' as on 31st March, 2010, amounted to Rs 609.32 lakhs

#### ***Current Liabilities:***

'Current Liabilities' as on 31st March, 2010, amounted to Rs. 1634.87 lakhs

### **3.2. Operational Performance:**

#### ***Turnover:***

During the year 2009-2010, the gross turnover of the Company was Rs.2933.84 lakhs.

Other Income as on 31st March, 2010 is Rs.229.18 lakhs and Rs.30.37 lakhs in the previous year.

#### ***Depreciation:***

The Company has provided a sum of Rs.17.44 lakhs towards depreciation for the year and Rs.0.28 lakhs in the previous year.

#### ***Net Profit:***

The Net Profit of the Company after tax is Rs 621.11 lakhs and the loss for the previous year is Rs.73.26.

#### ***Earnings per Share:***

Basic Earnings Per Share for the year ended 31.03.2010 is Rs. 10.35 Ps for Face Value of Rs.10/- and Diluted Earnings per Share for year ended 31.03.2010 is Rs.2.61 per share.

### **4. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:**

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skills, which would enable them to adapt to contemporary technological advancements.

Industrial Relations during the year continues to be cordial and the Company is committed to maintain good industrial relations through negotiations, meetings etc.

As on 31st March 2010, the Company has a total strength of 48 employees.

### **5. CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's Objectives and Expectations may be "Forward-Looking Statements" within the meaning of applicable Securities Laws and Regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's Operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, technological obsolescence, changes in the Government Regulations and Policies, Tax Laws and other Statutes and other incidental factors.





## Auditors' Report

To  
The Members of  
Surana Ventures Limited

1. We have audited the attached Balance Sheet of Surana Ventures Limited as at March 31, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts as disclosures in the financial statements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003 (as amended) (henceforth referred to as the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227, of the Companies Act, 1956, (henceforth referred to as the Act), we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above we report that :
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b. In our opinion, proper books of account as required by law have been kept by the company as far as appears from our examination of those books. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns from the branches ;
- c. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.
- d. On the basis of the written representation received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Act.
- e. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India -
  1. In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2010;
  2. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  3. In the case of Cash Flow Statement, of the cash flows for the year ended on that date

**For Sekhar & Co.**  
Firm Regn No : 003695 -S  
Chartered Accountants

Secunderabad  
Date:07.08.2010

G Ganesh  
Partner  
M. No. 211704



**Annexure to the Auditors' Report****Annexure referred to in paragraph [3] of our report of even date**

Re: Surana Ventures Limited

1.
  - a. The Company has maintained adequate records showing full particulars, including quantitative details of fixed assets.
  - b. All fixed assets have not been physically verified during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
  - c. In our opinion, there have been no significant disposals of fixed assets during the year which affect the going concern assumption.
2.
  - a. The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business
  - c. The company is maintaining proper records of inventory. The discrepancies notices on verification between the physical stocks and the book records were not material.
3.
  - a. The Company has granted loan to 1 associate company covered under section 301 of the Act. The maximum amount involved during the year and the year balance involved is Rs. 1.19 lakhs.
  - b. In our opinion, the rate of interest and other terms and condition of such are not, prime facie, prejudicial to the interest of the company
  - c. The parties have repaid the principal amounts as stipulated and have also been regular in payment of interest of the company.
  - d. There is no overdue amount in excess of Rs 1 Lakh in respect of loans granted to

the company listed in the register maintained under section 301 of the Companies Act.

- e. The company has taken loans from 1 company covered in the register maintained under section 301 of the Act. The Maximum amount of Loan involved is Rs. 189.5 lacs and year end balance is Rs.189.5 Lacs
  - f. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prime facie prejudicial to the interest of the company.
  - g. The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest
4. In our opinion and according to the information and explanations given to us, there exists adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
  5.
    - a. According to the information and explanations given to us, by the management, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act, have been so entered.
    - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance to contracts or arrangements entered in the register maintained under section 301 of the Act, and exceeding rupees five lakhs in respect of any party the maintenance of Cost during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
  6. The Company has not accepted deposits which fall under section 58A and 58AA of the Act and the rules made there under from the public, hence



we have not reported on the relevant reporting requirements of the Order.

7. In our opinion the company does have system of Internal Audit commensurate to nature and size of the company and the nature of its business.
8. The maintenance of cost records have not been prescribed, under section 209 (1) (d) of the Act, for the products manufactured by the company.
9. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it.  
  
Further, since Central Government has till date not prescribed the amount of Cess payable under section 441A of the Act, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- b. According to the information and explanations given to us and the records of the company produced before us and examined by us, there are no dues of wealth tax, service tax, excise duty and Cess, which have not been deposited on account of any dispute.
10. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. We are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Order are not applicable to the company.

14. In our opinion, the company is not dealing in or trading in shares, securities debentures and other investments. Accordingly the provisions of the clause 4(xiv) of the Order are not applicable to the company.
15. According to the information and explanations given to us, the company has not given guarantees for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are prima-facie prejudicial to the interest of the company.
16. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
18. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to information and explanation given to us, during the period covered under the audit, the company has issued 60 Lakhs Debentures of Rs. 10 each in accordance to the scheme of arrangement sanctioned by the AP high court. The company is yet to create security in respect of debentures issued.
20. According to information and explanation given to us the company has not raised any money by way of public issue.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information, Representations and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For Sekhar & Co.**  
Firm Regn No : 003695 -S  
Chartered Accountants

Secunderabad  
Date:07.08.2010

**G. Ganesh**  
Partner  
M. No. 211704



**Balance Sheet as at 31st March, 2010**

(Amount in Rupees)

	Sch.No	As at 31.03.2010	As at 31.03.2009
<b>I. SOURCES OF FUNDS</b>			
Share Capital	1	9,00,00,000	150,000,000
Share Capital Suspense		15,60,33,000	
Reserves & Surplus	2	5,43,23,809	(7,787,398)
Share-Holders Funds		300,356,809	142,212,602
Share Warrants (pending allotment) (2,05,00,000 Optionally, fully convertible warrants)		-	20,500,000
<b>Loan Funds</b>			
Secured Loans	3	78,500,000	-
Unsecured Loans	4	18,950,818	2,976,734
<b>TOTAL</b>		397,807,627	165,689,336
<b>II. Application of Funds</b>			
Gross Block	5	243,908,213	20,219,554
Less: Accumulated Depreciation		6,445,352	28,030
Net Block		237,462,861	20,191,524
Capital Work-in-Progress		2,521,871	9,415,663
Investment (At Cost)	6	200,000	65,784,454
<b>Current Assets, Loans and advances</b>			
Inventories	7	194,531,692	26,130,952
Sundry Debtors	8	24,087,658	-
Cash & Bank Balances	9	41,805,387	7,843,417
Loans & Advances	10	60,932,281	66,416,478
		321,357,018	100,390,847
Less: Current Liabilities & Provisions			
Current Liabilities	11	163,487,356	30,164,263
Provisions	12	10,452,000	-
		173,939,356	30,164,263
<b>Net Current assets</b>		147,417,662	70,226,584
<b>Miscellaneous Expenses</b> (to the extent of not adjusted or written off)			
Preliminary Expenses	13	35,556	71,111
Deferred tax Assets	14	10,169,677	-
Notes to Accounts	20		
<b>TOTAL</b>		397,807,627	165,689,336

The Schedules referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred  
to in our report of even date

**for Sekhar & Co**

Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : 07.08.2010

**Vishal Didwania**  
Chief Financial Officer

**Biswaranjan Subudhi**  
Company Secretary



## Profit & Loss Account for the year ended 31st March, 2010

(Amount in Rupees)

	Sch.No	For the year ended 31.03.2010	For the year ended 31.03.2009
<b>INCOME</b>			
Income from Operations	15	293,383,683	-
Other Income	16	22,918,090	3,037,498
		<b>316,301,773</b>	<b>3,037,498</b>
<b>EXPENDITURE</b>			
Materials	17	202,522,065	-
Expenses	18	35,773,039	8,345,612
Interest and Financial Charges	19	6,719,568	1,940,426
Depreciation		1,744,171	28,030
<b>Total Expenses</b>		<b>246,758,843</b>	<b>10,314,068</b>
<b>Profit Before tax and exceptional items for the year</b>		<b>69,542,930</b>	<b>(7,276,570)</b>
Exceptional Items-			
Prior period adjustments - Expenses		17,919	-
Amortisation of Goodwill		7,140,481	-
<b>Profit before Taxation and after exceptional items</b>		<b>62,384,530</b>	<b>(7,276,570)</b>
<b>Provision for Taxation</b>			
Income Tax		10,452,000	-
Deferred tax		(10,169,677)	-
Fringe Benefit tax		-	50,000
Tax for earlier years		(9,000)	-
<b>Profit after Taxation</b>		<b>62,111,207</b>	<b>(7,326,570)</b>
Balance B/F from Previous Year		(7,787,398)	(460,828)
Amount available for appropriation		54,323,809	(7,787,398)
Transfer to Debenture Redemption Reserve		15,000,000	-
<b>Surplus carried to Balance sheet</b>		<b>39,323,809</b>	<b>(7,787,398)</b>

The Schedules referred to above form an integral part of the Profit & Loss Account

This is the Profit & Loss Account referred to in our report of even date

### For Sekhar & Co

Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : 07.08.2010

**Vishal Didwania**  
Chief Financial Officer

**Biswaranjan Subudhi**  
Company Secretary



## Cash Flow Statement for the year ended 31st March, 2010

(Amount in Rupees)

2009 - 2010

### CASH FLOW FROM OPERATING ACTIVITIES

Net profit before Tax and after interest as per profit and loss accounts **62,384,530**

#### Adjustments for:

Depreciation	1,744,171	
Aamortisation of Lease Rent	652,927	
Aamortisation of Good will	7,140,481	
Preliminary Exp written off	35,555	
Sundry Balance writtern off	16,756	
Sundry Balance writtern back	(28,327)	
Interest Paid	6,719,568	
Interest, Rent & Dividend received	(11,397,653)	
		<b>4,883,478</b>

#### Operating profit before Working Capital Changes

**67,268,008**

#### Adjustments for:

Inventories	(23,031,948)	
Loans and Advances	25,819,298	
Receivables	(1,754,458)	
Trade Payables and other liabilities	(21,457,254)	
Advances from Customers	(2,849,350)	<b>(23,273,712)</b>

#### Cash generated from operations

**43,994,296**

#### Adjustments for:

Direct Taxes paid for Current year (Net)	(9,381,361)	
		<b>(9,381,361)</b>

### NET CASH FROM OPERATING ACTIVITIES

**34,612,935**

### CASHFLOW FROM INVESTING ACTIVITIES

Dividend Received	1,024,154	
Interest Received	10,373,499	
Purchase of Fixed Assets	(59,797,266)	
Purchase of Investments	(100,800,000)	
Sale of Investments	166,408,142	

#### Net Cash Flow From Investing Activities

**17,208,529**



**Cash Flow Statement for the year ended 31st March, 2010**

(Amount in Rupees)

<b>2009-2010</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Repayment of Appl money against Share warrants	<b>(20,500,000)</b>
Increase in Unsecured Loans	<b>(2,976,734)</b>
Interest Paid on borrowings	<b>(6,719,568)</b>
<b>Cash Generated from Financial Activities</b>	<b>(30,196,302)</b>
<b>NET CASH GENERATED</b>	<b>21,625,162</b>
Opening Cash and Cash Equivalent	<b>7,843,417</b>
Cash balance of Solar Division transferred	<b>12,336,808</b>
Closing Cash and Cash Equivalent	<b>41,805,387</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>33,961,970</b>

1. The above cash flow statement has been prepared under the 'Indirect method' as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Cash and Cash equivalents include balances with schedule Banks in Current account Rs.171.78 Lacs. Balance in fixed deposits with banks-Rs.102.18 Lacs, Interest Accrued Rs.4.96 Lacs and Rs.138.81 Lacs in Margin Money Accounts which are not available for use by the Company.
3. Notes to Accounts (Schedule 19) form an integral part of Cash Flow Statement.
4. This being the first year of preparation of Cash flow Statement previous year figures are not given.

In terms of our report of even date

**for Sekhar & Co**Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704**G. M. Surana**  
Chairman**Narender Surana**  
Managing Director**Devendra Surana**  
DirectorPlace : Secunderabad  
Date : 07.08.2010**Vishal Didwania**  
Chief Financial Officer**Biswaranjan Subudhi**  
Company Secretary



**Schedules Forming Part of the Balance Sheet**

(Amount in Rupees)

	As at 31.03.2010	As at 31.03.2009
<b>1. SHARE CAPITAL</b>		
5,00,00,000 Equity Shares of Rs 10/- Each (Previous year 5,00,00,000/- 10/-each)	<b>500,000,000</b>	500,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
90,00,000 Equity Shares of Rs 10/- Each fully paid up.(Previous year 1,50,00,000 equity Shares of Rs 10/-each)	<b>90,000,000</b>	150,000,000
<b>TOTAL</b>	<b>90,000,000</b>	150,000,000
<b>2. Reserves And Surplus</b>		
Debenture Redemption Reserve- Created during the year out of Profit & Loss Account	<b>15,000,000</b>	-
Balance as at close of the year	<b>15,000,000</b>	-
Profit & Loss Account (as per annexed account)	<b>39,323,809</b>	(7,787,398)
<b>TOTAL</b>	<b>54,323,809</b>	(7,787,398)
<b>3. Secured Loans</b>		
12% No-convertble secured redeemable Debentures 60,00,000 Debentures (Previous year - Nil)	<b>60,000,000</b>	-
Term Loan from Bank	<b>18,500,000</b>	-
<b>TOTAL</b>	<b>78,500,000</b>	-
<b>4. UNSECURED LOANS</b>		
Loan from Shareholders (Surana Telecom and Power Limited)	<b>18,950,818</b>	576,734
Loan from Directors	-	2,400,000
	<b>18,950,818</b>	2,976,734



## Schedules Forming Part of the Balance Sheet

### Schedule: 5 Fixed Assets

(Amount in Rupees)

Name of the Asset	Gross Block				Depreciation				Net Block	
	Cost as on 01.04.09	Additions in the year	Deletions in the year	Cost as on 31.03.10	Up to 01.04.09	for the Year	deletions	Up to 31.03.10	As on 31.03.10	As on 31.03.09
Free-Hold Land -Factory	19,393,940	4,752,210	652,927	23,493,223	-	-	-	-	23,493,223	19,393,940
Free-Hold Land -Wind Power	-	1,915,800	-	1,915,800	-	-	-	-	1,915,800	-
Factory Building	-	16,015,892	-	16,015,892	2,706,970	173,979	-	2,880,949	13,134,943	-
Plant & Machinery -Wind Power	-	149,584,200	-	149,584,200	-	21,638	-	21,638	149,562,562	-
Plant & Machinery	754,462	21,135,567	-	21,890,029	1,901,441	1,459,586	-	3,361,027	18,529,002	750,149
Electrical Installation	-	616,802	-	616,802	-	-	-	-	616,802	-
Office Equipment	-	174,694	-	174,694	14,929	10,122	-	25,051	149,643	-
Computer	71,152	320,124	-	391,276	77,841	78,846	-	156,687	234,589	47,435
Vehicles	-	1,264,371	-	1,264,371	-	-	-	-	1,264,371	-
Goodwill	-	35,702,407	7,140,481	28,561,926	-	-	-	-	28,561,926	-
<b>TOTAL</b>	<b>20,219,554</b>	<b>231,482,067</b>	<b>7,783,408</b>	<b>243,908,213</b>	<b>4,701,181</b>	<b>1,744,171</b>	<b>-</b>	<b>6,445,352</b>	<b>237,462,861</b>	<b>20,191,524</b>
Previous Year	20,000,000	825,614	606,060	20,219,554	-	28,030	-	28,030	20,191,524	-



## Schedules Forming Part of the Balance Sheet

(Amount in Rupees)

	As at 31.03.2010		As at 31.03.2009	
	Nos	Amount	Nos	Amount
<b>6. INVESTMENTS</b>				
(Long-term, at cost)				
<b>Un-quoted</b>				
1. In Shares of joint stock companies				
a. <u>In companies under the same Management</u>				
i. Solar World Exchange Private Limited (Equity shares of the face value of Rs 10 each)	20,000	200,000	-	-
ii. A P Golden Apparels Private Limited (Equity shares of the face value of Rs 10 each)	-	-	5,975,665	33,284,454
<b>Sub-total</b>		<b>200,000</b>		<b>33,284,454</b>
(Short-term, at cost)				
i. <u>Investments in Mutual Funds</u>				
Birla Sun Life Savings fund - Growth	-	-	-	32,500,000
<b>Sub-total</b>		<b>-</b>		<b>32,500,000</b>
<b>TOTAL</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>65,784,454</b>



**Schedules Forming Part of the Balance Sheet**

(Amount in Rupees)

	As at 31.03.2010	As at 31.03.2009
<b>7. INVENTORIES</b>		
Raw Materials (At Cost or net realisable value whichever is lower)	180,215,277	26,130,952
Work in process (At cost or net realisable value whichever is lower)	10,762,375	-
Finished Goods (At cost or net realisable value whichever is lower)	3,554,040	-
<b>TOTAL</b>	<b>194,531,692</b>	<b>26,130,952</b>
<b>8. SUNDRY DEBTORS</b>		
Unsecured and Considered Good		
Debts outstanding for		
- More than six months	-	-
- Others	24,087,658	-
<b>TOTAL</b>	<b>24,087,658</b>	<b>-</b>
<b>9. Cash and Bank Balances</b>		
Cash on hand	32,123	15,930
Balance with Scheduled Banks		
In Current Account	17,178,040	2,080,917
In Deposit Account -Kept towards Margin Money	13,881,294	5,746,570
In Fixed Deposits	10,218,000	-
Accured Interest on deposits with Banks	495,930	-
<b>TOTAL</b>	<b>41,805,387</b>	<b>7,843,417</b>
<b>10. Loans And Advances</b>		
Loans against pledge of Securities	35,570,553	27,380,935
Advance to Subsidiary Company	-	36,353,493
Sundry Advances	51,850	-
Advance to Joint Venture Company	119,575	119,575
Balance with statutory authorities	44,659	19,163
Advance tax	8,757,712	187,073
Deposits	5,671,262	1,401,000
Advance to Suppliers	10,716,670	955,239
<b>TOTAL</b>	<b>60,932,281</b>	<b>66,416,478</b>
<b>11. Current Liabilities</b>		
Sundry Creditors	154,221,128	21,955,741
Other Liabilites	4,591,912	204,954
Book over draft with Bank	133,403	5,084,564
Advance from Customers	4,540,913	2,919,004
<b>TOTAL</b>	<b>163,487,356</b>	<b>30,164,263</b>



**Schedules Forming Part of the Balance Sheet**

(Amount in Rupees)

	As at 31.03.2010	As at 31.03.2009
<b>12. Provisions</b>		
Provision for Taxation	10,452,000	-
<b>TOTAL</b>	<b>10,452,000</b>	<b>-</b>
<b>13. Deferred tax Assets/(Liability) Net</b>		
Deferred Tax Assets/(Liability) as at 1-04-2009	-	-
Deferred Tax assets/(Liability) for the year	10,169,677	-
<b>Deferred Tax Assets/(Liability) as at 31.03.2010</b>	<b>10,169,677</b>	<b>-</b>
<b>14. Preliminary Expenses</b>		
(to the extent of not adjusted or written off )		
Balance as at beginning of the year	71,111	106,666
Less: Written off during the year	35,555	35,555
<b>Balance as at close of the year</b>	<b>35,556</b>	<b>71,111</b>

**Schedules Forming Part of the Profit & Loss Account**

(Amount in Rupees)

	Year ended 31.03.2010	Year ended 31.03.2009
<b>15. INCOME FROM OPERATIONS</b>		
Sale of Solar Modules	209,391,346	-
Sale of Solar Cells	90,386,573	-
Sale of other materials	9,358,504	-
<b>Gross Sales</b>	<b>309,136,423</b>	<b>-</b>
Less: Inter-Unit sales	15,752,740	-
<b>Net Sales</b>	<b>293,383,683</b>	<b>-</b>
<b>16. OTHER INCOME</b>		
Interest from Banks	975,073	388,605
Interest on Loans	9,398,426	825,240
Dividend from Mutual Funds	1,024,154	1,812,790
Gain on foreign Exchange fluctuation	11,481,910	-
Sundry Balance written off	28,327	-
Miscellaneous Income	10,200	10,863
<b>TOTAL</b>	<b>22,918,090</b>	<b>3,037,498</b>



## Schedules Forming Part of the Profit & Loss Account

(Amount in Rupees)

	Year ended 31.03.2010	Year ended 31.03.2009
<b>17. RAW MATERIALS CONSUMED</b>		
Opening Stock		
- Raw Materials	26,130,952	-
- Stock transfer from Surana Telecom and Power Limited on merger	149,512,836	-
Purchases net of Modvat	216,731,394	26,130,952
<b>Sub-Total</b>	<b>392,375,182</b>	<b>26,130,952</b>
Less Closing Stock		
- Raw Materials	180,215,277	26,130,952
<b>Sub-Total</b>	<b>212,159,905</b>	<b>-</b>
Less: Inter-Unit Purchases	15,752,740	-
<b>Raw materials Consumed (A)</b>	<b>196,407,165</b>	<b>-</b>
<b>Increase/Decrease in Stock</b>		
Opening Stock		
- Work in Progress	-	-
- Finished Goods	-	-
- Stock transfer from Surana Telecom and Power Limited on merger	-	-
- Work in Progress	16,311,025	-
- Finished Goods	4,120,290	-
<b>Sub-Total</b>	<b>20,431,315</b>	<b>-</b>
Less Closing Stock		
- Work in Progress	10,762,375	-
- Finished Goods	3,554,040	-
<b>Sub-Total</b>	<b>14,316,415</b>	<b>-</b>
<b>Net (Increase)/Decrease in Stocks (B)</b>	<b>6,114,900</b>	<b>-</b>
<b>TOTAL (A) + (B)</b>	<b>202,522,065</b>	<b>-</b>



## Schedules Forming Part of the Profit & Loss Account

(Amount in Rupees)

	Year ended 31.03.2010	Year ended 31.03.2009
<b>18. EXPENSES</b>		
Salaries & Wages	3,028,298	1,205,259
Contribution to PF and other funds	92,872	-
Staff Welfare Expenses	184,684	9,589
Power & Fuel	3,119,061	392,224
Processing and conversion charges	6,481,077	-
Stores & Spares	1,710,980	-
Packing & Forwarding	5,362,725	68,800
Repairs & Maintenance	616,129	-
Printing and Stationary	277,335	16,718
Postage & Telephone Charges	117,704	47,305
Insurance	519,651	30,729
Rates & Taxes	138,343	4,000
Remuneration to Statutory Auditors	-	-
- Audit Fees	80,000	8,273
- tax Audit fees	30,000	-
- Out of Pocket expenses	20,000	-
Office and Other Maintenance Expenses	12,994	59,750
Filing Fees	4,140	2,915,446
Testing/Certification Charges	284,958	1,927,238
Advertisement & Business Promotion	1,773,095	-
Legal and Licence fees	202,875	-
Professional & Consultancy Fees	47,641	55,127
Travelling & Conveyance	204,608	663,059
Loss on sale of Assets	-	22,192
Lease premium amortised	652,927	606,060
Loss on foreign exchange fluctuation	-	223,378
Vehicle Maintainance & Fuel	40,613	-
Sundry Balance written off	16,756	-
Sales tax	10,472,916	-
Service Tax	84,761	-
Preliminary Expenses Written off	35,555	35,555
Other Expenses	160,341	54,910
<b>TOTAL</b>	<b>35,773,039</b>	<b>8,345,612</b>
<b>19. Interest and Financial charges</b>		
Interest on Cash credit and others	1,188,571	-
Bank charges	1,930,997	1,940,426
Interest on debentures	3,600,000	-
<b>TOTAL</b>	<b>6,719,568</b>	<b>1,940,426</b>



## **20. Significant Accounting Policies and Notes on Accounts Forming Part of Balance Sheet and Profit & Loss Account**

### **20A. Significant Accounting Policies**

#### **i. Basis of Preparation of Financial Statements.**

The financial statements are prepared under the Historical cost convention with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

#### **ii. Use of Estimates.**

The Preparation of Financial Statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

#### **iii. Own Fixed Assets.**

Fixed Assets are stated at cost net of modvat/cenvat/value added tax, less accumulated depreciation and impairment loss, if any. Any costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations to the fixed assets are capitalized.

#### **iv. Leased Assets**

Premium Paid on Leased Assets is amortised over the lease period and the annual lease rentals are charged to Profit and Loss Account in the year it accrues.

#### **v. Depreciation**

Depreciation is provided on written down value method, except for Wind Power Plant for which Straight Line Method is followed, at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

#### **vi. Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

#### **vii. Investments**

Current investments are carried at the lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary in the opinion of the management.

#### **viii. Inventories**

Items of Inventories are measured at lower of cost or net realizable value, after providing for obsolescence, if any. Cost of inventories comprises of all cost of purchase including duties and taxes other than credits under CENVAT and is arrived on First in First out basis. Semi Finished goods are valued at cost or net realizable value whichever is lower. Finished goods are valued at cost including excise duty payable or net realizable value whichever is lower. Cost includes Direct Material, Labour cost and appropriate overheads.





**ix. Foreign Currency Transactions.**

Transactions in foreign currency are recorded at the exchange rate, prevailing on the date of transaction or at the exchange rates under the related forward exchange contracts. Profit/Loss on outstanding Foreign Currency contracts have been accounted for at the exchange rates, prevailing at the year end rates as per FEDAI/RBI.

**x. Employee Retirement/Terminal Benefits**

The employees of the company are covered under Group Gratuity Scheme of Life Insurance Corporation of India. The premium paid thereon is charged to Profit and Loss Account. Leave Encashment liability is provided on the basis of best management estimates on actual entitlement of eligible employees at the end of the year.

**xi. Provision, Contingent Liabilities and Contingent Assets :**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities which are not recognized are disclosed in notes. Contingent Assets are neither recognized nor disclosed in Statements.

**xii. Turnover**

Turnover includes sale of goods, services, sales tax, service tax and adjusted for discounts (net), excise duty. Inter-Unit sales are excluded in the Main Profit and Loss account.

**xiii. Revenue Recognition in Case of Real Estate Transactions**

Revenue in case of real estate transactions is made on the basis of concluded on contracts for sales and purchases.

**xiv. Segment Reporting**

Company's operating Businesses, organized & Managed unit wise, according to the nature of the products and services provided, are recognized in segments representing one or more strategic business units, that offer products or services of different nature and to different Markets.

Company's Operations could not be analyzed under geographical segments in considering the guiding factors as per Accounting Standard-17 (AS-17) issued by the Institute of Chartered Accountants of India.

**xv. Provision for Taxation**

Provision is made for Income Tax, estimated to arise on the results for the year, at the current rate of tax, in accordance with the Income Tax Act, 1961. Taxation deferred as a result of timing difference, between the accounting & taxable profits, is accounted for on the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax asset is recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets are reviewed, as at each Balance Sheet date to re-assess realization.

**xvi. Excise and Customs Duty**

Excise and Customs Duty are accounted on accrual basis. CENVAT credit is accounted by crediting the amount to cost of purchases on receipt of goods and is utilized on dispatch of material by debiting excise duty account.



**xvii. Prior Period Expenses/Income :**

Prior period items, if material are separately disclosed in Profit & Loss Account together with the nature and amount. Extraordinary items & changes in Accounting Policies having material impact on the financial affairs of the company are disclosed.

**xviii. Sundry Debtors, Loans and Advances**

Doubtful Debts/Advances are written off in the year in which those are considered to be irrecoverable.

**xix. Earnings per Share**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard-20 (AS-20) issued by the Institute of Chartered Accountants of India. Basic earnings per share are computed by dividing the net Profit or Loss for the year by the Weighted Average number of equity share outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**20B. Notes on Accounts****1. Merger of Solar Division of Surana Telecom and Power Limited**

- Pursuant to scheme of Arrangement under section 391 to 394 of Companies Act,1956,  
Surana Telecom and Power Limited (STPL) has demerged its Solar Business and vested in to the company with effect from 01st October, 2009 on a going concern basis. The scheme approved inter alia by the shareholders of Surana Ventures Limited (SVL) and Hon'able High Courts of Judicature of Andhra Pradesh at Hyderabad, has become effective on 28 th July, 2010.
- In terms of the Scheme, the company will issue and allot its share to the shareholders of STPL in the ratio of 3 (three) Equity Shares of face value of Rs.10/- fully paid up in the company for every 4 (four) Equity Shares of face Value of Rs 5/- each fully paid-up held by the shareholders of STPL on the record date to be fixed for this purpose. Pending allotment of these shares, the amount of Rs. 15,60,33,000 is disclosed as "Share Capital Suspense" upon allotment of equity shares to the shareholders of STPL , the share holding of STPL in the company will reduce to 17.92%.
- Transfer and vesting of assets and liabilities of the Solar Business of STPL to the company has been effected at the values appearing in the books of accounts of STPL as at 30 th September, 2009 and recorded as such in the books of accounts of the Company. Excess of liabilities over Assets amounting to Rs. 357.02 lacs is recognized in these financial statements and as stipulated in the scheme, has been debited to 'Goodwill'. which shall be amortized over a period of 5 years beginning from 2009-10. Assets transfer cost on demerger will be borne by the Company pursuant to the scheme of Arrangement.
- Computation of Goodwill is given below.

Particulars	Rs in Lakhs
Excess of assets over liabilities acquired from STPL as on 30.09.09	1203.31
Additional issue of equity capital	1560.33
Goodwill	357.02
Less: Amortization during the year	71.40
<b>Balance as on 31.03.2010</b>	<b>285.62</b>



- As the scheme became effective on 28th July, 2010, though the Assets and the Liabilities as on 31 st March, 2010 arising out of transferred business are vested in the company, titles of the same are still not transferred in the name of the company and are being held in the name of STPL.
- Creation of securities against the debentures as per schedule 3 of Secured Loans is not yet effected.
- The details of Assets and Liabilities relating to the Solar Business vested with the Company with effect from 1st October, 2009, are as follows:

<b>Particulars</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
<b>Fixed Assets (At cost)</b>		
Gross Block	297.64	
Less Depreciation	46.73	
Net Block		250.91
<b>Current Assets, Loans and Advances</b>		
Inventories	1,699.44	
Sundry Debtors	5.45	
Cash & Bank balances	244.4	
Loans & Advances	11.96	
Other Current Assets	-	
		1,961.25
<b>Less Current Liabilities &amp; Provision</b>		
Liabilities	1,008.85	1008.85
Provisions	-	-
Net Current Assets		952.41
Net Assets Transferred		1,203.31

## 2. Share Capital:

Upon the scheme becoming effective the issued, subscribed and paid-up share capital of the Company has been reorganized and reduced from the present sum of Rs.15,00,00,000 divided into 1,50,00,000 equity shares of Rs.10/- each fully paid up to Rs.9,00,00,000 divided into 90,00,000 equity shares of Rs.10/- each fully paid up by conversion of 60,00,000 equity shares of Rs.10/- each to 60,00,000 12% Non-convertible Secured Redeemable Debentures of Rs.10/- each fully paid up. The aforesaid Debentures shall be redeemable after a period of 18 months beginning from 1 st October, 2009.

## 3. Debenture & Redemption Reserve

In compliance with sec 117C of the Companies Act, 1956 the company has created a reserve of 25% of the value of Debentures issued, in terms of the Scheme of merger out of the profit of the company for the year ended 31 st March, 2010

## 4. Capital Work in Progress

<b>Opening Balance as on 01.04.2009</b>	<b>Rs 94.16</b>
Less: Amount Capitalized during the year	Rs 94.16
Capital Expenditure spent during the year	Rs 25.22
<b>Closing Balance as on 31.03.2010</b>	<b>Rs 25.22</b>



Amount as appearing as on 01-04-2009 was incurred for construction of Building at Fab City, Hyderabad and the same has been capitalized on completion of the building. Capital expenditure incurred during the year represents the amount spent for construction of building at Cherlapally, Hyderabad.

## 5. Contingent Liability

Estimated amount of contingent liability which is not acknowledged as debts and claims against the Company and not provided are as follows.

(Rs. in lakhs)

Particulars	2009-10	2008-09
Unexpired Letters of Credit	144.26	-

## 6. Deferred Tax

Deferred tax Assets/(Liability) Net	As at 31-Mar-10 in Rs.	As at 31-Mar-09 in Rs.
Deferred Tax Assets/(Liability) as at 1-04-2009	-	-
Depreciation -Timing Difference	(2.58)	-
Liability)/asset arising during the year on account of MAT	104.28	-
<b>Deferred Tax Assets/(Liability) as at 31.03.2010</b>	<b>101.70</b>	<b>-</b>

## 7. Related Party Disclosures:

### A. Relationship

Entities in which Directors are Interested	Associate Companies	Key Management Personnel	Relatives of Key management Personnel
Bhagyanagar India Limited	Surana Telecom and Power Ltd	G.M. Surana	
Bhagyanagar Infrastructure Limited	Solar World Exchange Pvt Ltd	Narender Surana	
Bhagyanagar Properties Pvt. Limited		Devendra Surana	
Green Energy Systems Pvt. Ltd.			
Scientia Infocom India Pvt. Limited			
Bhagyanagar Telecom Limited			
Bhagyanagar Metals Limited			
Bhagyanagar Energy & Telecom Pvt. Limited			
Bhagyanagar Entertainment Limited			
Bhagyanagar Ventures Pvt. Limited			



<b>Entities in which Directors are Interested</b>	<b>Associate Companies</b>	<b>Key Management Personnel</b>	<b>Relatives of Key management Personnel</b>
Metropolitan Ventures India Limited			
GMS Realtors Private Ltd			
Innova Technologies Pvt. Limited			
Advantage Real Estate India Private Limited			
Tranquil Avenues India Private Limited			
Celestial Avenues Private Limited			
Majestic Logistics Private Limited			
Value Infrastructure and Properties Pvt Ltd			
Every Time Foods Industries Pvt Limited			
Surana Technopark Private Limited			
Surana Infocom Pvt. Limited			
Innova Biotech India Pvt. Limited			
Innova Infrastructure Pvt. Limited			
Epicentre Entertainment Pvt. Limited			
Royal skyscrapers India Pvt. Limited			
Sitetonic websolutions Pvt. Limited			
Surana Biochemicals Pvt. Limited			
Andhra Electro Galvanising works			

**B. Related Party Transactions:**

(Rs. in lakhs)

<b>Particulars</b>	<b>2009-10</b>	<b>2008-09</b>
<b>Sales</b>		
Sales to Surana Telecom and Power Limited	<b>44.34</b>	12.23
<b>Purchases</b>		
Purchase from Surana Telecom and Power Limited	<b>113.19</b>	-
<b>Share Application money paid</b>		
Repayment of Share warrants application money	<b>205.00</b>	-
<b>Un Secured Loans</b>		
Loan taken from Surana Telecom and Power Ltd	<b>189.50</b>	5.77
Loan from Share holders	-	24.00
<b>Investments (Shares)</b>		
Investment in Solar World Exchange Private Ltd	<b>2.00</b>	-
Sale of Investments to Surana Infocom Pvt Ltd	<b>363.53</b>	-
<b>Advances</b>		
Advance to Subsidiary Company (A.P. Golden Apparels Pvt Ltd)	-	363.53



## 8. Additional information pursuant to provision of paragraph 3,4C and 4D of Part VI of the Companies Act 1956.

### A) Capacity and Production

Particulars	Unit	Installed Capacity		Production	
		2009-10	2008-09	2009-10	2008-09
Solar Modules	Megawatt	40	40	2.551	-
Street Lights	Sets	5000	5000	-	-
Power Pacs	Sets	5000	5000	-	-
LED Lights	Sets	10000	10000	-	-

### B) Turnover

Particulars	Unit	2009-10 Quantity	2008-09 Quantity	2009-10 Value (Rs in lakhs)	2008-09 Value (Rs in lakhs)
Solar Modules	Megawatt	2.550		2093.91	-
Solar Cells	Nos	1727608		903.87	-
Others				93.58	-
<b>Sub Total</b>				<b>3091.36</b>	<b>-</b>
<b>Less: Inter Unit Sales</b>				<b>157.53</b>	
<b>TOTAL</b>				<b>2933.83</b>	

### C) Opening Stock and Closing Stock of Finished Goods

Particulars	Opening Stock				Closing Stock			
	2009-10 Quantity	2008-09 Quantity	2009-10 (Value Rs in Lakhs)	2008-09 (Value Rs in Lakhs)	2009-10 Quantity	2008-09 Quantity	2009-10 (Value Rs in Lakhs)	2008-09 (Value Rs in Lakhs)
Solar Modules (megawatts)	-	-	-	-	0.049	-	35.54	-
<b>TOTAL</b>	-	-	-	-	-	-	35.54	-



**D) Raw material Consumed**

Particulars	Unit	Quantity 2009-10	Quantity 2008-09	Value (Rs in Lakhs) 2009-10	Value (Rs in Lakhs) 2008-09
Solar Cells	Nos	2151555	-	1522.21	-
P.V Back Sheet	Sqm	72084	-	30.34	-
T.T. Glass	Sqm	115549	-	140.73	-
E.V.A	Sqm	86192	-	102.34	-
Aluminum Channels	Nos.	72165	-	106.66	-
Junction Boxes	Nos.	130890	-	11.49	-
Others		-	-	207.84	-
<b>Sub Total</b>				<b>2121.60</b>	-
<b>Less: Inter unit Purchases</b>				<b>157.53</b>	
<b>TOTAL</b>				<b>1964.07</b>	

**E) Value of Imported & Indigenous Raw Material and Components**

Particulars	2009-10		2008-09	
	Value in Lakhs	Percentage	Value in Lakhs	Percentage
Imported	1342.81	63.29	-	-
Indigenous	778.79	36.71	-	-
<b>TOTAL</b>	<b>2121.60</b>	<b>100%</b>	-	-

**F) Income & Expenditure in Foreign Currency**

(Rs. in lakhs)

Particulars	2009-10	2008-09
Raw Material	1356.01	261.31
Expenditure in Foreign Currency (Traveling)	-	5.26
Expenditure in Foreign Currency (Capital Items)	5.94	7.54
Earnings in foreign Currency	53.41	-

Previous figures have been regrouped and recast wherever necessary to make them comparable with current year's figures.

This is the Notes referred  
to in terms of our report of even date  
**for Sekhar & Co**

Chartered Accountants  
Firm Regn. No. 003695-S

For and on behalf of the Board

**G. Ganesh**  
Partner  
Membership No : 211704

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : 07.08.2010

**Vishal Didwania**  
Chief Financial Officer

**Biswaranjan Subudhi**  
Company Secretary



## NOTES

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