

SURAJ

STAINLESS LIMITED

(AN ISO - 9001 & A Govt. Recognised Export House)

Manufacturer, Exporter of Stainless Steel Seamless & Welded Pipes, Tubes and 'U' Tubes

Our product is manufactured and tested to international standards, under the supervision of qualified and experienced technocrats and quality is certified, Approved ISO 9001-2000, AD 2000 MERKBLATT W0, and PRESSURE EQUIPMENT DIRECTIVE 97/23/EC our product is certified as per 3.1.A, 3.1.B, 3.1.C, and also available with the inspection of Seventeen internationally renowned inspection agency.

17th Annual Report 2009-2010

BOARD OF DIRECTORS	: SHRI ASHOK T. SHAH SHRI GUNVANT T. SHAH SHRI KUNAL T. SHAH SHRI BIPIN K. PRAJAPATI SHRI DIPAK H. SHAH SHRI KETAN R. SHAH SHRI HAREN R. DESAI SHRI MAHESH V. PARIKH	(Chairman & C.E.O.) (Vice Chairman & Wholetime Director) (Managing Director) (Wholetime Director) (w.e.f. 7th May, 2010)
COMPANY SECRETARY	: VIRAL M. SHAH	
AUDITORS	: PANKAJ K. SHAH ASSOCIATES CHARTERED ACCOUNTANTS 701-A, "NIRMAN", B/H. NAVRANGPURA BUS STOP, AHMEDABAD.	
BANKERS	: PUNJAB NATIONAL BANK STATE BANK OF INDIA AXIS BANK	
PLANT LOCATION	: SURVEY NO. 779/A, THOL, KADI - SANAND HIGHWAY, TAL. - KADI, DIST. MEHSANA. (GUJARAT)	
REGISTERED OFFICE	: "SURAJ HOUSE", OPP. USMANPURA GARDEN, ASHRAM ROAD, AHMEDABAD-380 014.	
REGISTRAR & TRANSFER AGENT	: MCS LIMITED 101, SHATDAL COMPLEX, OPP. BATA SHOW ROOM, ASHRAM ROAD, AHMEDABAD - 380 009.	

10 YEARS OVERVIEW

(₹ In Lacs)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sales & Other Income	2357.93	2839.47	4844.95	7073.87	10034.56	11693.12	23328.49	29223.09	23097.13	17687.13
Profit before Interest, Depreciation & Tax	303.97	291.02	224.05	395.80	568.58	795.23	2107.68	3476.85	2193.84	2784.80
Depreciation	81.26	90.17	96.52	115.82	127.64	138.68	338.65	502.82	545.41	893.40
Net Profit after tax for the year	53.96	40.54	68.12	105.95	192.31	295.89	833.82	1366.31	595.04	533.25
Share Capital	515.47	515.47	515.47	515.47	515.47	515.47	566.97	1700.91	1700.91	1926.41
Reserve & Surplus	315.34	418.89	487.01	592.96	726.49	942.45	2995.29	2918.82	3200.23	5243.96
Shareholders Funds	830.81	934.36	1002.48	1108.43	1241.96	1457.92	3562.26	4619.73	4901.14	7170.37
Gross Block	988.12	1045.84	1121.52	1395.48	1673.53	4031.95	5676.98	6465.42	7966.08	12951.26
Net Block	703.64	672.94	656.07	581.27	966.47	3186.49	4495.20	4780.81	5740.26	9837.65
Net Current Assets	910.00	948.94	1042.28	979.29	1871.89	227.24	6191.09	5652.81	5329.38	7270.39
Dividend	Nil	Nil	Nil	Nil	51.54	61.85	85.04	255.14	255.14	255.14
Rate of Dividend	Nil	Nil	Nil	Nil	10%	12%	15%	15%	15%	15%
Book Value of share (in Rs.) (Face Value Rs. 10/-)	16.12	18.13	19.45	21.50	24.09	28.28	62.83	27.16	28.81	37.22
Earnings per Share (in Rs.)	1.05	0.79	1.32	2.06	3.73	5.74	14.71	8.03	3.50	2.77
Yearly High & Low Share Price Rupees	10-10	10-10	10-10	18-10	49-13	80-27	250-56	421-108	222-47	147-61

NOTICE TO THE MEMBERS

Notice is hereby given that the Seventeenth Annual General Meeting of the members of Suraj Stainless Limited will be held on Thursday November 25, 2010 at 10:00 a.m., at 'Suraj House', Opp. Usmanpura Garden, Ashram Road, Ahmedabad-380 0014, to transact the following businesses:

ORDINARY BUSINESS :

1. To Consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Shri Ashok T. Shah, who retire by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Shri Gunvant T. Shah, who retire by rotation and being eligible, offer himself for re-appointment.
5. To appoint a Director in place of Shri Haren R. Desai, who retire by rotation and being eligible, offer himself for re-appointment.
6. To re-appoint Auditors and to fix their remuneration and in this regard consider and if thought fit, to pass, with or without modification(s), the following resolution as an

ORDINARY RESOLUTION:

"RESOLVED THAT M/s. Pankaj K. Shah Associates, Chartered Accountants, be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS :

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Mahesh V. Parikh, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 302, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the consent of the members of the Company, be and is hereby accorded for revision in the remuneration and benefits payable to Shri Bipin K. Prajapati, Whole Time Director of the Company for the remaining period of his tenure of office with effect from 1st April, 2010 upon the terms and conditions including remuneration and perquisites as set out in the Explanatory Statement."
9. To consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 302, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the consent of the members of the Company, be and is hereby accorded for re-appointment of Shri Ashok T. Shah, Chairman & CEO of the Company for a period of five years with effect from 1st August, 2010 upon the terms and conditions including remuneration and perquisites as set out in the Explanatory Statement."
10. To consider and if thought fit to pass, with or without modification(s), the following resolution as an **Special Resolution**:
"RESOLVED THAT pursuant to the Scheme of Amalgamation and provisions of section 21 of Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 if any, and subject to the availability of name and the approval of the Registrar of Companies the name of the Company be changed from 'Suraj Stainless Limited' to 'Suraj Limited' and the name of Suraj Stainless Limited, wherever it appears in the Memorandum, Articles, documents, etc. be substituted by the new name 'Suraj Limited' in due course.
RESOLVED FURTHER THAT the Shri Ashok T. Shah, Chairman & CEO of the Company be and is hereby authorised to do all such acts, deeds and things as may be deemed expedient and necessary to give effect to this resolution."

Place : Ahmedabad
Date : 28-10-2010

By Order of the Board of Directors

Registered Office : 'SURAJ HOUSE',
Opp. Usmanpura Garden, Ashram Road, Ahmedabad - 380 014

Viral M. Shah
Company Secretary

NOTES :

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors retire by rotation and offer themselves for reappointment
Ashok T. Shah: is a Chairman & CEO and one of the Promoter of the Company. He is having a vide experience with respect to key functional area like, Finance & Manufacturing. Ashok T. Shah is commerce graduate and having experience for more than 20 years in this industries.
Gunvant T. Shah: Vice Chairman & Whole Time Director of the Company. A science graduate having a good knowledge of business is promoter director. He is having more than 16 years of experience in the field of Sales and Marketing for the Company.
Haren R. Desai: Independent Director of the Company, Engineer by profession Haren R. Desai is having a more than 30 years of experience in manufacturing of Stainless Steel Pipes and tubes. He associates with this Company since July 2008.
4. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11:00 a.m. and 1:00 p.m. up to November 25, 2010
8.
 - a) The Company has already notified closure of Register of Members and Share Transfer Books from Thursday, November 18, 2010 to Thursday, November 25, 2010 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
 - b) The Dividend on Equity shares, if declared at the Meeting, will be paid on or after 25th November, 2010 to those members whose name shall appear on the Company's Register of Members on November 17, 2010; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on date.
9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of Dividend. The Company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agent, M/s MCS Limited.
11. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down loaded from the website of the Department of Company Affairs.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS, for consolidation into a single folio.
14. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
15. Non-Resident Indian Members are requested to inform MCS, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 7

In its effort to broad-base the Board of Directors of the Company and to comply clause 49 of Listing Agreement with the Stock Exchanges, the Company appointed Shri Mahesh V. Parikh as an Additional Director - Independent Director of the Company at the Board Meeting held on 7th May, 2010. Pursuant to section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting of the Company. Shri Mahesh V. Parikh is 63 years old and he is an engineer having wide experience of over 40 years in fabrication industry. A notice in writing along with a deposit of ₹ 500/- under section 257 of the Companies Act, 1956, has been received from a shareholder of the Company signifying his intention to propose Shri Mahesh V. Parikh as a candidate for the office of Director, The Board recommend that he be appointed as Director of the Company.

Except Shri Mahesh V. Parikh, none of the directors are interested in the resolution.

Item No. 8

Shri Bipin K. Prajapati was appointed Whole Time Director of the Company for a period of five years with effect from 31st January, 2007. The Board of Directors of the Company had at its meeting held on 7th May, 2010, approved the proposal for increase in remuneration of Shri Bipin K. Prajapati, Whole Time Director of the Company for the remaining period of his tenure of office.

The said proposal for increase in remuneration is subject to the approval of the members of the Company in a General Meeting and/or Central Government.

The revised terms and conditions including remuneration are as under:

Salary : ₹ 1,00,000/- (Rupees One lac) per month.

Perquisites :

In addition Company shall provide the Whole-time Director a car with driver and telephone facility at their residence. Provision of car for use on Company's business and telephone at residence will be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole-time Director.

Terminal Benefits:

Company's contribution to Provident Fund/ Superannuation Fund/Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act. Gratuity payable at a rate not exceeding half- a-month's salary for each completed year of service and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

All perquisites provided to the Whole-time Director shall be evaluated as per the Income tax Rules wherever applicable. In the absence of any such Rules, Perquisites shall be evaluated at actual cost.

The Whole-time Director shall not be entitled to any sitting fee for attending the meetings of the Board or any Committee thereof.

The aforesaid increase in the remuneration payable to Shri Bipin K. Prajapati is in conformity with Schedule XIII of the Companies Act, 1956.

Except Shri Bipin K. Prajapati, none of the directors are interested in the resolution.

Item No. 9

Shri Ashok T. Shah was appointed as a Chairman & C.E.O. of the Company for a period of 5 years which expires on 1st August, 2010. At the board meeting held on 7th May, 2010, the Board re-appointed Shri Ashok T. Shah as a Chairman & C.E.O. for a further period of 5 years with effect from 1st August, 2010, subject to the approval of shareholder of the Company.

The terms and conditions of reappointment of Chairman & C.E.O. is as under:

Salary : ₹ 3,00,000/- (Rupees Three lac) per month.

Perquisites:

In addition to Salary, the Chairman & C.E.O. shall also be entitled to perquisites like Accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof, together with utilities thereof such as gas, electricity, water, furnishings, Medical Reimbursement and Leave Travel Concession for himself and family, Club Fees, Medical Insurance, etc. in accordance with the Rules of the Company or as may be agreed to between the Board and the Chairman & C.E.O.

In addition Company shall provide the Director a car with driver and telephone facility at their residence. Provision of car for use on Company's business and telephone at residence will be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole-time Director.

Terminal Benefits:

Company's contribution to Provident Fund/ Superannuation Fund/Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act. Gratuity payable at a rate not exceeding half- a-month's salary for each completed

year of service and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

All perquisites provided to the Director shall be evaluated as per the Income tax Rules wherever applicable. In the absence of any such Rules, Perquisites shall be evaluated at actual cost.

The terms and conditions of reappointment of Shri Ashok T. Shah may be altered and varied from time to time during his tenure of appointment in such manner as may be agreed to, between the Board of Directors and Shri Ashok T. Shah provided such terms are within and in accordance with the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto.

The Chairman & C.E.O. shall not be entitled to any sitting fee for attending the meetings of the Board or any Committee thereof.

The draft of Agreement between the company and Shri Ashok T. Shah, referred to in the Notice is open for inspection at the Registered Office of the Company during office Hours on all working days, except Sunday, between 11 am to 1 pm

The above may also be treated as an abstract under section 302 of the Companies Act, 1956.

Shri Ashok T. Shah and Shri Gunvant T. Shah and Shri Kunal T. Shah being brother of Shri Ashok T. Shah shall be deemed to be concerned or interested in this resolution.

Item no. 10

The Scheme of Amalgamation of Suraj Limited with the Company was approved by the Shareholders in the Extra ordinary General Meeting of the Company held on 16th January, 2010 and the same is also approved by the Hon'ble High Court of Gujarat on 5th August, 2010. As per the Scheme of Amalgamation the name of the Company be changed from Suraj Stainless Limited to Suraj Limited.

Place : Ahmedabad

Date : 28-10-2010

By Order of the Board of Directors

Registered Office : 'SURAJ HOUSE',
Opp. Usmanpura Garden, Ashram Road, Ahmedabad - 380 014

Viral M. Shah
Company Secretary

DIRECTORS' REPORT

To,

The Shareholders

The Directors have the pleasure in presenting the 17th Annual Report of your company for the Financial Year 2009-2010.

Financial Results

The summary of operating results for the year and appropriation of divisible profits is given below:

(₹ In Lacs)

	2009-2010	2008-2009
Sales and other Income	17687.12	23097.13
Interest	869.37	737.00
Profit Before Depreciation	1915.41	1456.84
Depreciation	893.40	545.42
Profit Before Tax	1022.01	911.42
Taxation -- Current Tax	173.52	328.00
-- FBT Tax	-	6.89
-- Income Tax of earlier years	17.43	8.76
-- Deferred Tax (Assets)/Liability	315.23	(18.50)
Profit after Tax	515.82	586.27
Prior Period Adjustment	(1.60)	(6.38)
Net Profit after prior period adjustment	514.21	579.89
Balance b/f from Previous Year	2581.98	2329.59
Amount available for proposed Appropriations:	3096.20	2909.48
Appropriations		
Proposed Dividend	255.14	255.14
Provision for Tax on Dividend	43.36	43.36
Transfer to Statutory Reserves	25.71	28.99
Balance c/f to Balance Sheet	2771.99	2581.99

OPERATIONS OF THE COMPANY:**Business Performance Review**

The gross sales for the period ended March 31, 2010 was ₹ 18432.98 lacs as compared to ₹ 24271.83 lacs in the previous year registering a decrease of 24.06%. The Profit before Tax (PBT) for the period was ₹ 1022.01 as against ₹ 911.42 lacs registering a growth of over 13.12%. However due to high provisioning of deferred tax liability. The Profit after Tax (PAT) i.e., distributable profit clocked a decrease of 11.32% and resulted at ₹ 514.21 as against ₹ 579.89 lacs.

Dividend

Your Directors recommend a dividend of 15 % i. e. ₹ 1.50 for each Equity Shares of Rs. 10/- for the year ended March 31, 2010 subject to the approval of shareholders at the ensuing Annual General Meeting.

Deposits

Your Company has not accepted any deposits from the public during the year under review and hence there are no outstanding deposits as on March 31, 2010.

Directors

In accordance with the provisions of the Companies Act, 1956, Mr. Ashok T. Shah, Mr. Gunvant. T. Shah and Mr. Haren R. Desai, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. Mahesh V. Parikh retires at the ensuring Annual General Meeting under section 260 of the companies Act, 1956. However the Company has received notice of his candidature under section 257 of the Companies Act, 1956 and being eligible for reappointment, offers himself for reappointment.

Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, the directors confirm that, to the best of their knowledge and belief:

- (i) in the preparation of the profit and loss account for the financial year ended March 31, 2010 and the balance sheet as at that date ("financial statements"), applicable accounting standards have been followed;
- (ii) appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- (iii) proper and sufficient care has been take 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. To ensure this, the Company has established internal control system, consistent with its size and nature of operations. In weighing the assurance provided by any such system of internal controls its inherent limitations should be recognized. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems. The audit committee meets at regular intervals to review the internal audit function;
- (iv) The financial statements have been prepared on a going concern basis.

Auditors

Comments of the Auditors in their report and the notes forming part of the Accounts are self explanatory and need no comments.

The Auditors, M/s. Pankaj K. Shah Associates, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956. The directors recommend the re-appointment of M/s. Pankaj K. Shah Associates, as the Company's Auditors.

Management Discussion and Analysis

The operational performance and future outlook of the business has been reviewed by the management based on current resources and future development of the Company.

Quality Management

Quality is the most important mantra of the Company and effort is spared to ensure best quality and after sales service to the customer. Company has a clear strategic vision which is always in touch with the latest advancements in technology, thereby constantly upgrading production facilities and man-power skills. The Company also continues to maintain the ISO 9001(2000) quality standard.

Internal Control System

Your Company has clearly laid down policies, guidelines and procedures that form part of the internal control system which provide for automatic checks and balances. All operating parameters are monitored and controlled. Regular internal audit and checks ensure the effectiveness and efficiency of these systems to ensure that all assets are protected against loss and that the financial and operational information is complete and accurate.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance report and auditors' certificate regarding compliance of conditions of Corporate Governance forms a part of the annual report.

CEO and CFO Certification

Mr. Ashok T. Shah, Chairman & C. E. O. and Mr. Kunal T. Shah, Managing Director, have given certificate to the board as contemplated in sub-clause (V) of clause 49 of the Listing Agreement.

Health, safety and environmental protection

Your Company has complied with all the applicable environmental laws and labour laws. The Company has been complying with the relevant laws and has been taking all necessary measures to protect the environment and maximize worker protection and safety.

Particulars of employees

Industrial relations in the Company were very cordial and stable. Information in accordance with the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended regarding employees, is given in the annexure to the directors' report.

Conservation of energy, technology and foreign exchange

The particular of conservation of energy, technology absorption, foreign exchange earnings and outgo required to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed hereto and forms part of this report.

Listing

The equity shares of the Company are listed on the Bombay Stock Exchange Limited and the Company has paid listing fee for F.Y. 2010-11.

Cash Flow Statement

As required under clause 32 of Listing Agreement with the Stock Exchanges, in India, a Cash Flow Statement, as prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) issued by the Institute of Chartered Accountants of India, is given along with Balance Sheet and Profit and Loss Account.

Amalgamation:

The Company has already received an order from Hon'ble High Court, Gujarat for amalgamation of Suraj Limited with Suraj Stainless Limited which is effective from 01-04-2009 and accordingly this results includes performance of transferor Company also.

Appreciation and Acknowledgements

Your Directors would like to express their appreciation for assistance and co-operation received from investors, customers, business associates, vendors, as well as regulatory and governmental authorities, Financial Institutions and Banks. The Board also expresses its appreciation of the understanding and support extended by the shareholders and committed services by the employees of the Company and looking forward to their continued patronage.

For and on behalf of the Board of Directors

Ahmedabad
Date : 28-10-2010

Ashok T. Shah
Chairman & C.E.O.

ANNEXURE TO DIRECTORS REPORT

Particulars required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Reports for the year ended 31st March, 2010.

A) Conservation of Energy :

- a) Measures taken, additional investments and impact on reduction of energy consumption:
Conservation of energy continues to receive top priority in the Company, particularly in production operations. Regular plant maintenance, review of energy generation and consumption are some of the measures adopted in this regard.
- b) Total energy consumption and energy consumption per unit of production as per Form - A of the Annexure to the Rules in respect of Industries specified in the schedule thereto:

Particulars	Year Ended 31-03-2010	Year Ended 31-03-2009
A). Power and Fuel Consumption		
▶ Electricity		
❖ Purchase in Unit KWH	3991180	3386102
❖ Total Amount (Rs)	25770427	22516004
❖ Rate KWH (Rs)	6.46	6.65
B). Consumption per unit of production		
❖ Production (M.T.)	7723.584	8063.20
❖ Total Nos. of Unit (KWH)	3991180	3386102
❖ Unit Per M.T. (KWH)	516.75	419.95
❖ Cost per M.T. (Rs)	3338.20	2792.44

B) B) Technology Absorption:

The Company has not taken any technology in particular or entered into any technology agreement during the period hence the information required as per Form B is not applicable to the Company.

C) Foreign Exchange Earning and Outgo:

Particulars	Amount In ₹
1) Foreign Exchange earned for :	
Export of Goods	80,02,55,106
2) Foreign Exchange Outgo for :	
i) Material Import on CIF Basis	35,24,99,593
ii) Capital Goods Imported	27,73,491
iii) Stores & Spares	30,27,014
iv) Foreign Travel	12,96,896
v) Advertisement	29,53,310
vi) Sales Commission	16,39,414
vii) Business Development Exp.	19,51,312

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

Name of the Employee	Remuneration received in ₹		Nature of employment whether permanent or contractual	Other terms & conditions	Nature of duties of the employee	Qualification & Experience of the employee	Date of Commencement of employment	Age of the employee	No. of Equity shares held in the company	The last employment held by such employee before joining the company
	(2009-10)	(2008-09)								
Ashok T. Shah	3603500	3648500	Contractual	Appointment for a period of 5 years	Chairman & CEO	Graduate In the field of Finance Since Last 20 Years	01-08-05	44 Years	1070700	Own Business
Gunvant T. Shah	3603500	3648500	Contractual	Appointment for a period of 5 years	Vice Chairman & Wholetime Director	Graduate In the field of Marketing Since Last 16 Years	01-10-06	39 Years	984600	Own Business
Kunal T. Shah	3603500	3648500	Contractual	Appointment for a period of 5 years	Managing Director	Graduate In the field of Marketing Since Last 14 Years	29-03-06	37 Years	1023600	Own Business

REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India (Clause 49) and some of the best practices followed internationally on Corporate Governance, the report containing the details of governance system and process at Suraj Stainless Limited is as under:

1. Company's philosophy on code of governance:

At Suraj, it is our belief that as we move closer towards our aspirations of becoming a global corporation, our Corporate Governance Standards must be globally benchmarked. That gives us the confidence of having put in the right building blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner.

Traditional views of governance as a regulatory and compliance requirement have given way to adoption of governance tailored to the specific needs of the Company. Clause 49 has set the benchmark compliance rules for a listed Company the baseline for governance standards. Suraj not only adheres to the prescribed corporate practices as per Clause 49 but is constantly striving to adopt emerging best practices worldwide. It is our endeavor to achieve higher standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of stated goals and objectives.

The Company is committed to ethical values and self discipline through standards of good Corporate Governance involving high level of transparency, integrity, accountability and responsibility in all areas of its operations for ensuring protection of the rights and interest of its stakeholders.

Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

2. Board of Directors:

- (i) As on March 31, 2010, the Company has seven Directors with an Executive Chairman. Of the seven Directors, three are Independent Directors.
- (ii) None of the Directors on the Board are members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2010 have been made by the Directors.
- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below. Chairmanships / Memberships of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Sr. No.	Name	PD / NPD*	ED / NED / ID*	Attendance in Board Meetings		Attendance in AGM	Other Board		
				Held	Attended		Directorship**	Committee Chairmanship**	Committee Membership (Including Chairmanship**)
1	Ashok T. Shah	PD	ED	4	4	Present	Three	Nil	Nil
2	Gunvant T. Shah	PD	ED	4	3	Present	Three	Nil	Nil
3	Kunal T. Shah	PD	ED	4	3	Present	Three	Nil	Nil
4	Bipin K. Prajapati	NPD	ED	4	3	Present	Nil	Nil	Nil
5	Deepak H. Shah	NPD	ID	4	3	Present	Nil	Nil	Nil
6	Ketan R. Shah	NPD	ID	4	4	Present	Nil	Nil	Nil
7	Haren R. Desai	NPD	ID	4	4	Present	Nil	Nil	Nil

* PD - Promoter Director, NPD - Non Promoter Director, ED - Executive Director, NED - Non Executive Director, ID - Independent Director

** In Indian Public Companies

*** In Audit, Remuneration and Shareholders' committees of Indian Public Limited Companies.