



**SURANA VENTURES LIMITED**

**7<sup>th</sup> Annual Report  
2012-13**



**My Home-My Power**



190Wp, 230Wp, 250Wp, 290Wp



**Solar Module**



**Solar Water Pump**



**Solar Lantern**



**Solar Remote Communications Tower**



**Solar Street Light**



**Solar Home Lighting System**

## 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	- Managing Director
Devendra Surana	- Director
Manish Surana	- Director - Finance & Technical
Nirmal Kumr Jain	- Director

### COMPANY SECRETARY

Badarish H Chimalgi

### BANKERS

Indian Overseas Bank  
State Bank of India  
Corporation Bank

### 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.

### COST AUDITORS

BVR & Associates  
H.No. 6-3-628/3,  
Flat No. 101, R.V. Naipunya Apts  
Anand Nagar Colony, Khairatabad  
Hyderabad - 500 004

### REGISTRAR & TRANSFER AGENT: KARVY COMPUTERSHARE PRIVATE LIMITED

Plot No.17-24 Vittalrao Nagar,  
Madhapur, Hyderabad - 500 081  
Tel No.040-44655000  
Fax No.040-23420814,  
Toll Free No.1800-3454-001  
E-mail : einward.ris@karvy.com  
Web Site: www.karvy.com  
Regd.Office : Karvy House 46,  
Avenue 4, Street No.1,  
Banjara Hills, Hyderabad - 500 034

### STATUTORY COMMITTEES

#### AUDIT COMMITTEE

O Swaminatha Reddy	- Chairman
G M Surana	- Member
R Surender Reddy	- Member
S R Vijayakar	- Member
Dr. R. N. Sreenath	- Member

#### SHAREHOLDERS GRIEVANCE COMMITTEE

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

#### REMUNERATION COMMITTEE

R Surender Reddy	- Chairman
O Swaminatha Reddy	- Member
S R Vijayakar	- 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. Puliyur Village,  
Tenkasi Taluk  
Tirunelveli Dist.,  
Tamilnadu.



# CONTENTS

❖ Notice .....	3
❖ Director's Report .....	6
❖ Report on Corporate Governance .....	10
❖ Management Discussion and Analysis .....	23

## **STANDALONE FINANCIAL STATEMENTS**

❖ Independent Auditors' Report .....	29
❖ Balance Sheet .....	32
❖ Statement of Profit & Loss .....	33
❖ Cash Flow Statement .....	34
❖ Significant Accounting Policies.....	36
❖ Notes to Financial Statements .....	38

## **CONSOLIDATED FINANCIAL STATEMENTS**

❖ Independent Auditors' Report .....	53
❖ Balance Sheet .....	54
❖ Statement of Profit & Loss .....	55
❖ Cash Flow Statement .....	56
❖ Significant Accounting Policies.....	58
❖ Notes to Financial Statements .....	58
❖ Statement Pursuant to Section 212 .....	75
❖ Members E-mail Registration form, ECS, Attendance Slip & Proxy Form	



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 7th Annual General Meeting of the members of **SURANA VENTURES LIMITED**, will be held on 27th day of September, 2013 at 11.30 A.M at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended 31st March, 2013 along with Auditors' Report & Directors' Report thereon.
2. To declare Dividend for the year ended 31st March, 2013.
3. To appoint a Director in place of Shri. O. Swaminatha Reddy , who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a Director in place of Shri. R. Surender Reddy, who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** M/s. Sekhar & Co., Chartered Accountants, (Registration No. 003695S), be and are hereby appointed as Auditors of the Company, to hold office from

the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

### **SPECIAL BUSINESS:**

#### **6. APPOINTMENT OF SHRI. NIRMAL KUMAR JAIN AS DIRECTOR OF THE COMPANY:**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Shri. Nirmal Kumar Jain, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 05.02.2013 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."

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

Place: Secunderabad  
Date : 03.08.2013

**NARENDER SURANA**  
**MANAGING DIRECTOR**

### **NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2013 to 27.09.2013 (both days inclusive).
3. Dividend on shares @ 10% as recommended by the Board of Directors, if declared by the Company at the meeting, will be paid subject to the provisions of Section 205A of the Companies Act, 1956, to those shareholders whose names appear on the Register of Members of the Company as on 27.09.2013



- or to their mandates, to the extent eligible, and also to the Beneficial Owners of equity shares held in electronic form on the same date as per the details furnished by the Depositories for this purpose.
4. The Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs have made it mandatory for all the listed companies to offer Electronic Clearing Service (ECS) facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the shareholders' account, elimination of loss of instruments in transit or fraudulent encashment etc. Currently, the facility is available at locations specified by RBI. In case of shareholders staying at locations not currently covered by ECS, the bank account details will be used for suffixing along with the name of the shareholder on the Dividend Warrant.
  5. Shareholders holding shares in Physical Form and desirous of availing the facility are requested to complete the ECS Form attached to this Annual Report and forward the same to the Company at its registered address.
  6. Shareholders holding shares in Dematerialised Form are requested to provide the Bank details to their Depository participants for incorporation in their records. The Depository in turn would also forward the required information to the Company.
  7. The Company's Equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (E), Mumbai - 400 051 and the Company has paid the Listing Fees to the said Stock Exchanges.
  8. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
  9. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be made through electronic mode. In view of the circular issued by MCA the Company proposes to henceforth deliver document like the Notice calling the Annual General Meeting /Extra Ordinary General Meeting /Auditors / Report of the Directors, etc., in electronic form to the email address provided by the shareholders.
  10. Shareholders are requested to furnish their e-mail id's enable the Company forward all the requisite information in electronic mode. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and mode available to the Company shall be the registered email ID unless communication is received to the contrary.
  11. Shareholders requiring a printed copy of the Annual Report should forward their request to the Company.
  12. The Securities Exchange Board of India has notified that the shareholder/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company's RTA while transacting in the securities market including transfer ,transmission or any other corporate action. Accordingly, all the shareholders/transferee of shares (including joint holders ) are requested to furnish a certified copy of their PAN Card to the Company's RTA while transacting in the securities market including transfer, transmission or any other corporate action.
  13. Members holding shares in physical form, may write to the Company's Registrars & Transfer Agents for any change in their address and bank mandates, members having shares in electronic form may inform the same to their depository participants immediately so as to

enable the Company to despatch dividend warrants at their correct addresses.

14. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at KARVY COMPUTERSHARE PRIVATE LIMITED, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad-500 081.

15. Please note that, any queries pertaining to Accounts related aspects, in order to give proper clarification should reach the Company Secretary at Registered Office of the Company at least 48 hours before Annual General Meeting.

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

Place: Secunderabad  
Date : 03.08.2013

**NARENDER SURANA**  
**MANAGING DIRECTOR**

## EXPLANATORY STATEMENT

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

### ITEM NO. 6.

Shri. Nirmal Kumar Jain was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 05.02.2013 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. Nirmal Kumar Jain, liable for retirement by rotation, from a member together with the requisite deposit.

The profile of Shri. Nirmal Kumar Jain is annexed to Corporate Governance Report. The Board is of the view that the vast knowledge and experience

of Shri. Nirmal Kumar Jain will be of immense value and benefit to the Company and therefore recommends the resolution for the approval of the Members.

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

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

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

Place: Secunderabad  
Date : 03.08.2013

**NARENDER SURANA**  
**MANAGING DIRECTOR**



## DIRECTORS REPORT

To  
The Members

Your Directors have pleasure in presenting the 7th Annual Report and the Audited Statement of Accounts for the financial year ended 31st March, 2013, together with the Auditors Report thereon.

### FINANCIAL RESULTS:

The performance of the Company during the year is summarized below.

(₹ in Lakhs)

Particulars	Standalone (Audited)		Consolidated (Audited)
	2012-13	2011-12	2012-13
Sales and other Income	9,554.63	7,387.42	9,554.63
Profit before Depreciation, Interest and exceptional Items	968.76	698.22	967.75
<b>DEDUCT:</b>			
Depreciation	231.94	223.07	231.94
Interest and Finance charges	298.29	357.03	298.29
Profit for the year before exceptional items	438.54	118.12	437.52
Less: Prior period Adjustments	-1.77	-	-1.77
Less: Amortisation of Intangible Assets	81.19	73.85	81.19
<b>Profit before Taxation</b>	359.12	44.27	358.10
<b>Provision for Taxation:</b>			
Current Tax	72.00	8.00	72.00
Deferred Tax	24.08	5.14	24.08
MAT Entitlement Credit	-	(0.98)	-
Taxes for Earlier Years	4.08	-	4.08
<b>Profit after Tax</b>	258.96	32.11	257.93
Surplus brought forward from previous year	440.79	801.66	440.79
Balance available for appropriation	699.75	833.77	698.73
<b>APPROPRIATION:</b>			
Dividend	246.03	123.02	246.03
Tax on Dividend	41.82	19.96	41.82
Transfer to General Reserves	250.00	250.00	250.00
Balance c/f to Balance Sheet	161.90	440.79	160.88
<b>TOTAL</b>	699.75	833.77	698.73

### OPERATIONS:

During the year under review, the Income from Operations is ₹ 9,490.90 Lakhs as against ₹ 7,266.86 Lakhs for the corresponding previous year. The Profit Before Tax is ₹ 359.12 Lakhs as against ₹ 44.27 Lakhs for the previous year. The Profit After Tax is ₹ 258.96 Lakhs as against ₹ 32.11 Lakhs for the corresponding period. The Basic Earnings Per Share for the year-ended 31.03.2013 is ₹ 1.05 as against ₹ 0.13 for the corresponding previous year ended 31.03.2012.

### DIVIDEND:

Your Directors recommend Dividend @10% amounting to ₹ 246.03 Lakhs for the year ended 31st March 2013. This will entail an outflow of ₹ 287.85 Lakhs (inclusive of tax thereon).

### RESERVES

During the year the Company has transferred an amount of ₹ 250 lakhs to General Reserves Account.



**SUBSIDIARY**

During the year under review, M/s. Surana Solar Systems Private Limited ceased to be subsidiary of the Company w.e.f 10th June 2013.

**CONSOLIDATED FINANCIAL STATEMENTS:**

The Ministry of Corporate Affairs (MCA) by General Circular No. 2/2011 dated 8th February, 2011, issued a direction under Section 212(8) of the Companies Act, 1956 that the provisions of Section 212 shall not apply to Companies in relation to their subsidiaries, subject to fulfilling certain conditions mentioned in the said circular with immediate effect. The Board of Directors of your Company at its meeting held on 06.05.2013 approved the Audited Consolidated Financial Statements for the financial year 2012-13 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as Clause 32 of the Listing Agreement, which include financial information of all its subsidiaries, and forms part of this report.

The annual accounts, financial statements and related detailed information of Company's Subsidiaries are available on the website of the Company and the same shall also be made available to members on request and are open for inspection at the Registered Office of your Company. Your Company has complied with all the conditions as stated in the circular and accordingly has not attached the financial statements of its subsidiary Company for the financial year 2012-13. A statement of summarized financials of all subsidiary including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to the General Circular issued by Ministry of Corporate Office, forms part of this report.

**FUTURE BUSINESS PLAN:**

The Company has initiated for setting up of 110 MW PV Cell Line for the existing manufacturing of Solar Modules. Apart from proposal to setup Cell line, the Company is about to expect vast improvement in performance of existing business due to favorable market conditions.

Looking forward, the Company's Business strategy shall be to focus on the following areas

- a) Continue with existing off-grid market with existing product mix and enlarge the market share.

- b) To increase the market share in on-grid market segment.
- c) To enlarge the export market.
- d) To improve the relationship with customers by frequent interaction and continuous visiting to their places.
- e) To establish a separate cell for taking care of customer grievances.
- f) To participate in exhibitions in India and abroad to get visibility.
- g) To set up small solar power projects of 1-5 MW capacity under REC mechanism.

**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 order to comply with Section 256 of the Companies Act 1956 and Articles of Association of the Company Shri. O. Swaminatha Reddy and Shri. R. Surender Reddy, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Shri. Nirmal Kumar Jain was appointed as Additional Independent Director on 05.02.2013 and is hereby proposed to be regularized as Independent Director w.e.f 27.09.2013 and Shri. Harish Nair ceased to be a Director from the Board of the Company w.e.f 06.05.2013. The Board records its appreciation & recognition for the valuable contribution and services rendered by Mr. Harish Nair.

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

**AUDITORS**

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

**COST AUDITORS**

As per the Companies (Cost Accounting Records) Rules 2011, the Company filed the Cost Audit Report along with Cost Compliance Report for the financial year 2011-12 in XBRL format.

The Board of Directors, subject to the approval of the Central Government, re-appointed M/s BVR & Associates, Cost Accountants, holding certificate of practice No.16851, as a Cost Auditor for conducting the Cost Audit for the financial year 2013-14. Subject to the compliance with all the requirements as stipulated in Circular no.15/2011 dated 11th April 2011 and No. 36/2012 dated 6th November 2012 issued by the MCA, the Audit Committee recommended their re-appointment.

The Company has also received a letter from the Cost Auditor, stating that the appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The CSR activities of the Surana Group are guided by the vision and philosophy of its Founding Father, Shri. G Mangilal Surana, who embodied the value of trusteeship in business and laid the foundation for its ethical and value-based functioning. The core elements of CSR activities include ethical functioning, respect for all stake-holders, protection of human rights, and care for the environment.

**CREDIT RATING**

Your Directors have pleasure to inform that CRISIL has reaffirmed BB+/Stable rating for long term exposure and A4+ rating for short term debt instruments of the Company. CRISIL had carried out a credit rating assessment of the company both for short term and long term exposures in compliance with BASEL II norms implemented by Reserve Bank of India for all banking facilities.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement, forms part of this Report and is annexed hereto.

**CORPORATE GOVERNANCE**

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance enunciated in Clause 49 of the Listing Agreement with the Stock Exchanges.

A separate report on Corporate Governance is annexed herewith, as a part of the Annual Report along with the Auditor's Certificate on its compliance.

**PARTICULARS OF EMPLOYEES**

During the period under review, none of the employees who were under employment for whole of the year or part of the year, were in receipt of remuneration exceeding ₹ 60,00,000 per annum or ₹ 5,00,000 per month as set out in Section 217 (2A) 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, 2013, 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, 2013 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.

## APPRECIATION

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

## ACKNOWLEDGEMENTS

The Board desires to place on record its sincere appreciation for the support and co-operation 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 : 03.08.2013

**G.M. SURANA**  
**CHAIRMAN**

## ANNEXURE - A 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: Operations of the Company are not energy intensive. However adequate measures have been initiated to reduce energy consumption, 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: Efforts made in Technology Absorption as per Form B **FORM B:**

(Disclosure of particulars with respect to technology absorption)

#### A. RESEARCH AND DEVELOPMENT (R&D)

- |   |   |     |
|---|---|-----|
| 1. Specific areas in which R&D carried out by the Company | : | 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.

The Company is in the process of setting up State of the Art manufacturing plant for 'Solar Cell and Module' using latest technology.

### 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	:	₹ 310.89 Lakhs
Foreign Exchange Outgo	:	₹ 7,239.00 Lakhs

For and on behalf of the Board of Directors  
for **SURANA VENTURES LIMITED**

Place : Secunderabad  
Date : 03.08.2013

**G.M. SURANA**  
**CHAIRMAN**



## REPORT ON CORPORATE GOVERNANCE

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

Your Company believes in a Code of Governance, which fulfills the motto of 'Service to Society through Commercial activities'. 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. The Company continuously reviews its policies and practices of Corporate Governance with the clear goal not merely to comply with statutory requirement in letter and spirit but also to implement the best practice of Corporate Governance. Your Company believes that good Corporate Governance 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 31st March, 2013 consists of:

- 5 Independent Non-executive Directors;
- 4 Executive Directors;
- 1 Non-Executive Director.

#### b) Attendance Record for 2012-13:

Sl.No	Name of Director	Category	Meetings attended	Attendance at last AGM on 29.09.2012
1.	Shri. G Mangilal Surana	Non-Executive	5	Present
2.	Shri. O Swaminatha Reddy	Independent Non-executive	5	Present
3.	Shri. R Surender Reddy	Independent Non-executive	4	Present
4.	Shri. S R Vijayakar	Independent Non-executive	4	Present
5.	Dr R.N. Sreenath	Independent Non-executive	5	Present
6.	*Shri. Nirmal Kumar Jain	Independent Non-executive	-	-
7.	Shri. Narender Surana	Executive	5	Present
8.	Shri. Devendra Surana	Executive	5	Present
9.	Shri. Manish Surana	Executive	4	Present
10.	**Shri. Harish Nair	Executive	-	-

\* Appointed as an Independent Additional Director w.e.f 05.02.2013

\*\* Appointed as a Director w.e.f 28.07.2012 & Ceased to be a Director w.e.f. 06.05.2013

**c) Number of other Directorships, Committee Membership(s) & Chairmanship(s) as on 31st March, 2013:**

Sl.No.	Name of the Director	Other Directorship	Other Committee Membership	Other Committee Chairmanship
1.	Shri. G Mangilal Surana	4	2	2
2.	Shri. O Swaminatha Reddy	12	6	4
3.	Shri. R Surender Reddy	7	2	7
4.	Shri. S R Vijayakar	-	2	-
5.	Dr R. N. Sreenath	6	3	-
6.	*Shri. Nirmal Kumar Jain	1	-	2
7.	Shri. Narender Surana	29	3	-
8.	Shri. Devendra Surana	31	3	-
9.	Shri. Manish Surana	18	-	-
10.	**Shri. Harish Nair	-	-	-

\* Appointed as an Independent Additional Director w.e.f 05.02.2013

\*\* Appointed as a Director w.e.f 28.07.2012 & Ceased to be a Director w.e.f. 06.05.2013

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

A total of 5 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:

30.04.2012	28.07.2012	29.09.2012	03.11.2012	05.02.2013
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**e) Pecuniary relationship or transactions of Non-Executive Directors:**

Apart from receiving sitting fees for attending the Board and Audit Committee Meetings, the Non-Executive Independent 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 such Directors.

**3. Audit Committee**

The Company's Audit Committee comprises of the following Directors all of whom are Non-Executive Directors and majority being the Independent Directors:

1.	Shri. O Swaminatha Reddy	Chairman
2.	Shri. G Mangilal Surana	Member
3.	Shri. R Surender Reddy	Member
4.	Shri. S R Vijayakar	Member
5.	*Dr. R N Sreenath	Member

\*Appointed as a Member w.e.f 05.02.2013.

The Company Secretary is acting as Secretary to the Audit Committee.

**Terms of reference:**

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 of one Non-Executive Director and three Non-Executive Independent Directors as Shri. O Swaminatha Reddy who is heading the Audit Committee as Chairman having rich experience and professional knowledge in Finance, Accounts and Company Law, the members always added the value for the Company. Minutes of each Audit Committee are placed before the Board and discussed in the meeting.

#### **Meetings and Attendance:**

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

30.04.2012	28.07.2012	03.11.2012	05.02.2013
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#### **Attendance Record - 2012-2013**

Sl. No.	Name of the Director	No. of Meetings Attended
1	Shri. O Swaminatha Reddy	4
2	Shri. G Mangilal Surana	4
3	Shri. R Surender Reddy	3
4	Shri. S R Vijayakar	3
5	*Dr. R N Sreenath	-

\*Appointed as a Member w.e.f 05.02.2013.

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The Chairman of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the shareholders regarding Audit and Accounts.

#### 4. Remuneration Committee:

- a) Composition, Name of the Chairman and Members:

1.	Shri. R. Surender Reddy	Chairman
2.	Shri. O. Swaminatha Reddy	Member
3.	Shri. S.R. Vijayakar	Member

- b) The terms of reference stipulated by the Board to the Remuneration Committee are as follows:

To formulate a remuneration policy and approve the remuneration or revise the remuneration payable to the Managing/Whole-time Directors. The remuneration policy of the Company is directed towards motivating and retaining the senior officers of the Company by rewarding performance

#### 5. Remuneration to Non-executive Directors

The Company pays sitting fees to all the Non-executive Directors at the rate of ₹ 3,000/- for each meeting. The details of Sitting Fees paid to the Non-executive Directors for attending Board Meetings and Committee meetings during the Financial Year 2012-13 are as follows:

Sl. No.	Name of Director	Sitting Fees paid
1	Shri. G Mangilal Surana	27,000
2	Shri. O Swaminatha Reddy	27,000
3	Shri. R Surender Reddy	21,000
4	Shri. S R Vijayakar	21,000
5	Dr. R N Sreenath	15,000
6	*Shri. Nirmal Kumar Jain	-
	<b>TOTAL</b>	<b>1,11,000</b>

\*Appointed as an Independent Additional Director w.e.f 05.02.2013

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

#### Remuneration to Executive Directors

Name of Director	Salary	HRA	Coveyance	Total
Shri. Manish Surana	24,00,000	-	-	24,00,000
*Shri. Harish Nair	4,80,000	-	-	4,80,000
<b>TOTAL</b>				<b>24,00,000</b>

\*Appointed as a Director w.e.f 28.07.2012 & Ceased to be a Director w.e.f. 06.05.2013.

#### 6. Shareholders Grievance Committee:

1.	Shri. G M Surana	Chairman
2.	Shri. Narender Surana	Member
3.	Shri. Devendra Surana	Member



The Shareholders Grievance Committee constituted by the Board of Directors inter-alia oversee the transfer of shares and redressal of shareholders / investors grievances and complaints regarding non-receipt of Dividends, Annual Reports, etc.

The Company Secretary is acting as Compliance Officer to the Committee.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 8. There are no outstanding complaints as on 31st March 2013.

## 7. General Body Meetings:

i) Location and time for last 3 years General Meetings were:

Year	Locations	Date	Time
6th AGM (2011-12)	Taj Tristar, 1-1-40, Seven Hills, Sarojini Devi Road, Secunderabad - 500 003	29th September, 2012	11.30 A.M
5th AGM (2010-11)	Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad - 500 016.	21st September, 2011	11.30 A.M.
4th AGM (2009-10)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	10th August, 2010	10.30 A.M
(Court Convened Meeting of Creditors (2010-11)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	13th April, 2010	10:00 A.M.
EGM (2009-2010)	Regd Office: 2nd Floor, Surya Towers, S.P. Road, Secunderabad - 500 003	10th August, 2009	10.00 A.M

**2010-11 & 2011-12:** In the AGMs held on 21st September, 2011 and 29th September, 2012 the Company has not passed any Special resolution.

**2009-10:** In the AGM held on 10th August, 2010, the Company has passed the special resolution for the following items:

- a) Pursuant to section 31 of the Companies Act, 1956 and other applicable provisions if any, 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"**
  - b) 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"**
- ii) Postal Ballot passed during the year 2012-13

During the year 2012-13 the Company has not passed any resolution through postal ballot as per the provisions of Section 192 A of the Companies Act, 1956.

**8. 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.
- c) The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as on 31st March, 2013.
- d) The Company has not adopted any formal Whistle Blower policy, but no personnel has been denied access to the Audit Committee.

**9. CEO/CFO Certification**

In line with the requirements of Clause 49 (V) of the Listing Agreement, Shri. Narender Surana, Managing Director, Shri. Devendra Surana, Director and Shri. Manish Surana, Director - Finance and Technical have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2013 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

**10. Means of Communication****Financial/Quarterly Results:**

The Company intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after the Board meetings at which they are approved. The results of the Company are also published in at least one prominent national and one regional newspaper having wide circulation. Normally the results are published in Business Standard (English) and Suryaa (Telugu). The financial results are also displayed on the Company's website [www.surana.com](http://www.surana.com) & [www.suranaventures.com](http://www.suranaventures.com).

**News Release, Analyst Presentation, etc.:**

The official news releases, detailed presentations made to institutional investors, financial analyst, etc. are displayed on the Company's website [www.surana.com](http://www.surana.com) & [www.suranaventures.com](http://www.suranaventures.com).

**Website:**

The website [www.suranaventures.com](http://www.suranaventures.com) contains a separate dedicated section for the Company's "Investor Relations" where shareholders' information is available. The full Annual Report, shareholding pattern etc. is also available in the 'Investor Relations' sections on the website of the Company.

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

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



## 12. Unclaimed Dividend

Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, Dividends for the financial year ended 31st March, 2011 and thereafter, will be transferred to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 (c) of the Companies Act, 1956, Information in respect of the due date for transfer of such unclaimed dividend to the said fund is given below:

For the Financial Year	Date of Declaration	Due for Transfer on
2010-11	21.09.2011	20.10.2018
2011-12	29.09.2012	28.10.2019

The Members, who have not encashed the Dividend Warrant(s) so far for the financial year ended 31st March, 2011 or any subsequent financial years are requested to make their claim to the Company at its Registered Office. It may also be noted that once the Unclaimed Dividend is transferred to the Investor Education and Protection Fund, no claim shall lie in respect thereof.

## 13. General Shareholders Information:

Annual General Meeting	:	Date - 27th September, 2013 Time - 11.30 A.M. Venue - Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016
Financial Calendar	:	April 1st to March 31st
Date of Book Closure	:	23rd September, 2013 to 27th September, 2013 (both days inclusive)
Dividend Payment Date	:	7th October, 2013
Listing on Stock Exchanges	:	BSE Ltd National Stock Exchange of India Limited
Stock Code	:	533298 on BSE SURANAVEL on NSE
ISIN Number for NSDL & CDSL	:	INE272L01014

Market Price Data :

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr'12	21.00	19.00	21.05	18.85
May'12	20.50	17.85	22.00	15.00
Jun'12	20.95	18.00	23.50	18.00
Jul'12	22.80	18.45	22.90	18.05
Aug'12	21.95	18.05	21.80	18.00
Sep'12	23.15	18.00	22.95	18.15
Oct'12	22.75	18.00	21.95	18.05
Nov'12	20.45	18.55	21.40	18.25
Dec'12	27.70	18.55	24.95	18.35
Jan'13	38.40	22.80	36.95	22.55
Feb'13	36.50	32.30	37.50	32.00
Mar'13	35.45	24.55	35.60	25.35



- 14. Registrars & Transfer Agents :** Share Transfers and Communication regarding Share Certificates, Dividends & Change of Address may be sent to:

**M/s KARVY COMPUTERSHARE PRIVATE LIMITED,**  
 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 81  
 Phone +91-40-44655000; Fax +91-40-23420814  
 Email ID: einward.ris@karvy.com  
 Website: <http://www.karvy.com>

**15. 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.

The R & T Agent process the Physical Share Transfers and the Share Certificates are returned to the shareholder within a maximum period of 30 days from the date of receipt, subject to the documents being valid and complete in all respects. All share transfers are approved by the Share Transfer Committee, which meets every fortnight.

***Pursuant to Securities and Exchange Board of India circular No. MRD/DoP/Cir-05/2009 dated 20.05.2009, it is mandatory to furnish PAN particulars for registration of physical share transfer requests. Therefore investors are requested to send the PAN particulars along with the share transfer deeds for effecting the physical share transfer.***

As per the guidelines issued by SEBI, the R & T Agent is also offering transfer-cum-Demat facility, wherein after the share transfer is affected an option letter containing the details of the shares transferred is sent to the transferee. Any transferee who wishes to de-mat the shares may approach the Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the option letter, generate a Demat Request and send the same to the R & T Agent. On receipt, the R & T Agent confirms the request.

Any transferee not intending to dematerialize his shares need not exercise the option and the R & T Agent shall dispatch the share certificate after 30 days from the date of the Option Letter.

All requests for Dematerialization of shares are processed and the confirmation is given to the respective Depositories, i.e, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), within 15 days of receipt.

**16. Shareholding Pattern as on 31st March, 2013:**

Category	Total Shares	% To Equity
Promoters Bodies Corporate	1,02,88,921	41.82
Promoters	81,45,615	33.12
Resident Individuals	52,96,077	21.53
Foreign Institutional Investors	84,600	0.34
Bodies Corporate	4,16,207	1.69
HUF	1,79,451	0.73
Non Resident Indians	1,13,988	0.46
Overseas Corporate Bodies	43,875	0.18
Trusts	19,735	0.08
Mutual Funds	10,650	0.04
Banks	3,150	0.02
Clearing Members	1,031	0.00
<b>TOTAL</b>	<b>2,46,03,300</b>	<b>100</b>


**17. Distribution of Share holding as on 31st March 2013:**

Category (Amount)	No. of Cases	% of Cases
1 - 5000	7076	85.67
5001 - 10000	615	7.45
10001 - 20000	306	3.70
20001 - 30000	72	0.87
30001 - 40000	43	0.52
40001 - 50000	19	0.23
50001 - 100000	46	0.56
100001 & Above	83	1.00
<b>TOTAL</b>	<b>8260</b>	<b>100.00</b>

**18. Dematerialization of shares & Liquidity**

The trading in Company's shares is permitted only on dematerialized form. In order to enable the shareholders to hold their shares in electronic form and to facilitate scrip-less trading, the Company has enlisted its shares with NSDL and CDSL.

**19. Share Dematerialisation Records:**

2,38,21,662 shares representing 96.82% of the total equity capital were held in Dematerialized form with the National Securities Depository Limited and Central Depository Services Limited as on 31st March, 2013.

**20. Reconciliation of Share Capital Audit:**

As stipulated by the SEBI, a qualified Practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted Capital with NSDL and CDSL and the total issued and listed capital. The Audit is carried out every quarter and the Report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Report inter-alia confirms the total listed and paid up share capital of the Company is in agreement with the aggregate of the total dematerialised shares and those in the physical mode.

**21. Plant Locations:**
**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-500 001
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**NON-CONVENTIONAL ENERGY (WIND)**

1. Kaladhon Village, Khatav Taluka, Satara Dist, Maharashtra.	2. Puliur Village, Tenkasi Taluk, Tirunelvel Dist,Tamilnadu.
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**22. Address for Correspondence:**

Sl.No.	Shareholders Correspondence for	Address
1.	Transfer / Dematerialization / Consolidation / Split of shares, Issue of Duplicate Share Certificates, Non-receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	<b>KARVY COMPUTERSHARE PRIVATE LIMITED</b> 17-24, VittalRao Nagar, Madhapur, Hyderabad - 500081 Phone +91-40-44655000 Fax +91-40-23420814 E.mail : einward.ris@karvy.com Website : www.karvy.com
2.	Investor Correspondence/Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	<b>Badarish H Chimalgi</b> Company Secretary <b>M/s. Surana Ventures Limited</b> 5th Floor, Surya Towers, S.P.Road, Secunderabad - 500 003 Ph Nos. 27845119/ 44665750 E-mail: cs@surana.com investorservices_svl@surana.com Website: www.surana.com www.suranaventures.com

**23. Depository Services:**

For guidance on Depository Services, Shareholders may write to the Company or to the respective Depositories:

<b>National Securities Depository Ltd</b> Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 Tel : +91-022-24994200 Fax : +91-022-24972977/24976351 Email : info@nsdl.co.in	<b>Central Depository Services (India) Ltd</b> Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023 Tel : +91-022-22723333/3224 Fax : +91-022-22723199/2272 Email : investors@cdslindia.com
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**24. Nomination Facility:**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B (form 2B of concerned act) for this purpose.

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

Pursuant to the 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'.

The Company Secretary is acting as 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 and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them.



26. Particulars of Directors, who are retiring by rotation, seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement:-

Name of Director	SHRI. O. SWAMINATHA REDDY	SHRI. R. SURENDER REDDY	SHRI. NIRMAL KUMAR JAIN
<b>Expertise in specific functional areas</b>	Shri. O Swaminatha Reddy a Commerce graduate and Fellow member of The Institute of Chartered Accountants of India, New Delhi, being the former Chairman of Andhra Bank and also former Chairman and Managing Director of APSFC, he has a rich vast banking and industrial experience spanning over 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.	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 Company as an Independent Director since 1989.	Fellow member of ICAI and Practising as Chartered Account since 1988. He is associated as partner with Nirmal K. Jain & Associates (Chartered Accountants) and has vast exposure in Finance and Tax Matters.
<b>Date of Birth</b>	25.12.1930	10.10.1931	01.07.1960
<b>Qualification</b>	B.Com (Hons), FCA	B.Com	FCA
<b>List of Other Companies in which Directorship is held as on 31st March, 2013.</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. Sagar Cements Ltd.</li> <li>5. T.C.I. Finance Ltd.</li> <li>6. Sagar Power Ltd.</li> <li>7. E.P.R. Pharmaceuticals Pvt. Ltd</li> <li>8. E.P.R. Gene Technologies Pvt. Ltd.</li> <li>9. E.P.R. Center for Cancer Reasearch &amp; Biometrics Pvt. Ltd.</li> <li>10. K.M. Power Pvt. Ltd</li> <li>11. TCI Developers Ltd</li> <li>12. Thembu Power Pvt Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. Suryavanshi Spinning Mills Ltd.,</li> <li>2. Suryaamba Spinning Mills Ltd.</li> <li>3. Surya Lakshmi Cotton Mills Ltd.</li> <li>4. Lakshmi Finance &amp; Industrial Corporationn Ltd.,</li> <li>5. Surya Kiran International Ltd.</li> <li>6. Hyderabad Race Club</li> <li>7. Suryalata Spinning Mills Ltd</li> <li>8. Bhagyanagar India Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Surana Telecom and Power Limited.</li> <li>2. Surana Ventures Limited</li> </ol>

(Contd.)

Name of Director	SHRI. O. SWAMINATHA REDDY	SHRI. R. SURENDER REDDY	SHRI. NIRMAL KUMAR JAIN
Chairman/ Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2013	<ol style="list-style-type: none"> <li>1. Sagar Cements Ltd (Chairman of Audit Committee &amp; Member of Remuneration Committee)</li> <li>2. Transport Corp. of India Ltd. (Chairman of Audit Committee &amp; Member of Remuneration Committee)</li> <li>3. K.C.P. Limited (Chairman of Audit Committee, Remuneration Committee &amp; Stakeholders Relationship Committee)</li> <li>4. Bhagyanagar India Ltd. (Chairman of Audit Committee &amp; Member of Remuneration Committee)</li> <li>5. TCI Developers Ltd. (Member of Audit Committee)</li> </ol>	<ol style="list-style-type: none"> <li>1. Suryavanshi Spinning Mills Ltd. (Chairman of Audit Committee)</li> <li>2. Suryalata Spinning Mills Ltd. (Chairman of Audit Committee)</li> <li>3. Suryalakshmi Cotton Mills Ltd. (Chairman of Audit Committee &amp; Member of Remuneration Committee)</li> <li>4. Lakshmi Finance &amp; Industries Corpn. Ltd. (Chairman of Audit Committee, Remuneration Committee &amp; Share transfer Committee)</li> <li>5. Surana Ventures Limited. (Member of Audit Committee &amp; Chairman of Remuneration Committee)</li> </ol>	Surana Telecom and Power Ltd. (Chairman of Audit Committee & Remuneration Committee)





## **DECLARATION OF COMPLIANCE OF CODE OF CONDUCT**

Pursuant to the Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October 2004, it is hereby declared that the Company has obtained confirmation from all the Board Members and Senior Management Personnel of the Company for the compliance of the Code of Conduct of the Company for the year 2012-13.

Place : Secunderabad

Date : 03.08.2013

**NARENDER SURANA**  
**MANAGING DIRECTOR**

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## **AUDITORS' CERTIFICATE REGARDING CORPORATE GOVERNANCE**

**To The Members of**  
**Surana Ventures Limited**  
**Secunderabad**

We have examined the compliance of conditions of Corporate Governance by **Surana Ventures Limited** for the year ended **31st March 2013**, as stipulated in Clause 49 of Listing Agreement with BSE Ltd and National Stock Exchange of India Ltd.

The Compliance of these conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further certify that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For and on behalf of**  
**M/s. Sekhar & Co**  
**CHARTERED ACCOUNTANTS**  
**Firm Regd. No. 003695 - S**

Place : Secunderabad

Date : 03.08.2013

**G.GANESH**  
**(Partner)**  
**Membership No. 211704**

## 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.

During 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, a pioneer in the power sector in India.

During the year 2009-2010, a Scheme of arrangement was entered by the Company with M/s Surana Telecom And Power Limited which was sanctioned by Hon'ble High Court of A.P. on 28.06.2010 and became effective on 28.07.2010, pursuant to which the "Solar Undertaking" of Surana Telecom and Power Limited was merged with the Company. The shares of the company were listed on stock exchanges w.e.f 7th January, 2011.

The Company has manufacturing facilities at Cherlapally and FAB City in Hyderabad which have ISO 9001: 2000 certification accredited by AQA International LLC, Dubai. The company's products and systems have been accorded approvals by various test agencies such as EURO TEST Laboratories, TUV INTER CERT and many more. The Company possesses excellent skills and capabilities in providing complete EPC solutions for large, commercial Solar Power Plants of Megawatt scale.

### 1. SOLAR PV MODULES:

#### 1.1 INTRODUCTION:

Solar PV means Solar Photovoltaic. The term Photovoltaic comes from the Greek word which means "Light" and "Volt". Solar Cells are also called Photovoltaic (PV) cells. The PV cells convert sunlight directly into electricity. PV gets its name from the process of converting light (photon) to Electricity (voltage). Solar cells power everything from small calculators and remote highway signs to commercial buildings and large power plants. They also power our satellites in space, making them responsible for the world's communications products. Today thousands of people power their homes and business with the Solar PV systems. Utility Companies are also using Solar PV technology

for large power station. 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 greatest potential area of off-grid relates to solar technologies. Under the Solar Mission, it has been proposed to cover 2,000 MW equivalent off-grid power systems by 2022, except solar water heating systems for which there is a separate target of 20 million sq. metres. Within the off-grid component there is a separate target of covering 20 million rural households with solar lights.

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 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:

India has entered a defining phase in its development. The country needs energy to fuel economic growth. However, with fossil fuels accounting for 70 percent of its primary energy supply, India is constrained by the limits imposed by dependence on imported fossil fuels and the imperative to mitigate greenhouse gas emissions. An accessible and affordable clean energy source is necessary to power India's rapidly growing economy and promote low-carbon energy development. India is endowed with vast potential of solar energy, which when harnessed effectively can be addressed to a large-scale deployment of solar



energy. Solar Energy therefore has great potential as future energy resources. Indian Government is adopting constructive steps towards implementing large-scale solar power projects and is poised to position itself as one of the world's major solar producer. Besides, it is quickly developing itself as the major manufacturing hub for solar power plants. Effective utilization of India's solar potential lies in the successful implementation of the Jawaharlal Nehru National Solar Mission (JNNSM) by the government. This mission would also help in mitigating the international pressure with regard to emission reductions and the Indian solar energy sector has been growing rapidly. Blessed with 300 sunny days in a year and receiving an average hourly radiation of 200 MW/Sq km, India's theoretical solar power reception, on only its land area, is about 5 Petawatt-hours per year (PWh/yr) (i.e. 5 trillion kWh/yr or about 600 TW). The daily average solar energy incident over India varies from 4 to 7 kWh/m<sup>2</sup> with about 1500-2000 sunshine hours per year (depending upon location), which is far more than current total energy consumption. Just 1 % of the India's land area can meet India's entire electricity requirements till 2030. Solar Projects are the flavor of the season.

Over more than 487 million people without access to electricity. Power shortages are estimated at about 11 percent of total energy and 15 percent of peak capacity requirements, which is likely to increase in the coming years. The total solar power installed capacity in India stands at 1.686 GW as of 31st March 2013 out of a total of 28 GW of renewable power installed capacity (Source MNRE). For the growth of the Solar industry the National Solar Mission (NSM) has laid out an ambitious goal to make India the global leader in solar energy, and plans to develop capacity of 20 GW by 2020. India's power sector has a total installed capacity of 225.133 GW as of May 2013, the world's fifth largest. Captive power plants generate an additional 34.444 GW. Non Renewable Power Plants constitute 87.55% of the installed capacity and 12.45% of Renewable Capacity.

A productive solar manufacturing base to provide domestic solar components is an important part of India's aspirations to become

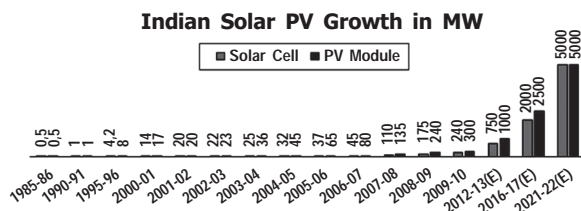
a major global solar player. The Mission aims to establish India as a solar manufacturing hub, to feed both a growing domestic industry as well as global markets. The NSM, while leveraging other government policies, looks to provide favorable regulatory and policy conditions to develop domestic manufacturing of low-cost solar technologies, with the support of significant capital investment and technical innovation

Solar manufacturing offers India a long-term opportunity to be a major global manufacturing nation, an avenue to achieve grid-parity with fossil fuel power generation, and greater flexibility to achieve a sustainable solar industry. Therefore, investing in solar manufacturing now can provide long-term strategic value for India. Domestic solar manufacturing can also accelerate the march toward grid-parity as in India. Much of the country does not have an electrical grid. According to KPMG report, it is projected that grid parity for utility-scale solar (PV and solar thermal) could be achieved between 2017 and 2020.

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 MNRE has set up target to add 14,500 MW by the end 2012, from new and renewable energy resources out of which 50 MW would be from solar energy. India has received committed investments to the tune of \$7 billion and additional to come in through the FDI and private sector route. The NSM also aims to transform India into a solar energy hub, making it a global leader in low-cost, high-quality solar manufacturing across the value chain. India has been ranked 7th worldwide for solar photovoltaic (PV) cell production. This capacity is growing rapidly due to the entry of various private players in manufacturing of solar energy equipment.

According to the authors, the Indian solar energy sector is estimated to grow at 25 percent year on year in next few years. New solar energy investments in India increased to more than ₹ 12,000 crore (\$2.5 billion) in 2011. Likewise, the Indian market demand is

expected to reach 200MW by the year 2012. Demand for solar products has been rapidly rising for the recent years, especially in rural areas, and is expected to continue growing substantially during our forecast period (2012-2013).



The Ministry of New and Renewable Energy (MNRE) has formulated a plan for increased exploitation of various renewable energy sources in the country during the 12th Plan period. Under the Jawaharlal Nehru National Solar Mission, deployment of 20,000 MW of grid-interactive solar power, 2000 MW off-grid applications, including 20 million solar lighting systems and 20 million sq. solar thermal collector areas is envisaged by 2022. Besides, it also supports sector specific resource assessment and R&D activities.

### 1.3 BUSINESS OUTLOOK:

As reported in last business plan the company has imported two cell line of 55MW each for integration for the existing manufacturing of Solar Modules. This has been done to increase the margin in value chain and also to comply with NVVN requirement of using indigenously manufactured cells for power projects to be allotted under JNNSM. Government of India is in the processing of implementing anti-dumping duty on import of cells for China, Taiwan, and Malaysia etc. The Company is awaiting for the policy announcement in this regard and after that the Company will implement the Cell manufacturing Plant. The company has taken conscious decision of deferring the implementation of the project till the situation improves for the cell manufacturing.

Looking forward, the Company's Business strategy shall be to focus on the following areas

- To explore and increase the Market share in grid connected Solar Projects
- Continue with existing off-grid market

with existing product mix and enlarge the market share.

- To enlarge the export market.
- To improve the relationship with customers by frequent interaction and continuous visiting to their places.
- To establish a separate cell for taking care of customer grievances.
- To participate in exhibitions in India and abroad to get visibility.
- To set up small solar power projects of 1-5 MW capacity under REC mechanism.

## 2. NON CONVENTIONAL ENERGY:

### 2.1 INTRODUCTION:

India is the 3rd largest annual wind power market in the world, and provides great business opportunities for both domestic and foreign investors. The Indian wind power sector experienced record annual growth in 2011 with the addition of more than 3 GW of new installations. Diverse incentives supported by a long-term policy and regulatory framework at the central and state levels have played a crucial role in achieving this goal. Since the 1980s the Government has taken various initiatives for developing the country's vast indigenous renewable energy resources. This includes the National Action Plan on Climate Change (NAPCC), and the current 12th five-year plan, which set long-term targets, that help in evolving a better investment environment for the wind sector. Wind power is now increasingly accepted as a major complementary energy source for securing a sustainable and clean energy future for India. India's energy consumption is increasing at one of the fastest rates in the world due to population growth and economic development. India's electricity demand is projected to more than triple between 2005 and 2030. India is emerging as a major wind turbine-manufacturing hub today. Increased domestic demand and expansion of the in-house manufacturing capacity of the Indian wind industry has resulted in attracting many new manufacturers into the fray.

As a part of its Corporate Social Responsibility and in view raising global concerns over Global warming, the Company in the year 2009-10



has forayed into the non conventional energy sector with wind power projects. The Company currently has an overall installed capacity of 2.40 MW comprising of 2 wind turbines of 1.65 MW and 0.75 MW capacity respectively at Tiruvaveli, Tamilnadu and Satara, Maharashtra State.

## **2.2 INDUSTRY ANALYSIS:**

The renewable energy sector has shown a tendency towards exceeding the targets set in the five-year plans. Presently, India has an installed power generation capacity of a little over 207.8 GW<sup>5</sup>, of which renewable account for about 25 GW and wind makes up a majority of this installed capacity. In April 2012, the Ministry for New and Renewable Energy constituted an Offshore Wind Energy Steering Committee under which Government is looking to prepare a time-bound action plan for development of offshore wind energy, especially in the coastal states of Andhra Pradesh, Gujarat, Maharashtra, Odisha, Kerala, Karnataka, West Bengal and Tamil Nadu. Given that renewable energy was about 2% of the energy mix in 1995, this growth is a significant achievement even in comparison with most developed countries. This was mainly spurred by a range of regulatory and policy support measures for renewable energy development that were introduced through legislation and market based instruments over the past decade. The 11th Plan had aimed to create 78.7 GW of additional capacity for grid connected power but actual realization was around 50 GW. The 12th Plan envisions installing 100 GW of new capacity of which 30 GW is projected to come from Renewable Energy Sources, of which wind would account for 15 GW. Historically the Indian wind energy sector has met and occasionally exceeded its allocated target.

Wind power is a mature and scalable clean energy technology where India holds a domestic advantage. India has an annual manufacturing capacity for over 9.5 GW of wind turbines today. The country is seeing about 3 GW in annual installations under the 12th Plan target. According to the World Energy Outlook, Total power capacity in India would reach 779 GW in 2035. To reach 779 GW in

2035, capacity must grow at a CAGR of 5.9 percent, or over 20 GW per year from 2009 through 2035. The largest addition per year up to now was nearly 18 GW during fiscal year 2011-2012. During fiscal year 2011-2012 wind energy alone delivered over 3GW to India's new installed capacity, accounting for over 16.5 percent of total new installed capacity.

Renewable energy is now 10.9% of installed capacity, contributing about 4.13% to the electricity generation mix, and wind power accounts for 70% of this installed capacity. Currently the wind power potential estimated by the Centre for Wind Energy Technology (C-WET) is 49.1 GW, but the estimations of various industry associations and the World Institute for Sustainable Energy (WISE) and wind power producers are more optimistic, citing a potential in the range of 65- 100 GW.

MNRE during the year 2011-12 introduced a Generation Based Incentive (GBI) Scheme to help more Independent Power Producers (IPPs) enter the arena. A GBI of ₹ 0.50 per kWh, with a cap of approximately \$33,000 per MW per year, totalling \$138,000 per MW over 10 years of a project's life is being offered under this scheme. The GBI is over and above the tariff approved by The Science and Engineering Research Council (SERC) and will be disbursed on a half yearly basis through the Indian Renewable Energy Development Agency (IREDA).

In March 2012, renewable energy accounted for 12.2 percent of total installed capacity, up from 2 percent in 1995. Wind power accounts for about 70 percent of this installed capacity. By the end of August 2012, wind power installations in India had reached 17.9 GW. Historically, wind energy has met and often exceeded the targets set for it under both the 10th Plan (2002-2007) and 11th Plan (2007-2012) periods. During the 10th Plan period the target set was of 1,500 MW whereas the actual installations were 5,427 MW. Similarly during the 11th Plan period the revised target was for 9,000 MW and the actual installations were much higher at 10,260 MW. According to the report of the group for the wind development appointed by the Ministry of New and

Renewable Energy to develop the approach paper for the 12th Plan period (April 2012 to March 2017) fixed a reference target of 15,000 M W in new capacity additions, and an aspirational target of 25,000 MW

The next FY presents a promising future for the growth of renewable energy technologies in general. The Indian market is emerging as one of the major manufacturing hubs for wind turbines in Asia. Currently, seventeen manufacturers have an annual production capacity of 7,500 MW. According to the WISE, the annual wind turbine manufacturing capacity in India is likely to exceed 17,000 MW by 2013. The Indian wind industry has not been significantly affected by the financial and economic crises. Even in the face of a global slowdown, the Indian annual wind power market has grown by almost 68%.

However, for India to reach its potential and to boost the necessary investment in renewable energy it will be essential to introduce comprehensive, stable and long-term support policies, carefully designed to ensure that they operate in harmony with existing state level mechanisms so as to avoid reducing their effectiveness. Lastly India's wind sector has tremendous job creation potential as the domestic industry grows. There is likely to be higher demand for trained manpower and accordingly, the technical training and academic curriculum across the States may need to be modified.

The wind energy sector expects to add 3000 MW in 2013, compared with 840 MW in the first half of last year. The Ministry has decided to permit the installation of a limited number of prototype wind turbines to facilitate indigenization and encourage national industry.

### 2.3 BUSINESS OUTLOOK:

The Company currently has an overall installed capacity of 2.40 MW comprising of 2 wind turbines of 1.65 MW and 0.75 MW capacity respectively. During the current financial year, the Company generated ₹ 2.07 crores of revenue as against ₹ 2.07 crores as of the previous year. However to focus on the core area of operation and expertise and due to

considerable delay in receiving the payment from Tamilnadu Electricity Board, the Company has disposed off one of the Wind Mill situated at Tenkasi, Tamil Nadu at prevailing Market Price during the year. The Company is keenly monitoring the performance of its Wind Mill. The Company will take suitable decision after proper due diligence.

### 3. RISKS AND CONCERNS

The Company's businesses and operations are subject to a variety of risks and uncertainties which are no different from any other company in general and our competitors in particular. Such risks are the result of both the business environment within which the Company operates and other factors over which there is little or no control. These risks can be categorised as operational, financial, environmental, health and safety, political, market-related and strategic risks. The Company has sufficient risk management policies in place that act as an effective tool in minimising the various risks that the businesses are exposed to during the course of their day-to-day operations as well as in their strategic actions.

### 4. 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 Luharka & 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.





## **5. FINANCIAL PERFORMANCE & OPERATIONAL PERFORMANCE:**

The financial performance of the Company for the year ended 31.03.2013 is summarized below

### **5.1 Financial Performance:**

#### **Capital Structure:**

The Equity Share Capital of the Company as on 31st March 2013 is ₹ 24,60,33,000/- comprising of 2,46,03,300 Equity Shares of ₹ 10/- each fully paid.

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

The Reserves and Surplus of the Company for the current year is ₹ 1,761.90 Lakhs as compared to ₹ 1,790.79 Lakhs in the previous year.

#### **Fixed Assets:**

During the year, the Company has added Fixed Assets amounting to ₹ 1,269.79 Lakhs making the gross fixed assets as on 31.03.2013 to ₹ 3,731.24 Lakhs.

#### **Inventories:**

Inventories amounted to ₹ 3,006.87 Lakhs as on 31st March, 2013 and in the previous year is ₹ 2,911.48 Lakhs.

#### **Sundry Debtors:**

Sundry Debtors amounted to ₹ 944.98 Lakhs as on 31st March, 2013 as against ₹ 402.95 Lakhs in the previous year.

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

Cash and Bank balances with Scheduled Banks amounted to ₹ 510.28 Lakhs as on 31st March, 2013 which includes amounts deposited with banks as Security and margin Money Deposit.

#### **Long Term Loans and Advances:**

Long Term Loans and Advances amounted to ₹ 166.83 Lakhs as on 31st March, 2013 as against ₹ 140.29 Lakhs in the previous year.

#### **Short Term Loans and Advances:**

Short Term Loans and Advances amounted to ₹ 430.22 Lakhs as on 31st March, 2013 as against ₹ 1,177.12 Lakhs in the previous year.

#### **Current Liabilities:**

Current Liabilities amounted to ₹ 3,426.18 Lakhs as on 31st March, 2013 as against ₹ 3,303.41 Lakhs in the previous year.

### **5.2. Operational Performance:**

#### **Turnover:**

During the year 2012-13, the gross turnover of the Company is ₹ 9,490.90 Lakhs and ₹ 7,266.86 Lakhs in the previous year.

Other Income is ₹ 63.73 Lakhs as on 31st March, 2013 and ₹ 120.56 Lakhs in the previous year.

#### **Depreciation:**

The Company has provided a sum of ₹ 231.94 Lakhs towards depreciation for the year and ₹ 223.07 Lakhs in the previous year.

#### **Net Profit:**

The Net Profit of the Company after tax is ₹ 258.96 Lakhs and the profit for the previous year is ₹ 32.11 Lakhs.

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

Basic Earnings per Share for the year ended 31.03.2013 is ₹ 1.05 Per share for Face Value of ₹ 10/- and ₹ 0.13 per share for the previous year.

## **6. 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 2013, the Company has a total strength of 95 employees.

## **7. 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.



## Independent Auditors' Report

The Members of  
Surana Ventures Limited, Secunderabad

### Report on Financial Statements

We have audited the accompanying financial statements of **Surana Ventures Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The management is responsible for preparation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards in Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- in the case of the Profit and Loss Account, of the profit for the year on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act we report that:
  - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Sekhar & Co.**

Chartered Accountants  
Firm Regn No : 003695 -S

**G. Ganesh**  
(Partner)

Place: Secunderabad

Date: 06th May 2013

Membership No: 211704



## **Annexure to the Independent Auditors' Report**

The Annexure referred to in the Independent auditors' report to the members of **Surana Ventures Limited** ("the Company"), on the financial statements for the period ended 31st March 2013, we report that:

### **1) Fixed Assets**

- a) The Company has maintained proper records showing full particulars, including quantitative details of fixed assets
- b) The Company has conducted physical verification of fixed assets during the year. In our opinion, this physical verification is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) During the period, the Company has discarded certain items of its fixed assets. In our opinion and according the information and explanations given to us, the aforesaid disposal has not affected the going concern assumption.

### **2) Inventories**

- a) The inventories have been physically verified by the company during the period. In our opinion the frequency of such verification is reasonable.
- b) The procedures for the physical verification of Inventories followed by the management are reasonable and adequate to the size of the Company and nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification between physical stocks and the book records are not material.

### **3) Loans to and from Parties (Companies, firms or such other parties) listed in the register maintained under section 301 of the Act, hence forth referred to as parties, amounts in Rupees.**

- a) The company has granted loans which are not secured to "2" (two) parties during the year. The Maximum amount involved and the year end outstanding is ₹ 26,54,495.
- b) The Loans are given free of interest and without any specific terms of repayment. However keeping in view the investment and amount involved we are of opinion, the rate of interest and other terms and conditions of such loan are not, prima facie, prejudicial to the interest of the Company.
- c) There being no interest payable and no specific terms of repayment of principal we have nothing to comment about the

status of payment of interest or principal. Hence we have also not reported on sub-clause d of clause 3 of paragraph 4 of the 'Order'.

- d) The company has taken loan from "4" (four) parties during the year. The Maximum amount involved and the year end outstanding are ₹ 32,90,17,406 and ₹ 10,44,09,656 respectively.
- e) In our opinion the terms of interest and other terms and conditions on which the loan has been taken from such parties are not prima facie prejudicial to the interest of the Company.
- f) The company is regular in payment of principal amounts as stipulated and has been regular in payment of interest.

- 4) **Internal Control:-** In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventories and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of audit.

### **5) Arrangement & Transactions with parties covered under Section 301 of the Act.**

- a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of ₹ 5 Lakhs, for goods and services for which suitable alternative sources are not available to obtain comparable quotations. Hence it is not possible for us to comment whether above contracts and arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- 6) **Deposits from Public:** In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits covered under Section 58A and 58AA of the Act.

- 7) **Internal Audit:** In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- 8) **Cost Records:** We have broadly reviewed the books of account maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1) (d) of the Act in respect of products sold by the Company and are of the opinion that prima facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the records.
- 9) **Statutory Dues:**
- a) According to the information and explanations given to us and on the basis of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise duty, Investor Education and Protection Fund, Service tax, Cess and material statutory dues have been deposited regularly but for some minor delays during the year by the company with the appropriate authorities.
- There were no dues on account of Cess under Section 441A of the Act since the aforesaid Section comes into force has not yet been notified by the Central Government.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, Investor Education and Protection Fund, Service Tax, Cess and other material statutory dues which were in arrears as at March 31, 2013 for a period more than six months from the date they became payable.
- b) According to the information and explanations give to us, there are no dues in respect of Income Tax, Sales Tax, Service Tax, Excise Duty and such other taxes as detailed have not been deposited with appropriate authorities on account of disputes. According to the information and explanations given to us there are no other amounts not deposited with appropriate authorities on account of dispute.
- 10) **Accumulated Losses & Cash Loss:** As on date of Balance Sheet there are no accumulated Losses and the company has not incurred any cash loss during the year or the immediately preceding financial year.
- 11) **Dues to Banks and Financial Institutions:** In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures at the end of the year.
- 12) **Loans on Security of Shares, debentures and other Securities:** The Company has maintained adequate records for the loans granted loans and advances on the basis of security of shares and properties.
- 13) **Nidhi chit fund Companies:** In our opinion and according to the information and explanations given to us the company is not a nidhi / mutual benefit fund/society.
- 14) **Dealing in/Trading in Securities:** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
- 15) **Guarantees on behalf of others:** In our opinion, the terms and conditions on which the company has given guarantee for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
- 16) **Usage of Term Loans:** In our opinion the term loans raised during the year are applied for the purpose they are raise.
- 17) **Usage of Short Term Funds:** According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used for long term investment.
- 18) **Preferential allotments:** The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
- 19) **Debentures:** The Company did not have any outstanding debentures during the year.
- 20) **Public Issue:** The Company has not raised any money by public issues during the year.
- 21) **Fraud:** According to the information and explanations given to us, no material fraud on the Company has been noticed or reported during the course of the Audit.

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

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

Place: Secunderabad  
Date: 06th May 2013



## Balance Sheet as at 31st March, 2013

(Amount in ₹)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders' Funds</b>			
Share Capital	2.1	246,033,000	246,033,000
Reserves and Surplus	2.2	176,190,015	179,079,210
		<b>422,223,015</b>	425,112,210
(2) <b>Non-Current Liabilities</b>			
Long-Term Borrowings	2.3	176,382,832	21,972,554
Deferred Tax Liabilities (Net)		6,819,411	4,411,411
		<b>183,202,243</b>	26,383,965
(3) <b>Current Liabilities</b>			
Short-Term Borrowings	2.4	114,743,403	229,797,823
Trade Payables	2.5	172,362,798	41,970,539
Other Current Liabilities	2.6	26,577,460	44,125,258
Short-Term Provisions	2.7	28,934,800	14,447,290
		<b>342,618,461</b>	330,340,910
<b>TOTAL</b>		<b>948,043,719</b>	<b>781,837,085</b>
<b>II. ASSETS</b>			
(1) <b>Non-Current Assets</b>			
Fixed Assets			
(a) Tangible Assets	2.8	313,231,626	263,158,751
(b) Intangible Assets	2.9	8,852,568	16,971,381
(c) Capital Work-in-Progress		114,648,767	12,861,585
Non-Current Investments	2.10	300,000	200,000
Long-Term Loans and Advances	2.11	16,683,317	14,028,823
Other Non-Current Assets	2.12	—	—
		<b>453,716,277</b>	307,220,540
(2) <b>Current Assets</b>			
Inventories	2.13	300,686,644	291,147,727
Trade Receivables	2.14	94,497,876	40,295,111
Cash and Cash Equivalents	2.15	51,027,859	20,283,487
Short-Term Loans and Advances	2.16	43,021,820	117,712,043
Other Current Assets	2.17	5,093,243	5,178,177
		<b>494,327,442</b>	474,616,545
<b>TOTAL</b>		<b>948,043,719</b>	<b>781,837,085</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	1 & 2		

As per our report attached

**For Sekhar & Co**

Chartered Accountants

Firm's Regn. No. 003695-S

**For Surana Ventures Limited**
**G. Ganesh**

Partner

Membership No : 211704

**G. M. Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Director

Place : Secunderabad

Date : May 06, 2013

**Manish Surana**

Director Fin &amp; Tech

## Statement of Profit and Loss for the year ended 31st March 2013

(Amount in ₹)

Particulars	Note No.	For the year 31.03.2013	For the year 31.03.2012
<b>I. INCOME</b>			
Revenue From Operations (Net )	2.18	949,090,083	726,686,397
<b>II. Other Income</b>	2.19	6,372,910	12,055,754
<b>TOTAL REVENUE</b>		<b>955,462,993</b>	<b>738,742,151</b>
<b>III. EXPENSES</b>			
Cost of Materials Consumed	2.20	801,127,323	534,392,826
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	2.21	(88,774,188)	(555,767)
Manufacturing Expenses	2.22	67,485,437	78,345,328
Employee Benefit Expenses	2.23	30,054,069	26,047,163
Finance Costs	2.24	29,828,921	35,703,280
Depreciation and Amortisation Expenses	2.25	23,193,503	22,306,534
Other Expenses	2.26	48,693,874	30,690,918
<b>TOTAL EXPENSES</b>		<b>911,608,939</b>	<b>726,930,282</b>
<b>IV. Profit before exceptional and Extraordinary Items and tax</b>		<b>43,854,054</b>	<b>11,811,869</b>
<b>V. Amortisation of Intangible Assets</b>		<b>8,118,813</b>	<b>7,385,064</b>
<b>VI. Prior Period Adjustment</b>		<b>(176,715)</b>	<b>–</b>
<b>VII. Profit before Extraordinary Items and Tax</b>		<b>35,911,956</b>	<b>4,426,805</b>
<b>VIII. PROFIT BEFORE TAX</b>		<b>35,911,956</b>	<b>4,426,805</b>
<b>IX. TAX EXPENSE</b>			
(a) Current tax Expense		7,200,000	800,000
(b) Deferred tax Expense		2,408,000	513,800
(c) MAT tax Expense/ (Credit)		–	(97,816)
(d) Taxes for Earlier Years		408,349	–
<b>X. PROFIT AFTER TAX</b>		<b>25,895,607</b>	<b>3,210,821</b>
<b>XI. Earning Per Equity Share</b>			
(a) Basic		1.05	0.13
(b) Diluted		1.05	0.13
No. of Shares		24,603,300	24,603,300
<b>Significant Accounting Policies and Notes to Accounts</b>	<b>1 &amp; 2</b>		

As per our report attached

**For Sekhar & Co**

Chartered Accountants

Firm's Regn. No. 003695-S

**G. Ganesh**

Partner

Membership No : 211704

Place : Secunderabad

Date : May 06, 2013

**For Surana Ventures Limited****G. M. Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Director

**Manish Surana**

Director Fin &amp; Tech



## Cash Flow Statement for the year ended 31st March, 2013

(Amount in ₹)

Particulars	2012-13	2011-12
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax and after interest as per profit and loss accounts	35,911,956	4,426,805
<b>Adjustments for :</b>		
Depreciation	22,546,027	21,659,057
Amortisation of Lease Rent	647,476	647,477
Amortisation of Goodwill and Other Intangible Assets	8,118,813	7,385,064
Preliminary Exp Written Off	-	17,778
Prior Period Adjustments	(169,754)	-
Sundry Balance Writtern Off	942,534	2,605,455
Sundry Balance Writtern Back	(1,195,672)	(906,073)
Interest Paid	29,828,921	35,703,280
Profit on Sale of Fixed Assets	12,821,328	(2,240,823)
Interest & Dividend Received	(3,548,984)	(7,896,043)
	<b>69,990,689</b>	<b>56,975,172</b>
<b>Operating Profit before Working Capital Changes</b>	<b>105,902,645</b>	<b>61,401,977</b>
<b>Adjustments for :</b>		
Inventories	(9,538,917)	(17,625,719)
Loans and Advances	(27,055,071)	22,119,509
Changes in Other Current Assets	84,934	29,657,812
Receivables	(55,145,299)	5,735,404
Trade Payables and Other Liabilities	113,022,675	(17,277,990)
	<b>21,368,322</b>	<b>22,609,016</b>
<b>Cash generated from Operations</b>	<b>127,270,967</b>	<b>84,010,993</b>
<b>Adjustments for :</b>		
Direct Taxes Paid for Current Year (Net)	(4,694,574)	(7,164,945)
	<b>(4,694,574)</b>	<b>(7,164,945)</b>
<b>Net Cash from Operating Activities</b>	<b>122,576,393</b>	<b>76,846,048</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend Received	315,130	472,150
Interest Received	2,701,698	6,875,181
Investment in Subsidiary	(100,000)	-
Purchase of Fixed Assets	(228,766,592)	(31,195,206)
Loans to Subsidiary & Associate	(2,654,495)	-
Sale of Fixed Assets	40,891,706	9,659,590
Capital Advances	98,831,519	(30,489,789)
<b>Net Cash (used in)/from Investing Activities</b>	<b>(88,781,033)</b>	<b>(44,678,074)</b>

(Contd.)

## Cash Flow Statement (Contd.)

(Amount in ₹)

Particulars	2012-13	2011-12
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase in Secured Loans	105,763,756	29,495,678
Increase in Unsecured Loans	(68,549,054)	64,195,000
Repayment of Debentures	—	(60,000,000)
Interest Paid on Borrowings	(26,263,640)	(35,205,765)
Dividend Paid	(14,002,049)	(28,689,910)
<b>Net Cash (used in)/from Financing Activities</b>	<b>(3,050,987)</b>	<b>(30,204,997)</b>
<b>NET CASH GENERATED/(UTILISED)</b>	<b>30,744,373</b>	<b>1,962,977</b>
Reconciliation: See Note 2 & 3 below		
<b>Opening Cash and Cash Equivalent</b>	<b>20,283,486</b>	<b>18,320,510</b>
<b>Closing Cash and Cash Equivalent</b>	<b>51,027,859</b>	<b>20,283,486</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>30,744,373</b>	<b>1,962,977</b>

## Notes

- 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 and Ministry of Company Affairs.
- The Cash and Cash Equivalents as per the Balance Sheet

	2012-2013	2011-2012	Change Over previous Year
Cash in Hand	207,776	166,382	41,394
Balances with Banks	49,832,640	19,661,817	30,170,823
Accrued interest on fixed deposits with Banks	987,443	455,287	532,156
<b>TOTAL</b>	<b>51,027,859</b>	<b>20,283,486</b>	<b>30,744,373</b>

- Previous figures are regrouped wherever required to make comparable with current year.
- The following items of cash and Cash Equivalents are not available for use by the company.

	2012-13	2011-12
<b>Balances with Banks</b>	<b>787,624</b>	<b>492,383</b>
In Dividend account		
Maturity of Deposits less than 12 months	36,586,766	10,930,862
Accrued interest on fixed deposit with banks	987,443	455,287
<b>TOTAL</b>	<b>38,361,8333</b>	<b>11,878,532</b>

- Notes to Accounts forms an integral part of Cash Flow Statement.

As per our report attached

For Surana Ventures Limited

**For Sekhar & Co**

Chartered Accountants

Firm's Regn. No. 003695-S

**G. Ganesh**

Partner

Membership No : 211704

Place : Secunderabad

Date : May 06, 2013

**G. M. Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Director

**Manish Surana**

Director Fin &amp; Tech



**Notes to financial statements****1. Significant Accounting Policies****i. Basis of Preparation of Financial Statements**

The financial statements of Surana Ventures Limited ('the company') have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis.

The Company has prepared these Financial Statements as per the format prescribed by Revised Schedule VI to the Companies Act, 1956 issued by Ministry of Corporate Affairs. Previous period's figures have been recast/ restated to conform to the classification required by the Revised Schedule VI.

**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 amortized over the lease period and the annual lease rentals are charged to Profit and Loss Account in the year it accrues.

**v. Deferred Revenue Expenditure**

Expenses which in the opinion of the management will give a benefit beyond three years are Deferred Revenue Expenditure and amortised over 3 to 5 years. Goodwill is amortised over period of 5 years and certification fees is amortised over a period of 3 years.

**vi. 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.

**vii. 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.

**viii. Investments**

Current Investments are carried at the lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost less any permanent diminution in value, determined separately for each individual investment 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.

**ix. 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 releasable value whichever is lower. Cost includes Direct Material, Labour cost and appropriate overheads.

**x. Foreign Currency Transactions**

- Gains and Losses on account of exchange differences existing out of reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements , in so far as they relate to the acquisition of a depreciable capital asset can be added or deducted from the cost of asset and shall be depreciated over the balance life of asset and in other cases ,it can be accumulated in a "foreign currency monetary item transaction Difference Account" in the enterprises financial statements and amortized over the balance period of such long asset/liability.

- In respect of Purchases/Sales in normal course of business, the Gain/Loss is charged to Profit and Loss Account.

**xi. 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 actuarial valuation on actual entitlement of eligible employees at the end of the year.

**xii. 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.

**xiii. Turnover**

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

**xiv. Revenue Recognition**

Dividend income is recognized when the unconditional right to receive the income is established. Income from sale of VER is accounted as and when sold to customers.

**xv. Government Grants**

Grants received against capital items carrying cost of asset is adjusted against the cost of the asset on actual receipt of the money from the government.

Assets received as grant free of cost are recorded at nominal value of ₹ 1 transfer of possession.

Compensation/Reimbursement of specific revenue items are adjusted in the year of receipt against the respective revenue items on receipt basis.

**xvi. 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.

Inter-Segment transfers are done at cost.

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.

**xvii. 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 reassess realization.

**xviii. 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.

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

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

**xx. Borrowing Costs**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit & Loss Account.

**xxi. 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.



# Notes to Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2013	As at 31.03.2012	
<b>Note : 2.1</b>				
<b>SHARE CAPITAL</b>				
<b>a. Authorized</b>				
5,00,00,000 (March 31, 20112 : 5,00,00,000)				
equity shares of ₹ 10/- each.				
<b>TOTAL</b>		<b>500,000,000</b>	500,000,000	
<b>b. Issued, subscribed and paid-up capital</b>				
2,46,03,300 (March 31, 2012 : 2,46,03,300)				
equity shares of ₹ 10/- each fully paid up				
<b>TOTAL</b>		<b>246,033,000</b>	246,033,000	
<b>Notes: Historical data of Equity Share Capital in past five years</b>				
	<b>Year</b>	<b>No. of Shares</b>		
Year of Incorporation	2006-07	50,000		
Private Placement to Promoters & Group Companies	2007-08	950,000		
Private Placement to Promoters & Group Companies	2008-09	14,000,000		
Reduction on Conversion to Debentures	2010-11	(6,000,000)		
Allotment Pursant to Scheme of Merger	2010-11	15,603,300		
<b>Total Share Capital</b>		<b>24,603,300</b>		
<b>2.1 (a)</b> There were no Bonus Issues, Forefieted Shares and Buy Back of Shares in last five years.				
<b>2.1 (b) Issued, subscribed and paid-up capital</b>				
Equity shareholder holding morethan 5% of equity shares along with the number of equity shares held is as given below:				
<b>Name of the Shareholder</b>	<b>As at March 31, 2013</b>		<b>As at March 31, 2012</b>	
	<b>%</b>	<b>No of shares</b>	<b>%</b>	<b>No of shares</b>
Bhagyanagar India Limited	23.52	5,787,946	23.52	5,787,946
Surana Telecom and Power Limited	17.92	4,410,000	17.92	4,410,000
Narender Surana	10.93	2,689,630	10.79	2,656,927
Devendra Surana	9.26	2,279,520	9.24	2,273,020
<b>Note : 2.2</b>				
<b>RESERVES AND SURPLUS</b>				
<b>(a) General Reserves</b>				
Balance as per the Last Financial Statements		135,000,000		50,000,000
Add: Transferred from Debenture Redemption Reserve		-		60,000,000
Add: Transferred from Surplus		25,000,000		25,000,000
<b>Closing Balance</b>		<b>160,000,000</b>		135,000,000
<b>(b) Debenture Redumption Reserve</b>				
Balance as per the Last Financial Statements		-		60,000,000
Less: Transferred from General Reserve		-		60,000,000
<b>Closing Balance</b>		-		-
<b>(c) Surplus</b>				
Balance as per the Last Financial Statements		44,079,208		80,165,680
Add: Profit for the Peirod / Year		25,895,607		3,210,820
Amount Available for Appropriation		69,974,815		83,376,500
Less: Appropriations				
Proposed Equity Dividend		24,603,300		12,301,650
Tax on Proposed Equity Dividend		4,181,500		1,995,640
Transfer to General Reserve		25,000,000		25,000,000
<b>Net Surplus in the statement of Profit and loss</b>		<b>16,190,015</b>		44,079,210
<b>TOTAL</b>		<b>176,190,015</b>		179,079,210

## Notes to Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2013	As at 31.03.2012
<b>Note : 2.3</b>			
<b>LONG-TERM BORROWINGS</b>			
<b>Secured</b>			
(a) Buyers Credit from Bank	2.3 (a)	68,937,820	-
(b) Car Loan from Bank	2.3 (b)	3,035,356	1,597,554
<b>Unsecured</b>			
(a) Loans and Advances from Related Parties	2.3 (c)	104,409,656	20,375,000
<b>TOTAL</b>		<b>176,382,832</b>	<b>21,972,554</b>

**Notes:****2.3 (a) Buyer's Credit from Banks**

Cash Credit & Buyer's Credit from scheduled Banks is secured by hypothecation of stock, Trade receivables and first pari-passu charge on specific fixed assets of the company. Further, it has been guaranteed by the Managing Director and Director. Accordingly due with in a Year is ₹ 11,47,06,312/- which is classified under Short Term Borrowings.

**2.3 (b) Car Loan from Bank**

Car loan from HDFC Bank Ltd is secured against hyphotication of Car. The loan was taken during the Financial Year 2012-13 and is repayable in monthly installment of ₹ 1,31,972/- each. Accordingly due with in a year is ₹ 15,83,664/- which is clasified under Current Liabilities.

**2.3 (c) Loan from Related Parties**

Name of the Company	Balance as on 31.03.2013	Balance as on 31.03.2012
Value Infrastructure & Properties Private Limited	21,235,620	20,375,000
Surana Infocom Private Limited	83,174,036	-
<b>TOTAL</b>	<b>104,409,656</b>	<b>20,375,000</b>

**Note: 2.4****SHORT-TERM BORROWINGS****Secured**

(a) Cash Credit from Bank	37,091	26,935,651
(b) Buyers Credit from Bank	114,706,312	52,862,172

**Unsecured**

(a) Loans and Advances from Related Parties	2.4 (a)	-	150,000,000
<b>TOTAL</b>		<b>114,743,403</b>	<b>229,797,823</b>

**Notes:****2.4 (a) Loan from related Parties**

Name of the Company	Balance as on 31.03.13	Balance as on 31.03.12
Bhagyanagar India Ltd	-	150,000,000
<b>TOTAL</b>	<b>-</b>	<b>150,000,000</b>



## Notes to Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2013	As at 31.03.2012
<b>Note: 2.5</b>			
<b>TRADE PAYABLES</b>			
Sundry Creditors - Others	2.5 (a)	<b>172,362,798</b>	41,970,539
<b>TOTAL</b>		<b>172,362,798</b>	41,970,539

**Notes:**

2.5 (a)	<b>Due to Related Parties</b>	<b>Balance as</b>	<b>Balance as</b>
	<b>Name of the Company</b>	<b>on 31.03.13</b>	<b>on 31.03.12</b>
	Surana Telecom & Power Limited	<b>5,324,479</b>	—
	<b>TOTAL</b>	<b>5,324,479</b>	—

2.5 (b) In case of Trade payables, Letters seeking confirmation of year-end balances are sent to the respective parties. Hence the Balances are subject to confirmation and reconciliation. Further, as per the information about the industrial status of the creditor there are no dues to any micro and small enterprises under the micro small and medium enterprises development act 2006.

**Note: 2.6**
**OTHER CURRENT LIABILITIES**

(a)	Current Maturities on Long Term Debt (Secured)		
	- Car Loan from Axis Bank Ltd	<b>1,597,554</b>	2,738,664
	- Car Loan from HDFC Bank Ltd	<b>1,583,664</b>	—
(b)	Unclaimed Dividends	<b>787,624</b>	492,383
(c)	Provision for Interest on Buyer's Credit	<b>1,199,423</b>	497,515
(d)	Other Liabilities	<b>4,491,401</b>	2,550,372
(e)	Advance from Customers	<b>16,917,794</b>	37,846,324
	<b>TOTAL</b>	<b>26,577,460</b>	44,125,258

**Notes:**

2.6 (a) Provision for Interest on Buyer's Credit from Banks has been made on Proportionate Basis

**Note: 2.7**
**SHORT-TERM PROVISIONS**

(a)	Provision for Employee benefits-Bonus	<b>150,000</b>	150,000
(b)	Proposed Equity Dividend	<b>24,603,300</b>	12,301,650
(c)	Provision for Tax on Proposed Equity Dividend	<b>4,181,500</b>	1,995,640
	<b>TOTAL</b>	<b>28,934,800</b>	14,447,290

**Note: Proposed Equity Dividend**

2.7 (a) The Board of Directors have recommended a dividend of ₹ 1/- per share for the year ended 31st March, 2013 (Previous Year ₹ 0.50/- per share)

## Notes to Consolidated Balance Sheet

### ANNEXURE: 2.8 TANGIBLE ASSETS

(Amount in ₹)

Particulars	Freehold Land	Leasehold Land	Commercial Buildings	Plant & Machinery	Wind Power Plant	Electrical Installation	Office Equipment	Vehicles	Furniture & Fixtures	Computer	Grand Total
<b>A. Gross Block</b>											
At 1st April, 2011*	6,321,397	20,287,626	20,892,654	46,282,093	186,284,200	616,802	647,611	13,791,322	17,594	826,100	295,967,399
Additions*	-	-	-	18,477,604	-	-	463,734	1,699,456	15,565	28,500	20,684,859
Disposals*	-	-	-	(6,098,457)	-	-	-	(2,676,064)	-	-	(8,774,521)
At 31st March, 2012*	6,321,397	20,287,626	20,892,654	58,661,240	186,284,200	616,802	1,111,345	12,814,714	33,159	854,600	307,877,737
Additions	120,100	-	51,298,512	55,337,523	-	12,403,438	1,947,467	5,291,620	443,725	137,025	126,979,410
Disposals	(1,620,100)	-	-	(5,112,800)	(55,000,000)	-	-	-	-	-	(61,732,900)
At 31st March, 2013	4,821,397	20,287,626	72,191,166	108,885,963	131,284,200	13,020,240	3,058,812	18,106,334	476,884	991,625	373,124,247
<b>B. Depreciation</b>											
At 1st April, 2011*	-	647,477	4,342,483	7,402,792	8,912,498	85,797	81,250	1,967,371	2,142	326,394	23,768,204
Charge for the Year*	-	647,477	1,655,017	6,518,503	9,835,806	73,863	103,882	3,257,078	4,063	210,845	22,306,534
Disposals*	-	-	-	(257,367)	-	-	-	(1,098,386)	-	-	(1,355,753)
At 31st March, 2012*	-	1,294,954	5,997,500	13,663,928	18,748,304	159,660	185,132	4,126,063	6,205	537,239	44,718,995
Charge for the Year	-	647,476	2,409,574	6,998,868	8,625,806	399,198	193,175	3,739,602	31,726	148,076	23,193,502
Disposals	-	-	-	(509,910)	(7,509,956)	-	-	-	-	-	(8,019,866)
At 31st March, 2013	-	1,942,430	8,407,074	20,152,886	19,864,153	558,858	378,308	7,865,665	37,931	685,316	59,892,621
<b>C. Net Block (A-B)</b>											
At 31st March, 2012	6,321,397	18,992,672	14,895,154	44,997,312	167,535,896	457,142	926,213	8,688,651	26,954	317,361	263,158,752
At 31st March, 2013	4,821,397	18,345,196	63,784,092	88,733,077	111,420,047	12,461,382	2,680,504	10,240,669	438,953	306,309	313,231,626

\*Previous Year Figures represents only Standalone Figures.



## Notes to Balance Sheet

Particulars	Goodwill	Certification & License	Grand Total
	Refer Note a	Refer Note b	
ANNEXURE: 2.9 INTANGIBLE ASSETS			
A. Gross Block			
At 1st April, 2011	28,561,926	-	28,561,926
Additions	-	2,935,000	2,935,000
Disposals	-	-	-
At 31st March, 2012	28,561,926	2,935,000	31,496,926
Additions	-	-	-
Disposals	-	-	-
At 31st March, 2013	28,561,926	2,935,000	31,496,926
B. Depreciation			
At 1st April, 2011	7,140,481	-	7,140,481
Charge for the Year	7,140,481	244,583	7,385,064
Disposals	-	-	-
At 31st March, 2012	14,280,962	244,583	14,525,545
Charge for the Year	7,140,480	978,333	8,118,813
Disposals	-	-	-
At 31st March, 2013	21,421,442	1,222,916	22,644,358
C. Net Block (A-B)			
At 31st March, 2012	14,280,964	2,690,417	16,971,381
At 31st March, 2013	7,140,484	1,712,084	8,852,568

**Notes:**

- (a) Goodwill was created upon scheme of merger of Solar Division of Surana Telecom and Power Ltd, is to be amortised over a period of 5 years beginning from the year 2009-10.
- (b) Represents the amount spent for obtaining the IEC Certificate for testing of PV Modules and is to be amortised with in three years beginning from the Current Financial Year.

**Note: 2.10****NON-CURRENT INVESTMENTS****Non-Trade Investments (Valued at Cost, Unless Otherwise Specified)****Investment in Equity Instruments (Unquoted)****a) In Associate Company**

- (i) 20000 (March 31, 2012 : 20000)  
Equity Shares of Rs 10/- each of **200,000** 200,000  
Solar World Exchange Pvt Ltd (fully paid up)

**b) In Subsidiary Company**

- (i) 10000 (March 31, 2012: -Nil-) equity shares of Rs 10/- each of **100,000** -  
Surana Solar Systems Pvt Ltd (fully paid up)

**TOTAL** **300,000** 200,000



## Notes to Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2013	As at 31.03.2012
<b>Note: 2.11</b>			
<b>LONG-TERM LOANS AND ADVANCES</b>			
<b>(Unsecured, considered good)</b>			
(a) Security Deposits			
Deposits		1,400,000	1,400,000
(b) Loans and Advances to Related Parties			
Loans to Associate	2.11 (a)	129,775	-
Loans to Subsidiary	2.11 (b)	2,524,720	-
(c) Others			
Minimum Alternate Tax Credit Entitlement		12,628,822	12,628,823
<b>TOTAL</b>		<b>16,683,317</b>	<b>14,028,823</b>

**Notes:**

<b>2.11 (a) Loan to Associate Company</b>	<b>Balance as</b>	<b>Balance as</b>
<b>Name of the Company</b>	<b>on 31.03.2013</b>	<b>on 31.03.2012</b>
Solar World Exchange Pvt Ltd	129,775	-
<b>TOTAL</b>	<b>129,775</b>	<b>-</b>
<b>2.11 (b) Loan to Subsidiary Company</b>	<b>Balance as</b>	<b>Balance as</b>
<b>Name of the Company</b>	<b>on 31.03.2013</b>	<b>on 31.03.201</b>
Surana Solar Systems Private Limited	2,524,720	-
<b>TOTAL</b>	<b>2,524,720</b>	<b>-</b>

**Note: 2.12****OTHER NON-CURRENT ASSETS**

Preliminary Expenses not written Off		
Opening Balance	-	17,778
Less:Written off During the Year	-	17,778
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**Note: 2.13****INVENTORIES**

(As taken, Valued &amp; Certified by the Management)

(Valued at lower of cost or net realizable value)

a) Raw Materials	146,819,539	224,290,204
b) Work-in-Progress	6,103,807	32,569,000
c) Finished Goods	147,763,298	32,523,917
d) Material -in-Transit	-	1,764,606
<b>TOTAL</b>	<b>300,686,644</b>	<b>291,147,727</b>

**Note: 2.14****TRADE RECEIVABLES**

(Unsecured, considered good unless stated otherwise)

(a) Aggregate Amount of Trade Receivables		
Outstanding for a Period Less Than Six Months	2.14 (a)	87,175,970
(b) Aggregate Amount of Trade Receivables		
Outstanding for a Period Exceeding Than Six Months		7,321,906
<b>TOTAL</b>		<b>94,497,876</b>



## Notes to Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2013	As at 31.03.2012
<b>Notes:</b>			
<b>2.14 (a) Due from Related Parties</b>		<b>Balance as</b>	<b>Balance as</b>
Name of the Company		<b>on 31.03.2013</b>	<b>on 31.03.2012</b>
Bhagyanagar India Limited		<u>29,768,219</u>	<u>-</u>
<b>TOTAL</b>		<u><b>29,768,219</b></u>	<u><b>-</b></u>

**2.14 (b)** In case of Trade Receivables Letters of Confirmation of year end balances are sent. Hence, the balances as on the date of Balance Sheet are subject to Confirmation and Reconciliation.

### Note: 2.15

#### CASH AND BANK BALANCES

(a) Balance with Banks			
- in Current Account		<b>12,458,250</b>	8,238,572
- in Unclaimed Dividend Account		<b>787,624</b>	492,383
- Deposit held to the extent of Margin Money		<b>36,368,766</b>	10,712,862
(b) In Fixed Deposit Account			
- Maturity of Deposits Less Than 12 Months		-	-
- Maturity of Deposits More Than 12 Months		<b>218,000</b>	218,000
(c) Cash on Hand		<b>207,776</b>	166,382
(d) Accrued interest on Fixed Deposits with Banks		<b>987,443</b>	455,287
<b>TOTAL</b>		<u><b>51,027,859</b></u>	<u><b>20,283,486</b></u>

### Note: 2.16

#### SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good, Unless otherwise stated)

(a) Capital Advances			
Advance for Machinery and Other Capital Items-Unsecured		<b>8,133,470</b>	52,489,789
Advance for Machinery and Other Capital Items- Secured (Secured by Way of Bank Guarantee of Equal Amount)		-	54,475,200
(b) Other Loans & Advances			
Advance Income Tax & TDS (Net of Provisions)		<b>1,433,124</b>	4,346,899
Advances to Suppliers		<b>30,641,373</b>	2,090,283
Other Advances		<b>2,123,113</b>	700,832
(c) Deposits			
E.M.D		<b>326,440</b>	3,363,840
Other Deposit		<b>364,300</b>	245,200
<b>TOTAL</b>		<u><b>43,021,820</b></u>	<u><b>117,712,043</b></u>

### Note: 2.17

#### OTHER CURRENT ASSETS:

(Considered good unless otherwise stated)

(a) Secured			
Loans Against Pledge of Securities		<b>5,093,243</b>	5,178,177
<b>TOTAL</b>		<u><b>5,093,243</b></u>	<u><b>5,178,177</b></u>

**Notes to Statement of Profit and Loss**

(Amount in ₹)

Particulars	Sub Note	For the year 31.03.2013	For the year 31.03.2012
<b>Note: 2.18</b>			
<b>REVENUE FROM OPERATIONS</b>			
Revenue			
From Solar Products		950,822,275	737,902,173
From Wind Power		20,691,471	20,695,175
<b>Sub Total</b>		<b>971,513,746</b>	<b>758,597,348</b>
Less: Inter-Unit Sales		22,423,663	31,910,951
<b>Net Revenue From Operations</b>		<b>949,090,083</b>	<b>726,686,397</b>
<b>Note: 2.19</b>			
<b>OTHER INCOME</b>			
(a) Interest Income			
Interest on Loans, Deposits and Others		3,233,854	7,423,893
(b) Dividend Income		315,130	472,150
(c) Other Non-Operating Income			
Profit on Sale of Fixed Assets		1,523,687	2,240,823
Miscellaneous Income		104,567	1,012,815
Balances No Longer Payable Written Back		1,195,672	906,073
<b>TOTAL</b>		<b>6,372,910</b>	<b>12,055,754</b>
<b>Note: 2.20</b>			
<b>COST OF RAW MATERIAL CONSUMED</b>			
Opening Stock of Raw Materials		224,290,204	208,984,857
Opening Stock of Material in Transit		1,764,606	-
Add: Purchases including Incidental Charges		744,315,715	583,373,729
Less: Closing Stock of Raw Materials		146,819,539	224,290,204
Less: Material -in-Transit		-	1,764,606
Less: Inter-Unit Purchases		22,423,663	31,910,951
<b>TOTAL</b>		<b>801,127,323</b>	<b>534,392,825</b>
<b>Note: 2.21</b>			
<b>CHANGES IN INVENTORIES</b>			
Opening Stock- WIP		32,569,000	37,377,172
Opening Stock - Finished Goods		32,523,917	27,159,978
Less: Closing Stock -WIP		6,103,807	32,569,000
Less: Closing Stock - Finished Goods		147,763,298	32,523,917
<b>TOTAL</b>		<b>(88,774,188)</b>	<b>(555,767)</b>
<b>Note: 2.22</b>			
<b>MANUFACTURING EXPENSES</b>			
Consumption of Stores and Spare Parts		8,063,915	6,504,441
Processing & Conversion Charges		9,985,805	23,644,629
Power and Fuel		7,648,563	5,263,333
Packing & Forwarding		14,796,798	14,366,681
Taxes Paid			
- Service Tax		274,072	246,371
- Sales Tax		23,291,095	15,801,169
Loss on Foreign exchange Fluctuation (Net of gains)		14,122	9,368,935
Repairs and Maintenance			
- Buildings		406,314	1,345,016
- Machinery		2,750,280	1,484,253
Testing Charges		254,473	320,500
<b>TOTAL</b>		<b>67,485,437</b>	<b>78,345,328</b>

**Notes to Statement of Profit and Loss**

(Amount in ₹)

Particulars	Sub Note	For the year 31.03.2013	For the year 31.03.2012
<b>Note: 2.23</b>			
<b>EMPLOYEE BENEFITS EXPENSE</b>			
Salaries, Wages and Other Benefits		28,914,704	24,811,361
Contribution to Provident and Other Funds		1,139,365	1,235,802
<b>TOTAL</b>		<b>30,054,069</b>	<b>26,047,163</b>
<b>Note: 2.24</b>			
<b>FINANCE COSTS</b>			
(a) Interest Expenses			
On Unsecured Loans		8,602,991	21,220,113
On Cash Credit & Buyer's Credit		9,445,618	6,756,923
On Debentures		-	600,000
On Car Loan		244,025	435,692
(b) Financial Charges		11,536,287	6,690,552
<b>TOTAL</b>		<b>29,828,921</b>	<b>35,703,280</b>
<b>Note: 2.25</b>			
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>			
Depreciation of Tangible Assets		22,546,027	21,659,057
Amortisation of Intangible Assets - Lease Premium		647,476	647,477
<b>TOTAL</b>		<b>23,193,503</b>	<b>22,306,534</b>
<b>Note: 2.26</b>			
<b>OTHER EXPENSES</b>			
Director's Remuneration		2,880,000	2,400,000
Director's Sitting Fees		120,000	111,000
Commission on Sales		6,464,240	1,817,210
Business Promotion		4,866,766	3,095,452
Repairs and Maintenance to Others		822,739	448,595
Travelling & Conveyance		7,558,437	7,699,729
Post.Tel & Telephone		1,156,841	1,352,696
Printing & Stationery		949,916	939,292
Insurance		1,258,905	1,344,550
Rates and Taxes		558,807	277,961
Legal and Professional Charges		2,507,323	1,900,233
Sundry Balances Written Off		942,534	2,605,455
Watch & Ward		1,153,409	1,141,479
Loss on Sale of Fixed Assets	2.26(a)	14,345,015	-
Internal Audit Fees		134,832	132,978
Auditor's Remuneration			
-for Statutory Audit		130,000	120,000
- for tax Audit		65,000	60,000
- for Reimbursement of Expenses		20,000	20,000
- Service Tax on Above		26,574	24,720
Miscellaneous Expenses		2,732,536	5,199,568
<b>TOTAL</b>		<b>48,693,874</b>	<b>30,690,918</b>

**Notes:**

**2.26 (a)** Loss on Sale of Fixed Assets for ₹ 1,43,45,015/- represents the Loss on Sale of one of its Wind Mill Unit to Solar Dynamics Private Limited

(All amounts in ₹ except share data and unless otherwise stated)

**2.27. Commitments and Contingent Liabilities**

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
i. Commitments/Contingent Liabilities		
a. Guarantees Issued by Banks	4,638,000	2,208,000
b. Letters of Credit Outstanding	122,695,892	12,930,255

**2.28 Earnings per share (EPS)**

(Amount in ₹)

Particulars	for the year ended 31.03.2013 Basic and diluted	for the year ended 31.03.2012 Basic and diluted
Net Profit after tax	25,895,607	3,210,821
Net Profit available for equity share-holders	25,895,607	3,210,821
No of Equity shares- Basic	24,603,300	24,603,300
Nominal Value of each equity share (Rs)	10.00	10.00
Basic Earning per share	1.05	0.13

**2.29 Deferred Tax liability**

(Amount in ₹)

	As at 31.03.2013	As at 31.03.2012
Deferred Tax adjustments recognised in the Financial Statements are as under		
Deferred Tax Liability as at the beginning of the year	4,411,411	3,897,611
Liability/(Asset) arising during the year	2,408,000	513,800
Deferred Tax Liability as at the end of the year	6,819,411	4,411,411

**Note:** The above Liability is only on account of timing difference of Depreciation**2.30 Related Party disclosures**

Related parties where control exists or where significant influence exists and with whom transactions have taken place during the year

**a. Companies where principal shareholders have significant influence**

1. Bhagyanagar India Limited	20. Majestic Logistics Private Limited
2. Bhagyanagar Metals Limited	21. Shasons Private Limited
3. Bhagyanagar Properties Private Limited	22. Bhagyanagar Capital Private Limited
4. Metropolitan Venuturs India Limited	23. Bhagyanagar Foods & Beverages Private Limited
5. Scientia Infocom India Private Limited	24. Bhagyanagar Energy & Telecom Private Limited
6. Bhagyanagar Infrastructure Limited	25. Bhagyanagar Entertainment Ltd
7. Green Energy Systems Private Limited	26. Bhagyanagar Ventures Private Limited
8. Surana Telecom and Power Limited	27. Everytime foods Industries Private Limited
9. Globecom Infotech Private Limited	28. Royal Skyscrapers India Private Limited
10. GMS Realtors Private Limited	29. Surana Boichemicals Private Limited
11. Surana Infocom Private Limited	30. Sitetonic Websolutions Private Limited
12. AP Golden apparels Private Limited	31. Stealth Energy Private Limited
13. Blossom Residency Private Limited	32. Shresht Energy Private Limited
14. Epicentre Entertainment Private Limited	33. Tranquil Avenues India Private Limited
15. Innova Biotech India Private Limited	34. Value Infrastructure & Properties Private Limited
16. Innova Infrastructure Private Limited	35. Andhra Electro Galvanising Works
17. Innova Technologies Private Limited	36. Solar Dynamics Private Limited
18. Celestial Solar Solutions Private Limited	
19. Bhagyanagar Entertainment and Infra development Co Private Limited	


**b. Subsidiary Company**

Surana Solar Systems Private Limited

**c. Key Managerial Personnel**

G.M Surana, Narender Surana, Devendra Surana, Manish Surana

**c. Associate Company**

Solar World Exchange Private Limited

**d. The following is a summary of related party transactions**

(Amount in ₹)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
i. Sale of Goods	205,021,949	77,432,268
ii. Purchase of Goods	27,905,710	23,617,007
iii. Jobwork (Sales)	-	105,236,000
iv. Jobwork (Purchases)	3,195,744	3,641,062
v. Interest Paid	8,594,421	21,195,826
vi. Lease Rent	40,000	120,000
vii. Director's Remuneration	2,400,000	2,400,000
viii. Loans/ Advances Taken	282,953,906	251,386,037
ix. Loans/ Advances Repaid	351,244,589	187,191,037
x. Loans Given	2,654,495	-

**e. The following are the significant related party transactions**

(Transactions exceeding 10% of total related parties transactions are disclosed here under)

(Amount in ₹)

<b>i. Sale of Goods</b>		
Surana Telecom and Power Limited	3,585,278	70,544,020
Bhagyanagar India Limited	164,444,549	-
Bhagyanagar Energy and Telecom Private Limited	36,488,122	-
Bhagyanagar Ventures Private Limited	504,000	-
<b>ii. Sale of Windmill Unit</b>		
Solar Dynamics Private Limited	42,650,000	-
<b>iii. Purchase of Goods</b>		
Surana Telecom and Power Limited	27,735,710	19,733,219
Bhagyanagar Energy and Telecom Private Limited	170,000	-
<b>iv. Jobwork (Sales)</b>		
Surana Telecom and Power Limited	-	105,236,000
<b>v. Jobwork (Purchases)</b>		
Bhagyanagar Energy & Telecom Private Limited	3,195,744	3,641,062
<b>vi. Interest Paid</b>		
Bhagyanagar India Limited	3,343,144	19,624,084
Value Infrastructure & Propoerties Private Limited	590,190	-
Surana Infocom Private Limited	3,577,166	-
Surana Telecom and Power Limited	1,083,921	-
<b>vii. Loans/Advances Taken</b>		
Bhagyanagar India Limited	52,800,000	206,931,037
Value Infrastructure & Propoerties Private Limited	34,875,000	44,455,000
Surana Infocom Private Limited	135,766,714	-
Surana Telecom and Power Limited	59,512,192	-
<b>viii. Loans/Advances Repaid</b>		
Bhagyanagar India Limited	202,800,000	136,931,037
Value Infrastructure & Propoerties Private Limited	34,368,812	50,260,000
Surana Infocom Private Limited	54,563,585	-
Surana Telecom and Power Limited	59,512,192	-

## f. The company has the following amounts due to/from related parties

## I. (Due to related parties)

(Amount in ₹)

Name of the Company	As at 31.03.2013	As at 31.03.2012
a) Bhagyanagar India Limited	-	150,000,000
b) Value Infrastructure & Properties Private Limited	20,881,188	20,375,000
c) Surana Infocom Private Limited	81,203,129	-
d) Surana Telecom and Power Limited	5,324,479	-
e) Bhagyanagar Green Energy Limited	3,100,000	-
<b>TOTAL</b>	<b>110,508,796</b>	<b>170,375,000</b>

## II. (Due from related parties)

(Amount in ₹)

Name of the Company	As at 31.03.2013	As at 31.03.2012
a) Stealth Energy Private Limited	-	5,347,380
b) Bhagyanagar India Limited	29,768,219	-
c) Solar World Exchange Private Limited	129,775	-
d) Surana Solar Systems Private Limited	2,524,720	-
<b>TOTAL</b>	<b>32,422,714</b>	<b>5,347,380</b>

## 2.31 Particulars of Loans and Advances in the nature of loans as required by Clause 32 of the listing Agreement.

(Amount in ₹)

Sl. No.	Name of the Company	Balance as at		Maximum Outstanding during	
		31.03.2013	31.03.2012	31.03.2013	31.03.2012
A.	<b>Subsidiary</b> Surana Solar Systems Private Limited	2,524,720	NIL	2,524,720	NIL
B.	<b>Associate</b> Solar World Exchange Private Limited	129,775	NIL	129,775	NIL
C.	<b>Advances in the nature of Loans where interest is below section 372A of Companies Act, 1956</b>	NIL	NIL	NIL	NIL
D.	<b>Advances in the nature of Loans to Firms/Companies in which directors are interested</b>	NIL	NIL	NIL	NIL




**2.32 Raw Material Consumed during the year**

(Amount in ₹)

Raw Material	For the year ended 31.03.2013	For the year ended 31.03.2012
i. Solar Cells	302,771,517	296,455,821
ii. P.V Back Sheet	26,593,146	11,952,768
iii. T.T Glass	41,317,178	19,641,303
iv. E.V.A	14,628,236	18,242,104
v. Alluminium Channels	23,739,552	32,606,936
vi. Junction Boxes	17,298,596	11,857,900
vii. Inter Connector Strips	6,114,202	2,485,247
viii. Silicon Wafer	32,252,103	29,608,349
ix. Semi Finished Solar Modules	273,039,103	76,696,473
x. Others including Incidental Charges	63,373,689	34,845,925
<b>TOTAL</b>	<b>801,127,322</b>	<b>534,392,826</b>

**Note:** Material which are included in others do not individually exceed 10 % of consumption

**2.33 Details of Imported and indigenous raw materials, spares and packing materials consumed**

(Amount in ₹)

Raw Materials	For the year ended 31.03.2013		For the year ended 31.03.2012	
	Amount	% of total Consumption	Amount	% of total Consumption
Imported	675,464,919	84.31	339,438,000	63.52
Indigenous	125,662,404	15.69	194,954,826	36.48
<b>TOTAL</b>	<b>801,127,323</b>	<b>100.00</b>	<b>534,392,826</b>	<b>100.00</b>

**2.34 CIF Value of imports**

(Amount in ₹)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Raw Material	594,158,483	415,825,913
Capital Goods	124,980,698	11,405,345
<b>TOTAL</b>	<b>719,139,181</b>	<b>427,231,258</b>

**2.35 Expenditure in foreign Currency**

(Amount in ₹)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
Travelling	4,761,776	6,128,916
<b>TOTAL</b>	<b>4,761,776</b>	<b>6,128,916</b>

**2.36 Earnings in foreign Currency**

(Amount in ₹)

Particulars	For the year ended 31.03.13	For the year ended 31.03.12
Exports on FOB Basis	31,089,099	67,178,851
<b>TOTAL</b>	<b>31,089,099</b>	<b>67,178,851</b>

### 2.37 Retirement and Other Employees Benefits

The Company's employee benefits primarily cover provident fund, gratuity and leave encashment

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the Profit & Loss account in the year in which they accrue

Gratuity liability is a defined benefit obligation and is based on the actuarial valuation done by the Life Insurance Corporation of India. The gratuity liability and the net periodic gratuity cost is actually determined after considering discounting rates, expected long term return on plan assets and increase in compensation level. All actuarial gain/ losses are immediately charged to the Profit & Loss account and are not deferred.

The following table summarises the components of Net Benefit expenses recognised in the Profit & Loss account and amount recognised in the Balance Sheet for the respective plans.

Particulars	Gratuity
<b>a. Expenses recognised in the Profit &amp; Loss Account</b>	
Current service cost	196,675
Interest cost	101,422
Expected Return on Planned Assets	(137,956)
Net Actuarial Loss/ (Gain) recognized in the year	130,123
<b>Expenses recognised in Statement of Profit &amp; Loss</b>	<b>290,264</b>
<b>b. Change in Present value of obligation during the year ended 31st March, 2013</b>	
Present Value of obligation as at beginning of the year	1,267,777
Interest Cost	101,422
Current Service Cost	196,675
Benefits Paid-Actuals	(102,086)
Actuarial (Gain)/ Loss on Obligations	130,123
<b>Present Value of obligation as at end of the year</b>	<b>1,593,911</b>
<b>c. Change in fair value of Plan Assets during the year ended 31st March, 2013</b>	
Fair value of Plan Assets as at the beginning of the year	1,571,453
Expected Return on Plan Assets	137,956
Contributions	367,734
Benefits Paid	(102,086)
Actuarial gain/ loss on plan assets	-
<b>Fair value of Plan Assets as at the end of the year</b>	<b>1,975,057</b>
<b>d. Actuarial Gain/ loss recognized</b>	
Actuarial (Gain)/Loss for the year-Obligation	(130,123)
Actuarial (Gain)/Loss for the year -Plan Assets	-
Total Loss for the Year	130,123
<b>Actuarial (Gain)/Loss recognized in the year</b>	<b>130,123</b>


**2.38 Segment Information**

The company is in the business of manufacture and sale of solar products and Generation of wind Electricity. Considering the core activities of the company, management is of the view that there is no secondary segment.

(Amount in ₹)

Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
<b>Segment Revenue</b>		
a. Solar Products	928,398,612	705,991,222
b. Wind Power	20,691,471	20,695,175
<b>Net Sales/Income from operations</b>	<b>949,090,083</b>	<b>726,686,397</b>
<b>Segmental Results</b>		
(Profit before Tax & Interest)		
a. Solar Products	78,554,677	33,747,413
b. Wind Power	(3,074,279)	10,729,917
<b>TOTAL</b>	<b>75,480,398</b>	<b>44,477,330</b>
Less: Interest	29,828,921	35,593,280
Unallocable Expenditure	9,739,531	4,457,245
Net of unallocable Income		
<b>Total Profit before tax</b>	<b>35,911,946</b>	<b>4,426,805</b>
<b>Capital employed</b>		
a. Solar Products	465,820,510	382,811,360
b. Wind Power	124,442,525	181,711,727
c. Unallocated	15,162,224	32,561,675
<b>TOTAL</b>	<b>605,425,259</b>	<b>597,084,762</b>

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

As per our report attached  
**For Sekhar & Co**  
 Chartered Accountants  
 Firm's Regn. No. 003695-S

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

Place : Secunderabad  
 Date : May 06, 2013

**For Surana Ventures Limited**

**G. M. Surana**  
 Chairman

**Narender Surana**  
 Managing Director

**Devendra Surana**  
 Director

**Manish Surana**  
 Director Fin & Tech

## Independent Auditors' Report

To the Members of  
Surana Ventures Limited, Secunderabad

### Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Surana Ventures Limited** ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's

judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For Sekhar & Co.**

Chartered Accountants  
Firm Regn No : 003695 -S

**G. Ganesh**  
(Partner)

Place: Secunderabad

Date: 06th May 2013

Membership No: 211704

**Consolidated Balance Sheet as at 31st March, 2013**

(Amount in ₹)

Particulars	Note No.	As at 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>		
(1) <b>Shareholders' Funds</b>		
Share Capital	2.1	246,033,000
Reserves and Surplus	2.2	176,087,730
		<u>422,120,730</u>
(2) <b>Non-Current Liabilities</b>		
Long-Term Borrowings	2.3	176,382,832
Deferred Tax Liabilities (Net)		6,819,411
		<u>183,202,243</u>
(3) <b>Current Liabilities</b>		
Short-Term Borrowings	2.4	114,743,403
Trade Payables	2.5	225,845,489
Other Current Liabilities	2.6	26,580,270
Short-Term Provisions	2.7	28,934,800
		<u>396,103,962</u>
<b>TOTAL</b>		<u><u>1,001,426,935</u></u>
<b>II. ASSETS</b>		
(1) <b>Non-Current Assets</b>		
Fixed Assets		
(a) Tangible Assets	2.8	315,379,646
(b) Intangible Assets	2.9	8,852,568
(c) Capital Work-in-Progress		168,356,178
Non-Current Investments	2.10	200,000
Long-Term Loans and Advances	2.11	14,158,597
		<u>506,946,988</u>
(2) <b>Current Assets</b>		
Inventories	2.12	300,686,644
Trade Receivables	2.13	94,497,876
Cash and Cash Equivalents	2.14	51,180,364
Short-Term Loans and Advances	2.15	43,021,820
Other Current Assets	2.16	5,093,243
		<u>494,479,947</u>
<b>TOTAL</b>		<u><u>1,001,426,935</u></u>
<b>Significant Accounting Policies and Notes to Accounts</b>	1 & 2	

As per our report attached  
**For Sekhar & Co**  
Chartered Accountants  
Firm's Regn. No. 003695-S

**For Surana Ventures Limited**

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

**G. M. Surana**  
Chairman

**Narender Surana**  
Managing Director

**Devendra Surana**  
Director

Place : Secunderabad  
Date : May 06, 2013

**Manish Surana**  
Director Fin & Tech

## Statement of Consolidated Profit and Loss for the year ended 31st March 2013

(Amount in ₹)

Particulars	Note No.	For the year 31.03.2013
I. <b>Revenue From Operations (Net )</b>	2.17	949,090,083
II. <b>Other Income</b>	2.18	6,372,910
<b>TOTAL REVENUE</b>		955,462,993
III. <b>EXPENSES</b>		
Cost of Materials Consumed	2.19	801,127,323
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	2.20	(88,774,188)
Manufacturing Expenses	2.21	67,485,437
Employee Benefit Expenses	2.22	30,054,069
Finance Costs	2.23	29,829,311
Depreciation and Amortisation Expenses	2.24	23,193,503
Other Expenses	2.25	48,795,769
<b>TOTAL EXPENSES</b>		911,711,224
IV. Profit before exceptional and extraordinary items and tax		43,751,769
V. Amortisation of Intangible assets		8,118,813
VI. Prior Period Adjustment		(176,715)
VII. Profit before Extraordinary Items and Tax		35,809,671
VIII. <b>PROFIT BEFORE TAX</b>		35,809,671
IX. <b>TAX EXPENSE</b>		
(a) Current tax Expense		7,200,000
(b) Deferred tax Expense		2,408,000
(c) MAT tax Expense/ (Credit)		-
(d) Taxes for Earlier Years		408,349
X. <b>PROFIT AFTER TAX</b>		25,793,322
XI. Earning Per Equity Share		
(a) Basic		1.05
(b) Diluted		1.05
No. of Shares		24,603,300
<b>Significant Accounting Policies and Notes to Accounts</b>	1 & 2	

As per our report attached

**For Sekhar & Co**

Chartered Accountants

Firm's Regn. No. 003695-S

**For Surana Ventures Limited****G. Ganesh**

Partner

Membership No : 211704

**G. M. Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Director

Place : Secunderabad

Date : May 06, 2013

**Manish Surana**

Director Fin &amp; Tech

**Consolidated Cash Flow Statement for the year ended 31st March 2013**

(Amount in ₹)

Particulars	2012-13
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net profit before Tax and after interest as per profit and loss accounts	35,809,671
<b>Adjustments for:</b>	
Depreciation	22,546,027
Amortisation of Lease Rent	647,476
Amortisation of Goodwill and Other Intangible Assets	8,118,813
Preliminary Exp Written Off	-
Prior Period Adjustments	(169,754)
Sundry Balance Writtern Off	942,534
Sundry Balance Writtern Back	(1,195,672)
Interest Paid	29,829,311
Profit on Sale of Fixed Assets	12,821,328
Interest, Rent & Dividend Received	(3,548,984)
	<u>69,991,079</u>
<b>Operating profit before Working Capital Changes</b>	<b>105,800,750</b>
<b>Adjustments for:</b>	
Inventories	(9,538,917)
Loans and Advances	(27,055,071)
Changes in Other Current Assets	84,934
Receivables	(55,145,299)
Trade Payables and Other Liabilities	166,508,176
	<u>74,853,823</u>
<b>Cash generated from operations</b>	<b>180,654,573</b>
<b>Adjustments for :</b>	
Direct Taxes Paid for Current Year (Net)	(4,694,574)
	<u>(4,694,574)</u>
<b>Net Cash from Operating Activities</b>	<b>175,959,999</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Dividend Received	315,130
Interest Received	2,701,698
Purchase of Fixed Assets	(284,622,023)
Loans to Associate	(129,775)
Sale of Fixed Assets	40,891,706
Capital Advances	98,831,519
<b>Net Cash (used in)/from Investing Activities</b>	<b>(142,011,744)</b>

(Contd.)



## Consolidated Cash Flow Statement (Contd.)

(Amount in ₹)

Particulars	2012-13
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Increase in Secured Loans	105,763,756
Increase in Unsecured Loans	(68,549,054)
Repayment of Debentures	-
Interest Paid on Borrowings	(26,264,030)
Dividend Paid	(14,002,049)
<b>Net Cash (used in)/from Financing Activities</b>	<b>(3,051,377)</b>
<b>NET CASH GENERATED/(UTILISED)</b>	<b>30,896,878</b>
Reconciliation : See Note 2 & 3 below	
Opening Cash and Cash Equivalent	20,283,486
<b>Closing Cash and Cash Equivalent</b>	<b>51,180,364</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>30,896,878</b>

### Notes

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 and Ministry of Company Affairs.

2. The Cash and Cash Equivalents as per the Balance Sheet	<b>2012-13</b>
Cash in Hand	207,776
Balances with Banks	49,985,145
Accrued interest on fixed deposits with Banks	987,443
<b>TOTAL</b>	<b>51,180,364</b>

3. Previous figures are regrouped wherever required to make comparable with current year.

4. The following items of cash and Cash Equivalents are not available for use by the company.

<b>Balances with Banks</b>	<b>2012-13</b>
In Dividend account	787,624
Maturity of Deposits less than 12 months	36,586,766
Accrued interest on above Deposits	987,443
<b>TOTAL</b>	<b>38,361,833</b>

5. Notes to Accounts forms an integral part of Cash Flow Statement.

As per our report attached

**For Sekhar & Co**

Chartered Accountants

Firm's Regn. No. 003695-S

**G. Ganesh**

Partner

Membership No : 211704

Place : Secunderabad

Date : May 06, 2013

**For Surana Ventures Limited**

**G. M. Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Director

**Manish Surana**

Director Fin & Tech



## Notes to Consolidated financial statements

### 1. Significant Accounting Policies

The Consolidated Financial Statements relate to Surana Ventures Limited ('the Company') and its Subsidiary Company. The Consolidated Financial Statements have been prepared on the following basis:

- a) The Financial Statements of the Company and its Subsidiary Company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" issued by ICAI.

- b) As far as possible, the Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate Financial Statements.

- c) Other Significant Accounting Policies:

These are set out under "Significant Accounting Policies" as given in the stand-alone Financial Statements of **Surana Ventures Limited**.

## Notes to Consolidated Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2013
<b>Note : 2.1</b>		
<b>SHARE CAPITAL</b>		
<b>a. Authorized</b>		
5,00,00,000 (March 31, 2012: 5,00,00,000) Equity Shares of ₹ 10/- each.		
<b>TOTAL</b>		<b>500,000,000</b>
<b>b. Issued, Subscribed and Paid-Up Capital</b>		
2,46,03,300 (March 31, 2012: 2,46,03,300) Equity shares of Fully Paid Up		
<b>TOTAL</b>		<b>246,033,000</b>

**2.1 (a)** There were no Bonus issues, Forefieted shares and Buy back of shares in last five years.

**2.1 (b) Issued, subscribed and paid-up capital**

Equity shareholder holding morethan 5% of equity shares along with the number of equity shares held is as given below.

Name of the Shareholder	As at March 31, 2013	
	%	No of shares
Bhagyanagar India Limited	23.52	5,787,946
Surana Telecom and Power Limited	17.92	4,410,000
Narender Surana	10.93	2,689,630
Devendra Surana	9.26	2,279,520

## Notes to Consolidated Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2013
<b>Note: 2.2</b>		
<b>RESERVES AND SURPLUS</b>		
(a) <b>General Reserves</b>		
Balance as per the Last Financial Statements		135,000,000
Add: Transferred from Debenture Redemption Reserve		25,000,000
Add: Transferred from Surplus		-
<b>Closing Balance</b>		<b>160,000,000</b>
(b) <b>Surplus</b>		
Balance as per the Last Financial Statements		44,079,208
Add: Profit for the Peirod/Year		25,793,322
Amount Available for Appropriation		69,872,530
Less: Appropriations		
Proposed Equity Dividend		24,603,300
Tax on Proposed Equity Dividend		4,181,500
Transfer to General Reserve		25,000,000
<b>Net Surplus in the statement of Profit and loss</b>		<b>16,087,730</b>
<b>TOTAL</b>		<b>176,087,730</b>
<b>Note : 2.3</b>		
<b>LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
(a) Buyers Credit from Bank	2.3 (a)	68,937,820
(b) Car Loan from Bank	2.3 (b)	3,035,356
<b>Unsecured</b>		
(a) Loans and Advances from Related Parties	2.3 (c)	104,409,656
<b>TOTAL</b>		<b>176,382,832</b>
<b>Notes:</b>		
<b>2.3 (a) Buyer's Credit from Banks</b>		
Cash Credit & Buyer's Credit from scheduled Banks is secured by hypothecation of stock, Trade receivables and first pari-passu charge on specific fixed assets of the company. Further, it has been guaranted by the Managing Director and Director. Accordingly due with in a Year is ₹ 11,47,06,312/- which is classified under Short Term Borrowings.		
<b>2.3 (b) Car Loan from Bank:</b>		
Car loan from HDFC Bank Ltd is secured against hyphotication of Car. The loan was taken during the Financial Year 2012-13 and is repayable in monthly installment of ₹ 1,31,972/- each. Accordingly due with in a year is ₹ 15,83,664/- which is clasified under Current Liabilities.		
<b>2.3 (c) Loan from Related Parties</b>		
<b>Name of the Company</b>		<b>Balance as on 31.03.2013</b>
Value Infrastructure & Properties Private Limited		21,235,620
Surana Infocom Private Limited		83,174,036
<b>TOTAL</b>		<b>104,409,656</b>
<b>Note : 2.4</b>		
<b>SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
(a) Cash Credit from Bank		37,091
(b) Buyers Credit from Bank		114,706,312
<b>TOTAL</b>		<b>114,743,403</b>



## Notes to Consolidated Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2013
<b>Note : 2.5</b>		
<b>TRADE PAYABLES</b>		
<b>Secured</b>		
Sundry Creditors - Others	2.5 (a)	225,845,489
<b>TOTAL</b>		<b>225,845,489</b>

**Notes:**

<b>2.5 (a) Due to Related Parties</b>	<b>Balance as on 31.03.2013</b>
<b>Name of the Company</b>	
Surana Telecom & Power Limited	5,324,479
	<b>5,324,479</b>

- 2.5 (b)** In case of Trade payables, Letters seeking confirmation of year-end balances are sent to the respective parties. Hence the Balances are subject to confirmation and reconciliation. Further, as per the information about the industrial status of the creditor there are no dues to any micro and small enterprises under the micro small and medium enterprises development act 2006.

Particulars	Sub Note	As at 31.03.2013
<b>Note: 2.6</b>		
<b>OTHER CURRENT LIABILITIES</b>		
(a) Current Maturities on Long Term Debt (Secured)		
- Car Loan from Axis Bank Ltd		1,597,554
- Car Loan from HDFC Bank Ltd		1,583,664
(b) Unclaimed Dividends		787,624
(c) Provision for Interest on Buyer's Credit	2.6 (a)	1,199,423
(d) Other Liabilities	2,810	4,494,211
(e) Advance from Customers		16,917,794
<b>TOTAL</b>	<b>2,810</b>	<b>26,580,270</b>

**Notes:**

- 2.6 (a)** Provision for Interest on Buyer's Credit from Banks has been made on Proportionate Basis

**Note: 2.7**
**SHORT-TERM PROVISIONS**

(a) Provision for Employee benefits-Bonus		150,000
(b) Proposed Equity Dividend	2.7 (a)	24,603,300
(c) Provision for Tax on Proposed Equity Dividend		4,181,500
<b>TOTAL</b>		<b>28,934,800</b>

**Note: Proposed Equity Dividend**

- 2.7 (a)** The Board of Directors have recommended a dividend of ₹ 1/- per share for the year ended 31st March, 2013 (Previous Year ₹ 0.50/- per share)

## Notes to Consolidated Balance Sheet

### ANNEXURE: 2.8 TANGIBLE ASSETS

(Amount in ₹)

Particulars	Freehold Land	Leasehold Land	Commercial Buildings	Plant & Machinery	Wind Power Plant	Electrical Installation	Office Equipment	Vehicles	Furniture & Fixtures	Computer	Grand Total
<b>A. Gross Block</b>											
At 1st April, 2011*	6,321,397	20,287,626	20,892,654	46,282,093	186,284,200	616,802	647,611	13,791,322	17,594	826,100	295,967,399
Additions*	-	-	-	18,477,604	-	-	463,734	1,699,456	15,565	28,500	20,684,859
Disposals*	-	-	-	(6,098,457)	-	-	-	(2,676,064)	-	-	(8,774,521)
At 31st March, 2012*	6,321,397	20,287,626	20,892,654	58,661,240	186,284,200	616,802	1,111,345	12,814,714	33,159	854,600	307,877,737
Additions	2,268,120	-	51,298,512	55,337,523	-	12,403,438	1,947,467	5,291,620	443,725	137,025	129,127,430
Disposals	(1,620,100)	-	-	(5,112,800)	(55,000,000)	-	-	-	-	-	(61,732,900)
At 31st March, 2013	6,969,417	20,287,626	72,191,166	108,883,963	131,284,200	13,020,240	3,058,812	18,106,334	476,884	991,625	375,272,267
<b>B. Depreciation</b>											
At 1st April, 2011*	-	647,477	4,342,483	7,402,792	8,912,498	85,797	81,250	1,967,371	2,142	326,394	23,768,204
Charge for the Year*	-	647,477	1,655,017	6,518,503	9,835,806	73,863	103,882	3,257,078	4,063	210,845	22,306,534
Disposals*	-	-	-	(257,367)	-	-	-	(1,098,386)	-	-	(1,355,753)
At 31st March, 2012*	-	1,294,954	5,997,500	13,663,928	18,748,304	159,660	185,132	4,126,063	6,205	537,239	44,718,985
Charge for the Year	-	647,476	2,409,574	6,998,868	8,625,806	399,198	193,175	3,739,602	31,726	148,076	23,193,502
Disposals	-	-	-	(509,910)	(7,509,956)	-	-	-	-	-	(8,019,866)
At 31st March, 2013	-	1,942,430	8,407,074	20,152,886	19,864,153	558,858	378,308	7,865,665	37,931	685,316	59,892,621
<b>C. Net Block (A-B)</b>											
At 31st March, 2012	6,321,397	18,992,672	14,895,154	44,997,312	167,535,896	457,142	926,213	8,688,651	26,954	317,361	263,158,752
At 31st March, 2013	696,417	18,345,196	63,784,092	88,733,077	111,420,047	12,461,382	2,680,504	10,240,669	438,953	306,309	315,379,464

\* Previous Year Figures represents only Standalone Figures.



## Notes to Consolidated Balance Sheet

Particulars	Goodwill	Certification & License	Grand Total
	Refer Note a	Refer Note b	
ANNEXURE: 2.9 INTANGIBLE ASSETS			
A. Gross Block			
At 1st April, 2011*	28,561,926	-	28,561,926
Additions*	-	2,935,000	2,935,000
Disposals*	-	-	-
At 31st March, 2012*	28,561,926	2,935,000	31,496,926
Additions	-	-	-
Disposals	-	-	-
At 31st March, 2013	28,561,926	2,935,000	31,496,926
B. Depreciation			
At 1st April, 2011*	7,140,481	-	7,140,481
Charge for the Year*	7,140,481	244,583	7,385,064
Disposals*	-	-	-
At 31st March, 2012*	14,280,962	244,583	14,525,545
Charge for the Year	7,140,480	978,333	8,118,813
Disposals	-	-	-
At 31st March, 2013	21,421,442	1,222,916	22,644,358
C. Net Block (A-B)			
At 31st March, 2012*	14,280,964	2,690,417	16,971,381
At 31st March, 2013	7,140,484	1,712,084	8,852,568

\* Previous Year Figures represents only Standalone Figures

### Notes:

- Goodwill was created upon scheme of merger of Solar Division of Surana Telecom and Power Ltd, is to be amortised over a period of 5 years beginning from the year 2009-10.
- Represents the amount spent for obtaining the IEC Certificate for testing of PV Modules and is to be amortised with in three years beginning from the Current Financial Year.

## Notes to Consolidated Balance Sheet

(Amount in ₹)

Particulars	Sub Note	As at 31.03.2013
<b>Note: 2.10</b>		
<b>NON-CURRENT INVESTMENTS</b>		
<b>Non-Trade Investments (Valued at Cost, Unless Otherwise Specified)</b>		
<b>Investment in Equity Instruments (Unquoted)</b>		
a) <b>In Associate Company</b>		
(i) 20000 (March 31, 2012: 20000) Equity Shares of ₹ 10/- each of Solar World Exchange Pvt Ltd (fully paid up)		200,000
<b>TOTAL</b>		<b>200,000</b>
<b>Note: 2.11</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
(a) Security Deposits		
Deposits		1,400,000
(b) Loans and Advances to Related Parties		
Loans to Associate	2.11 (a)	129,775
(c) Others		
Minimum Alternate Tax Credit Entitlement		12,628,822
<b>TOTAL</b>		<b>14,158,597</b>
<b>Notes:</b>		
<b>2.11 (a) Loan to Associate Company</b>		<b>Balance as</b>
<b>Name of the Company</b>		<b>on 31.03.2013</b>
Solar World Exchange Pvt Ltd		129,775
<b>TOTAL</b>		<b>129,775</b>
<b>Note: 2.12</b>		
<b>INVENTORIES</b>		
<b>(As taken, Valued &amp; Certified by the Management)</b>		
(Valued at Lower of Cost or Net Realizable Value)		
a) Raw Materials		146,819,539
b) Work-in-Progress		6,103,807
c) Finished Goods		147,763,298
d) Material -in-Transit		—
<b>TOTAL</b>		<b>300,686,644</b>
<b>Note: 2.13</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, Considered Good Unless stated Otherwise)		
(a) Aggregate Amount of Trade Receivables Outstanding for a Period Less Than Six Months	2.14 (a)	87,175,970
(b) Aggregate Amount of Trade Receivables Outstanding for a Period Exceeding Than Six Months		7,321,906
<b>TOTAL</b>		<b>94,497,876</b>





## Notes to Consolidated Balance Sheet

(Amount in ₹)

### Notes:

#### 2.14 (a) Due from Related Parties

##### Name of the Company

Bhagyanagar India Limited

##### TOTAL

Balance as  
on 31.03.2013

29,768,219

29,768,219

2.14 (b) In case of Trade Receivables Letters of Confirmation of year end balances are sent. Hence, the balances as on the date of Balance Sheet are subject to Confirmation and Reconciliation.

Particulars	Sub Note	As at 31.03.2013
<b>Note: 2.14</b>		
<b>CASH AND BANK BALANCES</b>		
(a) Balance with Banks		
- in Current Account		12,610,755
- in Unclaimed Dividend Account		787,624
- Deposit held to the extent of Margin Money		36,368,766
(b) In Fixed Deposit Account		
- Maturity of Deposits Less Than 12 Months		—
- Maturity of Deposits More Than 12 Months		218,000
(c) Cash on Hand		207,776
(d) Accrued interest on Fixed Deposits with Banks		987,443
<b>TOTAL</b>		<u>51,180,364</u>

### Note: 2.15

#### SHORT-TERM LOANS AND ADVANCES

(Unsecured, Considered Good, Unless Otherwise Stated)

(a) Capital Advances		
Advance for Machinery and Other Capital Items-Unsecured		8,133,470
Advance for Machinery and Other Capital Items- Secured (Secured by Way of Bank Guarantee of Equal Amount)		—
(b) Other Loans & Advances		
Advance Income Tax & TDS (Net of Provisions)		1,433,124
Advances to Suppliers		30,641,373
Other Advances		2,123,113
(c) Deposits		
E.M.D		326,440
Other Deposit		364,300
<b>TOTAL</b>		<u>43,021,820</u>

### Note: 2.16

#### OTHER CURRENT ASSETS

31.03.2013

(Considered Good Unless Otherwise Stated)

(a) Secured		
Loans Against Pledge of Securities		5,093,243
<b>TOTAL</b>		<u>5,093,243</u>

**Notes to Consolidated Statement of Profit and Loss**

(Amount in ₹)

Particulars	Sub Note	For the year 31.03.2013
<b>Note: 2.17</b>		
<b>REVENUE FROM OPERATIONS</b>		
Revenue		
From Solar Products		950,822,275
From Wind Power		20,691,471
<b>Sub Total</b>		<b>971,513,746</b>
Less: Inter-Unit Sales		22,423,663
<b>Gross Sales</b>		
Less: Excise Duty		—
<b>Net Revenue From Operations</b>		<b>949,090,083</b>

**Note: 2.18****OTHER INCOME**

(a) Interest Income		
Interest on Loans, Deposits and Others		3,233,854
(b) Dividend Income		315,130
(c) Other Non-Operating Income		
Profit on Sale of Fixed Assets		1,523,687
Miscellaneous Income		104,567
Balances No Longer Payable Written Back		1,195,672
<b>TOTAL</b>		<b>6,372,910</b>

**Note: 2.19****COST OF RAW MATERIAL CONSUMED**

Opening Stock of Raw Materials	224,290,203
Opening Stock of Material in Transit	1,764,606
Add: Purchases including Incidental Charges	744,315,715
Less: Closing Stock of Raw Materials	146,819,539
Less: Material -in-Transit	—
Less: Inter-Unit Purchases	22,423,663
<b>TOTAL</b>	<b>801,127,322</b>

**Note: 2.20****CHANGES IN INVENTORIES**

Opening Stock- WIP	32,569,000
Opening Stock - Finished Goods	32,523,917
Less: Closing Stock -WIP	6,103,807
Less: Closing Stock - Finished Goods	147,763,298
<b>TOTAL</b>	<b>(88,774,188)</b>


**Notes to Consolidated Statement of Profit and Loss**

(Amount in ₹)

Particulars	Sub Note	For the year 31.03.2013
<b>Note: 2.21</b>		
<b>MANUFACTURING EXPENSES</b>		
Consumption of Stores and Spare Parts		8,063,915
Processing & Conversion Charges		9,985,805
Power and Fuel		7,648,563
Packing & Forwarding		14,796,798
Taxes Paid		
- Service Tax		274,072
- Sales Tax		23,291,095
Loss on Foreign exchange Fluctuation (Net of gains)		14,122
Repairs and Maintenance		
- Buildings		406,314
- Machinery		2,750,280
Testing Charges		254,473
<b>TOTAL</b>		<b>67,485,437</b>
<b>Note: 2.22</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages and Other Benefits		28,914,704
Contribution to Provident and Other Funds		1,139,365
<b>TOTAL</b>		<b>30,054,069</b>
<b>Note: 2.23</b>		
<b>FINANCE COSTS</b>		
(a) Interest Expenses		
On Unsecured loans		8,602,991
On Cash Credit & Buyer's Credit		9,445,618
On Debentures		-
On Car loan /Term loan		244,025
(b) Financial Charges		11,536,677
<b>TOTAL</b>		<b>29,829,311</b>
<b>Note: 2.24</b>		
<b>DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation of Tangible Assets		22,546,027
Amortisation of Intangible Assets - Lease Premium		647,476
<b>TOTAL</b>		<b>23,193,503</b>

**Notes to Consolidated Statement of Profit and Loss**

(Amount in ₹)

Particulars	Sub Note	For the year 31.03.2013
<b>Note: 2.25</b>		
<b>OTHER EXPENSES</b>		
Director's Remuneration		2,880,000
Director's Sitting Fees		120,000
Commission on Sales		6,464,240
Business Promotion		4,906,747
Repairs and Maintenance to Others		822,739
Travelling & Conveyance		7,558,437
Post.Tel & Telephone		1,156,841
Printing & Stationery		952,716
Insurance		1,313,259
Rates and Taxes		558,807
Legal and Professional Charges	2.25 (a)	2,508,273
Sundry Balances Written Off		942,534
Watch & Ward		1,153,409
Loss on Sale of Fixed Assets		14,345,015
Internal Audit Fees		134,832
Auditor's Remuneration		
-for Statutory Audit		131,810
- for tax Audit		64,500
- for Reimbursement of Expenses		21,500
- Service Tax on Above		26,574
Miscellaneous Expenses		2,733,536
<b>TOTAL</b>		<b>48,795,769</b>

Notes:

- 2.25 (a)** Loss on Sale of Fixed Assets for ₹ 1,43,45,015/- represents the Loss on Sale of one of its Wind Mill Unit to Solar Dynamics Private Limited.



(All amounts in Rupees, except share data and unless otherwise stated)

**2.26 Commitments and Contingent Liabilities**

(Amount in ₹)

<b>Particulars</b>	<b>As at 31.03.2013</b>
i. Commitments/Contingent Liabilities	
a. Guarantees Issued by Banks	<b>4,638,000</b>
b. Letters of Credit Outstanding	<b>122,695,892</b>

**2.27 Earnings per share (EPS)**

<b>Particulars</b>	<b>For the Year Ended 31.03.2013 Basic and Diluted</b>
Net Profit after tax	<b>25,793,322</b>
Net Profit available for equity share-holders	<b>25,793,322</b>
No of Equity shares-Basic	<b>24,603,300</b>
Nominal Value of each equity share (Rs)	<b>10.00</b>
Basic Earning per share	<b>1.05</b>

**2.28 Deferred Tax Liability**

<b>Particulars</b>	<b>As at 31.03.2013</b>
Deferred Tax adjustments recognised in the Financial Statements are as under	
Deferred Tax Liability as at the beginning of the year	<b>4,411,411</b>
Liability/(Asset) arising during the year	<b>2,408,000</b>
Deferred Tax Liability as at the end of the year	<b>6,819,411</b>

**Note:** The above Liability is only on account of timing difference of Depreciation**2.29 Related Party disclosures**

Related parties where control exists or where significant influence exists and with whom transactions have taken place during the year

**a. Companies where principal shareholders have significant influence**

1. Bhagyanagar India Limited	11. Surana Infocom Private Limited
2. Bhagyanagar Metals Limited	12. AP Golden apparels Private Limited
3. Bhagyanagar Properties Private Limited	13. Blossom Residency Private Limited
4. Metropolitan Venuturs India Limited	14. Epicentre Entertainment Private Limited
5. Scientia Infocom India Private Limited	15. Innova Biotech India Private Limited
6. Bhagyanagar Infrastructure Limited	16. Innova Infrastructure Private Limited
7. Green Energy Systems Private Limited	17. Innova Technologies Private Limited
8. Surana Telecom and Power Limited	18. Celestial Solar Solutions Private Limited
9. Globecom Infotech Private Limited	19. Bhagyanagar Entertainment and Infra development Co Private Limited
10. GMS Realtors Private Limited	

20. Majestic Logistics Private Limited	28. Royal Skyscrapers India Private Limited
21. Shasons Private Limited	29. Surana Boichemicals Private Limited
22. Bhagyanagar Capital Private Limited	30. Sitetonic Websolutions Private Limited
23. Bhagyanagar Foods & Beverages Private Limited	31. Stealth Energy Private Limited
24. Bhagyanagar Energy & Telecom Private Limited	32. Shresht Energy Private Limited
25. Bhagyanagar Entertainment Ltd	33. Tranquil Avenues India Private Limited
26. Bhagyanagar Ventures Private Limited	34. Value Infrastructure & Properties Private Limited
27. Everytime foods Industries Private Limited	35. Andhra Electro Galvanising Works
	36. Solar Dynamics Private Limited

**b. Subsidiary Company**

Surana Solar Systems Private Limited

**c. Key Managerial Personnel**

G.M Surana

Narender Surana

Devendra Surana

Manish Surana

**c. Associate Company**

Solar World Exchange Private Limited

**d. The following is a summary of related party transactions**

(Amount in ₹)

Particulars	For the year ended 31.03.2013
i. Sale of Goods	205,021,949
ii. Purchase of Goods	27,905,710
iii. Jobwork (Sales)	-
iv. Jobwork (Purchases)	3,195,744
v. Interest Paid	8,594,421
vi. Lease Rent	40,000
vii. Director's Remuneration	2,400,000
viii. Loans/ Advances Taken	282,953,906
ix. Loans/ Advances Repaid	351,244,589
x. Loans Given	2,654,495


**e. The following are the significant related party transactions**

(Transactions exceeding 10% of total related parties transactions are disclosed here under)

	(Amount in ₹)
<b>i. Sale of Goods</b>	
Surana Telecom and Power Limited	3,585,278
Bhagyanagar India Limited	164,444,549
Bhagyanagar Energy and Telecom Private Limited	36,488,122
Bhagyanagar Ventures Private Limited	504,000
<b>ii. Sale of Windmill Unit</b>	
Solar Dynamics Private Limited	42,650,000
<b>iii. Purchase of Goods</b>	
Surana Telecom and Power Limited	27,735,710
Bhagyanagar Energy and Telecom Private Limited	170,000
<b>iv. Jobwork (Purchases)</b>	
Bhagyanagar Energy & Telecom Private Limited	3,195,744
<b>v. Interest Paid</b>	
Bhagyanagar India Limited	3,343,144
Value Infrastructure & Propoerties Private Limited	590,190
Surana Infocom Private Limited	3,577,166
Surana Telecom and Power Limited	1,083,921
<b>vi. Loans/Advances Taken</b>	
Bhagyanagar India Limited	52,800,000
Value Infrastructure & Propoerties Private Limited	34,875,000
Surana Infocom Private Limited	135,766,714
Surana Telecom and Power Limited	59,512,192
<b>vii. Loans/Advances Repaid</b>	
Bhagyanagar India Limited	202,800,000
Value Infrastructure & Propoerties Private Limited	34,368,812
Surana Infocom Private Limited	54,563,585
Surana Telecom and Power Limited	59,512,192

**f. The company has the following amounts due to/from related parties**
**I. (Due to related parties)**

Name of the Company	As at 31.03.2013
a) Value Infrastructure & Propoerties Private Limited	20,881,188
b) Surana Infocom Private Limited	81,203,129
c) Surana Telecom and Power Limited	5,324,479
d) Bhagyanagar Green Energy Limited	3,100,000
<b>TOTAL</b>	<b>110,508,796</b>



**II. (Due from related parties)**

(Amount in ₹)

<b>Name of the Company</b>	<b>As at 31.03.2013</b>
a) Bhagyanagar India Limited	29,768,219
b) Solar World Exchange Private Limited	129,775
c) Surana Solar Systems Private Limited	2,524,720
<b>TOTAL</b>	<b>32,422,714</b>

**2.30 Particulars of Loans and Advances in the nature of loans as required by Clause 32 of the listing Agreement.**

(Amount in ₹)

<b>Sl. No.</b>	<b>Name of the Company</b>	<b>Balance as at</b>		<b>Maximum Outstanding during</b>	
		<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
<b>A. Subsidiary</b> Surana Solar Systems Private Limited		2,524,720	NIL	2,524,720	NIL
<b>B. Associate</b> Solar World Exchange Private Limited		129,775	NIL	129,775	NIL
<b>C. Advances in the nature of Loans where interest is below section 372A of Companies Act,1956</b>		NIL	NIL	NIL	NIL
<b>D. Advances in the nature of Loans to Firms/Companies in which directors are interested</b>		NIL	NIL	NIL	NIL

**2.31 Raw Material Consumed during the year**

<b>Raw Material</b>	<b>For the year ended 31.03.2013</b>
i. Solar Cells	302,771,517
ii. P.V Back Sheet	26,593,146
iii. T.T Glass	41,317,178
iv. E.V.A	14,628,236
v. Alluminium Channels	23,739,552
vi. Junction Boxes	17,298,596
vii. Inter Connector Strips	6,114,202
viii. Silicon Wafer	32,252,103
ix. Semi Finished Solar Modules	273,039,103
x. Others including Incidental Charges	63,373,689
<b>TOTAL</b>	<b>801,127,322</b>

**Note:** Material which are included in others do not individually exceed 10 % of consumption


**2.32 Details of Imported and indigenous raw materials, spares and packing materials consumed**

Raw Materials	For the year ended 31.03.2013	
	Amount	% of total Consumption
Imported	675,464,919	84.31
Indigenous	125,662,404	15.69
<b>TOTAL</b>	<b>801,127,323</b>	<b>100.00</b>

2.33 CIF Value of imports	For the year ended 31.03.13
Raw Material	594,158,483
Capital Goods	124,980,698
<b>TOTAL</b>	<b>719,139,181</b>

2.34 Expenditure in foreign Currency	For the year ended 31.03.13
Travelling	4,761,776
<b>TOTAL</b>	<b>4,761,776</b>

2.35 Earnings in foreign Currency	For the year ended 31.03.13
Exports on FOB Basis	31,089,099
<b>TOTAL</b>	<b>31,089,099</b>

**2.36 Retirement and Other Employees Benefits**

The Company's employee benefits primarily cover provident fund, gratuity and leave encashment.

Provident fund is a defined contribution scheme and the company has no further obligation beyond the contribution made to the fund. Contributions are charged to the Profit & Loss account in the year in which they accrue .

Gratuity liability is a defined benefit obligation and is based on the actuarial valuation done by the Life Insurance Corporation of India. The gratuity liability and the net periodic gratuity cost is actually determined after considering discounting rates, expected long term return on plan assets and increase in compensation level. All actuarial gain/ losses are immediately charged to the Profit & Loss account and are not deferred.

The following table summarises the components of Net Benefit expenses recognised in the Profit & Loss account and amount recognised in the Balance Sheet for the respective plans.

(Amount in ₹)

Particulars	Gratuity
<b>a. Expenses recognised in the Profit &amp; Loss Account</b>	
Current service cost	196,675
Interest cost	101,422
Expected Return on Planned Assets	(137,956)
Net Actuarial Loss/ (Gain) recognized in the year	130,123
Expenses recognised in Statement of Profit & Loss	<b>290,264</b>
<b>b. Change in Present value of obligation during the year ended 31st March, 2013</b>	
Present Value of obligation as at beginning of the year	1,267,777
Interest Cost	101,422
Current Service Cost	196,675
Benefits Paid-Actuals	(102,086)
Actuarial (Gain)/ Loss on Obligations	130,123
<b>Present Value of obligation as at end of the year</b>	<b>1,593,911</b>
<b>c. Change in fair value of Plan Assets during the year ended 31st March, 2013</b>	
Fair value of Plan Assets as at the beginning of the year	1,571,453
Expected Return on Plan Assets	137,956
Contributions	367,734
Benefits Paid	(102,086)
Actuarial gain/ loss on plan assets	-
<b>Fair value of Plan Assets as at the end of the year</b>	<b>1,975,057</b>
<b>d. Actuarial Gain/ loss recognized</b>	
Actuarial (Gain)/Loss for the year-Obligation	(130,123)
Actuarial (Gain)/Loss for the year -Plan Assets	-
Total Loss for the Year	130,123
Actuarial (Gain)/Loss recognized in the year	<b>130,123</b>


**2.37 Segment Information**

The company is in the business of manufacture and sale of solar products and Generation of wind Electricity. Considering the core activities of the company, management is of the view that there is no secondary segment. (Amount in ₹)

<b>Particulars</b>	<b>For the year ended 31.03.13</b>
<b>Segment Revenue</b>	
a. Solar Products	928,398,612
b. Wind Power	20,691,471
<b>Net Sales/Income from operations</b>	<b>949,090,083</b>
<b>Segmental Results</b>	
(Profit before Tax & Interest)	
a. Solar Products	78,452,782
b. Wind Power	(3,074,279)
<b>TOTAL</b>	<b>75,378,503</b>
Less: Interest	29,829,311
Unallocable Expenditure	9,739,531
Net of unallocable Income	
<b>Total Profit before tax</b>	<b>35,809,661</b>
<b>Capital employed</b>	
a. Solar Products	468,342,945
b. Wind Power	124,442,525
c. Unallocated	15,162,224
<b>TOTAL</b>	<b>607,947,694</b>

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

**Note:** This being first year of Consolidation, previous year figures have not been given.

As per our report attached

**For Sekhar & Co**

Chartered Accountants

Firm's Regn. No. 003695-S

**G. Ganesh**

Partner

Membership No : 211704

Place : Secunderabad

Date : May 06, 2013

**For Surana Ventures Limited**

**G. M. Surana**

Chairman

**Narender Surana**

Managing Director

**Devendra Surana**

Director

**Manish Surana**

Director Fin & Tech

### Statement Pursuant to Section 212 of Companies Act, 1956 Relating to Subsidiary Companies

S.No.	Name of subsidiary Company	Surana Solar Systems Private Limited
1.	Financial Year ending of the Subsidiary	31.03.2013
2.	Shares of the subsidiary held by Holding Company on the above date	
	a. Number and Face Value	9,990 Equity Share of ₹ 10/- each
	b. Extent of Holding	99.99%
3.	Profit/Loss of the Subsidiary Company for its financial year so far as it concerns the members of the Holding Company which have not been dealt with in the accounts of Holding Company	
	a. For the financial year or the years of the Subsidiary aforesaid	(102,285)
	b. For the previous financial years of the subsidiary since it became the Holding Company's Subsidiary	-
4.	Net aggregate amount of the Profits/Losses of the subsidiary so far as the profits are dealt in the accounts of Holding Company	
	a. For the financial year or the years of the subsidiary aforesaid	Nil
	b. For the previous financial years of the subsidiary since it became the Holding Company's Subsidiary	Nil

### Brief Financial particulars of Subsidiary as per MCA General Circular No 2/2011 dt 8th February, 2011

Name of the Company	Capital	Reserves	Total Assets	Total Liabilities	Investment	Turnover	Profit Before Tax	Provision for Taxation	Profit after Taxation	Proposed Dividend
Surana Solar Systems Private Limited	1	(1.02)	560.08	560.08	-	-	(1.02)	-	(1.02)	-

(₹ in Lakhs)

## Green Initiative in Corporate Governance: Go Paper Less

The Ministry of Corporate Affairs has come up with a Green Initiative of permitting the service of documents including Annual Reports to the Shareholders through e-mail or other permissible electronic modes instead of physical mode vide its Circular No. 17/2011 dated 21 April 2011. This is certainly a welcome move for the society at large as this will reduce paper consumption to a great extent and allow all stakeholders to contribute towards a Greener Environment. To support this green initiative, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the members e-mail registration form and register the same with Karvy Computershare Private Limited.

### Members e-mail Registration Form

Name: ..... e-mail: .....

Address: .....

.....

.....

DP ID : ..... Client ID: .....

Folio No: .....

(in case of physical holding)

No. of equity shares held: .....



Signature

**Members are requested to send this e-mail registration form to the Company's Registrar and Transfer Agents i.e., Karvy Computershare Private Limited at the below mentioned address.**

**M/s Karvy Computershare Private Limited**

Unit : Surana Ventures Limited.

17-24, Vittal Rao Nagar,

Madhapur, Hyderabad-500 081



## ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM PAYMENT OF DIVIDEND

To,  
KARVY COMPUTERSHARE PRIVATE LIMITED  
Unit : Surana Ventures Limited.  
Plot No. 17-24, Vitalrao Nagar, Madhapur,  
Hyderabad - 500 081  
Phone: 040-44655000, Fax: 040-23420814

Shareholder's authorisation to receive dividends through Electronic Credit Clearing Mechanism.

Registered Folio No. :	ECS Ref. No. : (for Office use only)
Name of the first/sole shareholder	
Bank Name	
Branch Address & Telephone No. of Branch	
Bank Account Number (As appearing on the Cheque Books)	
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank. (Please attach a blank cancelled cheque, or a photocopy of a cheque issued to you by your Bank, for verification of the above particulars)	
Account Type (Please tick the option)	<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> Cash Credit
Bank Account Ledger Folio No. (If any)	
Effective date of this mandate	

I hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s. Surana Ventures Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place : .....

Date : .....

Signature of First Holder

Note:

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
2. In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to NSDL / CDSL as the case may be, through their respective Depository participants. Shareholders are also requested to note that changes, if any, intimated by the Demat Account holders directly to the Company will not be considered.





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## SURANA VENTURES LIMITED

Registered Office : 5th Floor, Surya Towers,  
S.P.Road, Secunderabad - 500 003.

### ATTENDANCE SLIP

7th Annual General Meeting on 27th September, 2013.

DP.Id*
Client Id*

Reg. Folio No.
----------------

Name and Address of the Shareholder\_\_\_\_\_

No. of Share(s) held \_\_\_\_\_

I certify that I am a member/proxy for a member of the Company. I hereby record my presence at the 7th Annual General Meeting of the Company on Friday, the 27th September, 2013 at 11.30 a.m. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016.

\*\* Member's/Proxy's name in Block Letters

\*\* Member's/Proxy's Signature

Note : 1. Member/Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed at the registration counter.

2. NO GIFTS WILL BE GIVEN

\* Applicable for Investors holding shares in electronic form.

\*\* Strike out whichever is not applicable.

NO GIFTS WILL BE GIVEN



## SURANA VENTURES LIMITED

Registered Office : 5th Floor, Surya Towers,  
S.P.Road, Secunderabad - 500 003.

### PROXY FORM

DP.Id*
Client Id*

Reg. Folio No.
----------------

I/We .....

of .....

being member/members of M/s. Surana Ventures Limited, hereby appoint.....

of .....

or failing him .....

of .....

as my/our proxy to vote for me/us on my/our behalf at the 7th Annual General Meeting of the Company to be held on Friday, the 27th September, 2013 at 11.30 a.m. at Kamat Lingapur Hotel, 1-10-44/2, Chikoti Gardens, Begumpet, Hyderabad- 500 016 and at every adjournment thereof.

Signed this ..... day of ..... , 2013.

Note : 1. Proxy need not be a member.

2. Proxy Form, complete in all respects, should reach the Registered Office of the Company on or not later than 48 hours before the time for holding of the Meeting.

Please  
Affix Re.1/-  
Revenue  
Stamp

Signature

NO GIFTS WILL BE GIVEN



\* Applicable for Investors holding shares in electronic form.

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## INVESTOR INFORMATION

### DIVIDEND

The Dividend at 10% ( Rs.1.00/- per share) will be paid to the shareholders whose names appear on the Register of Members as on 27.09.2013 and to those shareholders whose names appear as Beneficial owners as on 27.09.2013 as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in Electronic Form.

### PAYMENT OF DIVIDEND

Dividend, in case of shareholders availing the ECS Facility, will be credited directly into their Bank Accounts. Dividend warrants, in the case of shareholders not availing the ECS Facility, will be sent directly to their registered address and will be valid for a period of 3 months from the date of the warrant. After expiry of the said 3 months, the warrants shall be sent to the Registered Office of the Company for revalidation.

### SHARE REGISTRY

The Registry of Physical Share Certificates is done by our Registrars and Transfer Agents, M/s KARVY COMPUTERSHARE PRIVATE LIMITED, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500-081. The shareholders can send the shares for Transfer/ Transmission/ Split/Consolidation and Issue of Duplicate Share Certificates, Request for Change of Address to the above address. Intimation regarding change of address, in the case of holder of shares in physical form, may be sent to M/s KARVY COMPUTERSHARE PRIVATE LIMITED, at the above mentioned address and in the case of holders of shares in Electronic Form, to their Depository participants.

### LISTING

The Company's shares are listed at BSE Limited and National Stock Exchange of India Limited.

### DEMATERIALISATION OF SHARES

The shares of the Company are under compulsory dematerialised trading since 7<sup>th</sup> January, 2011. The Company has entered into a tripartite agreement with the National Securities Depository Limited, Central Depository Services (India) Limited and the Company's Depository Registrars, M/s KARVY COMPUTERSHARE PRIVATE LIMITED, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, for induction of the Company's shares in to the depository system. The ISIN number allocated to the Company's securities is INE272L01014. Those shareholders, who have not dematerialised their shares, may send their shares / Option letters the Company, through their Depository Participants with whom they hold an account, for getting the shares dematerialised.

### QUALITY OBJECTIVE

*An effective and clearly understood quality system by employees.*

*Teamwork to build-up quality consciousness amongst all our employees.*

*Continuous improvement in every activity for achieving excellence.*

*Timely corrective action to prevent anticipated factors affecting quality & productivity.*

SURANNA

**PRINTED MATTER  
BOOK - POST**



If undelivered please return to:  
**Secretarial Department**

**SURANA VENTURES LIMITED**

REGISTERED OFFICE:

5th Floor, Surya Towers

Sardar Patel Road, Secunderabad - 500 003, India

Tel: +91-040-27845119, 44665700, 27841198

Fax : +91-040-27818868

E-mail: [surana@surana.com](mailto:surana@surana.com)

Investor Complaints: [cs@surana.com](mailto:cs@surana.com),

[investorservices\\_svl@surana.com](mailto:investorservices_svl@surana.com)

Website: [www.surana.com](http://www.surana.com), [www.suranaventures.com](http://www.suranaventures.com)