



Surana Group

SURANA TELECOM AND POWER LTD.

(Formerly Surana Telecom Ltd.)

ISO 9001-2000 Certified Company

(Power Cable Division)

2nd Floor, Surya Towers,

Sardar Patel Road,

Secunderabad-500 003, A.P., India.

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Annexure 3

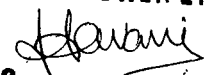
Note on Scheme of Arrangement covering details of the Share exchange ratio, Treatment of fractional entitlement and Reduction of share Capital:

1. Share Exchange Ratio: The Resulting Company shall issue and allot 3 Equity Shares of Rs.10/- each credited as fully paid-up to the equity shareholders of Demerged Company for every 4 Equity Shares of Rs.5/- each held by them as on the Record Date. In view of the above a share holder holding 100 shares in M/s Surana Telecom and Power Limited shall be entitled 75 equity shares of M/s Surana Ventures Limited.

2. Treatment of fractional entitlement: No shares shall be issued in respect of fractional entitlements, by the Resulting Company. The Board of Directors of the Resulting Company shall, instead, consolidate all such fractional entitlements and thereupon issue and allot Equity Shares in lieu thereof to a director or officer of the Resulting Company or such other person as the Board of Directors of the Resulting Company shall appoint in this behalf who shall hold the Equity Shares in trust on behalf of the members entitled to fractional entitlements with the express understanding that such director, officer or person shall sell the same in the market at such time or price or prices in the market or to such person or persons, as he may deem fit, and pay to the Resulting Company, the net sale proceeds thereof, whereupon the Resulting Company shall distribute such net sales proceeds to the members of the Demerged Company in proportion to their respective fractional entitlements.

3. Reduction of Share Capital: Upon the Scheme becoming effective, the issued, subscribed and paid-up share capital of the Resulting Company as on the Effective Date shall stand reorganised and reduced from the present sum of Rs.15,00,00,000 divided into 1,50,00,000 equity shares of Rs.10/- each fully paid up to Rs.9,00,00,000 divided into 90,00,000 equity shares of Rs.10/- each fully paid up by conversion of 60,00,000 equity shares of Rs.10/- each to 60,00,000 12% Non-convertible Secured Redeemable Debentures of Rs.10/- each fully paid up. The resulting Company has accordingly taken necessary steps for the said reduction of capital.

For SURANA TELECOM AND POWER LTD,


Company Secretary

