

19TH ANNUAL REPORT

2011-2012



SURAJ LIMITED

(FORMERLY KNOWN AS SURAJ STAINLESS LIMITED)

[AN ISO 9001-14001, OHSAS 18001, PED APPROVED & GOVT. RECOGNISED EXPORT HOUSE]

Progress Through Co-operation

SURAJ LIMITED

(FORMERLY KNOWN AS 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.

19th Annual Report 2011-2012

- BOARD OF DIRECTORS** :
- ASHOK T. SHAH**
 - GUNVANT T. SHAH**
 - KUNAL T. SHAH**
 - BIPIN K. PRAJAPATI**
 - DIPAK H. SHAH**
 - KETAN R. SHAH**
 - HAREN R. DESAI**
 - BHUPENDRASINH B. PATEL** (w.e.f. 26th December, 2011)
- 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
IDBI BANK
STANDARD CHARTERED BANK
- PLANT LOCATION** : SURVEY NO. 779/A, THOL, KADI - SANAND HIGHWAY,
TAL. - KADI, DIST. MEHSANA. (GUJARAT - 382729)
- 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.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Stakeholders,

It is great pleasure to submit the 19th Annual Report of your Company.

Annual report is often described as a 'snapshot of a Company's financial condition', which briefly provides financial performance and assesses the preceding fiscal year's operations and highlight the management's view of the upcoming year that are generally required by shareholders of the company and other interested parties.

The Previous financial year 2010-2011 was a very difficult year for the world economies and for business worldwide and the financial year 2011-2012 helped us to improve our working results to certain extent in restoring confidence and trust in our financial system. Suraj made operational progress during the financial year 2011-2012 and delivered a satisfactory set of financial results.

During the financial year 2011-2012, Company has achieved a turnover of Rs. 24896.87 Lacs compared to previous year Rs. 23817.58 Lacs. This was achieved in a year when the World felt the acute effects of the global recession. Therefore, your Directors strongly feel that what we have achieved in these hard days definitely be a good example as an industrial Company globally.

As I said earlier also, I hope we are entering to a stronger year and we will continue to follow our successful strategy and actively shape our future to present you more encouraging working results for the coming financial year, if the economy begins to recovery speedy.

With this positive note, I would like to take the opportunity to express my gratitude to our valued Customers, Banks, Financial Institutions, Business Associates Shareholders and employees for their continued support.

With best wishes,
Sincerely

Ashok T. Shah
Chairman & CEO

"No challenges big, No person is small"

10 YEARS OVERVIEW**(Rs. In Lacs)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sales & Other Income	4844.95	7073.87	10034.56	11693.12	23328.49	29223.086	23097.13	17687.13	23932.66	25031.46
Profit before Interest, Depreciation & Tax	224.05	395.80	568.58	795.23	2107.68	3476.85	2193.84	2784.80	3399.21	3527.63
Depreciation	96.52	115.82	127.64	138.68	338.65	502.82	545.41	893.40	998.15	1015.26
Net Profit after tax for the year	68.12	105.95	192.31	295.89	833.82	1366.312	595.04	533.25	674.79	625.41
Share capital	515.47	515.47	515.47	515.47	566.97	1700.91	1700.91	1926.41	1926.41	1926.41
Reserve & surplus	487.01	592.96	726.49	942.45	2995.29	2918.82	3200.23	5243.96	5581.79	5871.36
Shareholders Funds	1002.48	1108.43	1241.96	1457.92	3562.26	4619.73	4901.14	7170.37	7508.2	7797.77
Gross Block	1121.52	1395.48	1673.53	4031.95	5676.98	6465.42	7969.30	12951.26	13977.57	14157.50
Net Block	656.07	581.27	966.47	3186.49	4495.20	4780.81	5743.49	9837.65	9865.82	9061.15
Dividend	NIL	NIL	51.54	61.85	85.04	255.14	255.14	255.14	288.96	288.96
Rate of Dividend	NIL	NIL	10%	12%	15%	15%	15%	15%	15%	15%
Book Value of share (in Rs.) (Face Value Rs. 10/-)	19.45	21.50	24.09	28.28	62.83	27.16	28.81	37.22	38.98	40.48
Earnings per Share (in Rs.)	1.32	2.06	3.73	5.74	14.71	8.03	3.50	2.77	3.50	3.25
Yearly High & Low Share Price Rupees	10-10	18-10	49-13	80-27	250-56	421-108	222-47	147-61	97-53	69 - 47.25

NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT the 19th Annual General Meeting of the Members of SURAJ LIMITED will be held on Monday, 24th September, 2012 at 10:00 a.m. at the Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended on 31st March, 2012, and the Balance Sheet as at that date together with the Report of the Board of Directors and Auditors thereon.
2. To Declare Dividend on equity shares for the financial year ended 31st March 2012.
3. To appoint a Director in place of Shri. Kunal T Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Bipin K Prajapati, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint Messrs Pankaj K. Shah Associates, Chartered Accountant, Ahmedabad having Firm Registration No. 107352W as Statutory Auditor 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 and to fix their remuneration.

SPECIAL BUSINESS

6. **To Consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution:-**

"**RESOLVED THAT** Shri Bhupendrasinh Babulal Patel, 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 with effect from 26th December, 2011 and whose period of office expires at this ensuing Annual General Meeting, and being eligible for appointment to the office of the director and in respect of whom, the Company has received notice in writing, under section 257 of Companies Act, 1956 from member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

7. **To Consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-**

"**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and other statutory approval if any, the members of the Company hereby approves the re-appointment of Shri Kunal T Shah, as Managing Director of the Company for a period of 3 years commencing from 29th September 2011, as recommended by the Remuneration Committee and approved by the Board of Directors of the Company and with such powers and duties as set out in the agreement as placed before the members and duly initialed by the Chairman for the purpose of identification and further assented, approved and sanctioned with liberty to the Board of Director to vary the terms and conditions of the said re-appointment, as may be agreed to between the Board Members of the Company and Shri Kunal T Shah".

"**RESOLVED FURTHER** that the remuneration and perquisites set out in the aforesaid agreement be paid to Shri Kunal T Shah as minimum remuneration during the tenure of his re-appointment notwithstanding that in any financial year of the company during the aforesaid period, the Company has made no profits or the profits made are inadequate".

"**RESOLVED FURTHER** that the remuneration and perquisites including the monetary value thereof as specified in the agreement may be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 1956 or any amendments thereof or re-enactments thereof and that the aforesaid agreement between the Company and Shri Kunal T Shah be suitably amended to give effect to the same in such manner as may be agreed to between the Board and Shri Kunal T Shah".

8. To Consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolution:-

"**RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309 and 310, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and other statutory approval if any, the members of the Company hereby approves the re-appointment of Shri Bipin K Prajapati, as Whole time Director of the Company for a period of 3 years commencing from 28th January 2012, as recommended by the Remuneration Committee and approved by the Board of Directors of the Company and with such powers and duties as set out in the agreement as placed before the members and duly initialed by the Chairman for the purpose of identification and further assented, approved and sanctioned with liberty to the Board of Director to vary the terms and conditions of the said re-appointment, as may be agreed to between the Board Members of the Company and Shri Bipin K Prajapati."

"**RESOLVED FURTHER** that the remuneration and perquisites set out in the aforesaid agreement be paid to Shri Bipin K Prajapati as minimum remuneration during the tenure of his re-appointment notwithstanding that in any financial year of the company during the aforesaid period, the Company has made no profits or the profits made are inadequate."

"**RESOLVED FURTHER** that the remuneration and perquisites including the monetary value thereof as specified in the agreement may be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 1956 or any amendments thereof or re-enactments thereof and that the aforesaid agreement between the Company and Shri Bipin K Prajapati be suitably amended to give effect to the same in such manner as may be agreed to between the Board and Shri Bipin K Prajapati."

Registered Office :

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

Date : August 6, 2012

Place : Ahmedabad

For and on behalf of the Board

Viral M. Shah
Company Secretary

NOTES :

1. The relevant 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.
2. 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 him/her 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.
3. The Register of Members and the Share transfer Books of the Company will remain closed from Monday, 17th September 2012 to Monday, 24th September 2012 (both days inclusive).
4. Corporate members intending to send their authorized 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.
5. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
6. Members who hold shares in dematerialization form, are requested to bring their depository account number for identification.
7. 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.
8. 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 the date of Meeting.
9. Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2012 when declared at the meeting will be paid on or after 29th September, 2012 :-
 - (i) to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company's Registrar & Share Transfer Agent on or before 16.09.2012, **or**
 - (ii) in respect of shares held in electronic form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as on 16.09.2012.
10. 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. However, if members want to change/correct bank account details, they should communicate the same immediately to the concerned Depository Participant. Members are also requested to furnish their MICR code of their bank to their Depository Participant. The Company or its Registrar will not entertain 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. Members holding shares in physical form are requested to advise any change of address immediately to the Company/ Registrar and Share Transfer Agents, M/s MCS Limited.
11. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility by filling Form 2B. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
12. 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.
13. 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.
14. 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.
15. Members are requested to note that the dividend for the year 2004-2005 which is not encashed for a period of 7 years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investors Education and Protection Fund after 17th September, 2012. Members who have not

encashed their above Dividend Warrants may approach to the Company/RTA immediately for revalidation as otherwise no claim thereafter shall lie against the Fund or the Company in respect of such unclaimed Dividend Amount.

16. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
17. To support the "Green Initiative in Corporate Governance" taken by The Ministry of Corporate Affairs by allowing paperless compliances and stating that service of notices / documents including Annual Report can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders, notices/documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail address have been registered with the Company. Members who would like to receive such notices / documents in electronic mode in lieu of physical copy and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses:
 - In respect of electronic shareholding - through their respective Depository Participants;
 - In respect of physical shareholding - by sending a request to the Company's Share Transfer Agent, mentioning therein their folio number and e-mail address.

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

Item No. 6

The Board members appointed Shri Bhupendrasinh Babulal Patel as an Additional (Independent) Director of the Company w.e.f. 26th December 2011 pursuant to Section 260 of the act, to compose the Board in line with the Listing agreement and to comply with the provisions of clause 49 of the Listing agreement, he holds office upto the date of this ensuing Annual General Meeting of the Company. Shri Bhupendrasinh is possessed of wide and varied experience of around 36 years as an Engineer in various Industries. Originally, started his career as an Engineer from Ambica Mills - Ahmedabad in 1972 and served with various industries till 1988. Since then he worked with Reliance Industries Limited - Ahmedabad Textile unit as a Manager (Engineer) and worked till June 2008. His thorough knowledge and extensive skills in Production and capacity expansion in such textile unit coupled with maintaining cordial personnel relations at Plant Levels shall be of immense help to the company in achieving maximum yield.

A notice in writing along with a deposit of Rs. 500/- under section 257 of the Companies Act, 1956, has been received from a shareholder of the Company signifying his intention to propose Shri Bhupendrasinh Babulal Patel as a candidate for the office of Director, Your Directors are of the view that it will be in the interest of the company to regularize him as Director of the Company, liable to retire by rotation and accordingly recommend his appointment.

None of the Directors, except Shri Bhupendrasinh B Patel, is in any way concerned or interested in the aforesaid resolution and recommend your acceptance thereof in the interest of the Company.

Item No. 7

The Board Members re-appointed Shri Kunal T Shah as Managing Director of the Company on 9th August 2011 for a period of three years w.e.f. from 29th September 2011 on the terms & conditions and remuneration as recommended by Remuneration Committee. The Remuneration Committee has considered the matter and recommended the terms of the Remuneration to the Board, subject to the approval of members under various Sections of the Act read with Schedule- XIII of the Companies Act, 1956. He is possessing graduate degree having experience of 16 years in the field of marketing. He is with company since last 18 years more particularly as Managing Director of the Company since 2005. He has vast experience in the field of marketing department, commercial department and effective policy formulations for efficient and smooth running of the company. In view of the manifold increase in role and his responsibility, the Board approved the re-appointment of Shri Kunal T Shah as Managing Director of the Company for a period of three years w.e.f. 29th September 2011. The details of the remuneration payable to Shri Kunal T Shah, as Managing Director as contained in the agreement signed between the Company and Shri Kunal T Shah are set out below:

- a) Salary at the rate of Rs. 3,00,000/- (Rupees Three Lac) per month. So long as he functions as such, he shall not be paid any sitting fees for attending meeting of the Board of Directors or committees thereof,
- b) The Managing Director shall be entitled to the following perquisites and facilities:
 - (i) Housing: The expenditure to the company on hiring furnished accommodation shall not exceed 60% of the salary. In case the Managing Director is provided accommodation owned by the company, he will pay 10% of his salary towards house rent.

- (ii) Gas, Electricity, Water and Furnishings: Besides house as mentioned above, the expenditure on gas, electricity, water and furnishing will be borne by the company and the market value will be evaluated as per Income Tax Rules, 1962.
- (iii) Medical Reimbursement: Medical expenses incurred by the appointee on self, spouse and dependent children will be reimbursed to him subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (iv) Club Fees: Fees of two clubs subject to a maximum of two clubs excluding admission and life membership fees.
- (v) Provident fund and superannuation: Gratuity payable at the rate of half month's salary for each completed year of service with a service of six months or being treated as a full year.
- (vi) Car with driver: The Managing Director will be provided with a car and driver for use on company's business. Use of car for private purpose will be billed by the company. The provision of car for official use and telephone at residence will not be considered as perquisite.
- (vii) Telephone and Internet: Free telephone and Internet facility at his residence, Personal long distance calls will be billed to the Managing Director.

The company shall reimburse actual entertainment and travelling expense incurred by the managing director in connection with the company's business.

Note: For the purpose of perquisites stated herein above, family means the spouse, the dependent children and the dependent parents of the appointee.

The other terms contained in the agreement are the various powers delegated to Shri Kunal T Shah as Managing Director of the Company by virtue of his re-appointment.

This statement containing following information is given as per Clause-B of section II of part II of Schedule XIII of the Companies Act, 1956.

I.	GENERAL INFORMATION:		
(1)	Nature of Industry	Manufacturing of all kinds of ferrous and non-ferrous stainless steel Pipes and tubes for industrial and non industrial use.	
(2)	Date or expected date of commencement of commercial production.	Existing Company and hence not applicable.	
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Existing Company and hence not applicable.	
(4)	Financial Performance based on given indicators. (As at 31st March 2011)	Particulars	(Rs. In Lacs)
		Turnover (Net Sales)	23817.58
		Operating Profit	3242.19
		Net Profit Before Tax	1004.35
		Debt Equity Ratio	1.48:1
	Net Worth	7508.20	
(5)	Export Performance	The Company has achieved export Turnover FOB value of Rs. 13388.82 Lacs for the financial year ended on 31.03.11	
(6)	Foreign Investments or collaborators, if any.	None	
II.	INFORMATION ABOUT THE APPOINTEE:		
(1)	Background Details	Shri Kunal T Shah possesses a graduate degree. He is with company since last 18 years more particularly as Managing Director of the Company since 2005.	
(2)	Past Remuneration	Remuneration paid for the Financial year 2010-11 was Rs. 36.00 Lacs per annum plus perquisites of Rs. 0.13 Lacs per annum.	
(3)	Recognition or Awards	As such no awards being received by Shri Kunal T Shah in his personal capacity however he ensured and strived his best to achieve numbers of awards and recognitions for the company which made history to enter into global market with ease.	

(4)	Job Profile and his suitability	Shri Kunal T Shah has vast experience in marketing, administration and effective policy formulations for efficient and smooth running of the company. He has wide knowledge of the industry and markets that the company operates in and has been instrumental in growth story of the company over the last few years.
(5)	Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is commensurate with level skills, experience of the appointee. Shri Kunal T Shah has been re-appointed as Managing Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He is directly related with Promoters of the Company and being one of the promoters of the company holding 5.35% shares in the company.
III. OTHER INFORMATION:		
(1)	Reasons of loss or inadequate profits.	Though, the company has made reasonable profit during the immediately preceding financial year in which such reappointment has been made as per the industry norms, however as per calculation of profit u/s. 349 such profits are inadequate to remunerate such managerial personnel.
(2)	Steps taken or proposed to be taken for improvement	Efforts taken for cost cutting to improve margins. Search for improved quality and value added products.
(3)	Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Stainless Steel Industry.
IV. DISCLOSURES:		
(1)	The remuneration package of Shri Kunal T Shah has been enumerated above. A copy of the agreement entered with the Managing Director is available for inspection by the members of the Company at the Registered office of the Company between 11.00 a.m. to 1.00 p.m. on any working day.	
(2)	The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2011-12, wherever applicable.	

The re-appointment of Shri Kunal T Shah as Managing Director of the company requires special majority of the members under Section 198, 269, 309, 310 read with provisions of sub-clause (B) of section II of part II of Schedule XIII of the Companies Act, 1956, for payment of remuneration. The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in terms of the proviso of sub clause (ii) of clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956. Consequently the said resolution for re-appointment of Shri Kunal T Shah as Managing Director for a period of three years on the remuneration as set out in the Agreement, requires approval of Members in General Meeting with special majority. Hence, your directors recommend the resolution for your approval.

As the resolution for re-appointment has been proposed for three years with remuneration within the limits prescribed under Sub-Clause-B of section II of part II of Schedule XIII of the Act, calculated with reference to effective capital on higher side and hence the approval of Central Government is not required.

Except Shri Kunal T Shah, Shri Gunvant T Shah and Shri Ashok T Shah, none of the Directors, is in any way

concerned or interested in the aforesaid resolution and recommend your acceptance thereof in the interest of the Company.

The notice and explanatory statement may be treated as an abstract of terms and memorandum of interest under section 302 of the Companies Act, 1956, regarding re-appointment of Shri Kunal T Shah as Managing Director of the Company to be circulated to the shareholders of the company and the requirement of the said act may be deemed to have been sufficiently complied with.

Item No. 8

The Board Members re-appointed Shri Bipin K Prajapati as Whole time Director of the Company on 12th November 2011 for a period of three years w.e.f. from 28th January 2012 on the terms & conditions and remuneration as recommended by Remuneration Committee. The Remuneration Committee has considered the matter and recommended the terms of the Remuneration to the Board, subject to the approval of members under various Sections of the Act read with Schedule- XIII of the Companies Act, 1956. He is possessing graduate degree having experience of 18 years in the field of production. He is with company since last 18 years more particularly as Whole time Director of the Company since 2007. He has vast experience in the field of production and effective policy formulations for efficient and smooth running of the company. In view of the manifold increase in role and his responsibility, the Board approved the re-appointment of Shri Bipin K Prajapati as Whole time Director of the Company for a period of three years w.e.f. 28th January 2012. The details of the remuneration payable to Shri Bipin K Prajapati, as Whole time Director as contained in the agreement signed between the Company and Shri Bipin K Prajapati are set out below:

- a) **Salary** at the rate of Rs, 1,00,000/- (Rupees One Lac) per month. So long as he functions as such, he shall not be paid any sitting fees for attending meeting of the Board of Directors or committees thereof,
- b) The Whole time Director shall be entitled to the following perquisites and facilities:
 - (i) 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.

(ii) 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.

- (iii) The Company shall reimburse actual entertainment and travelling expense incurred by the Whole time Director in connection with the Company's business.

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.

Note: For the purpose of perquisites stated herein above, family means the spouse, the dependent children and the dependent parents of the appointee.

The other terms contained in the agreement are the various powers delegated to Shri Bipin K Prajapati as Whole time Director of the Company by virtue of his re-appointment.

This statement containing following information is given as per Clause-B of section II of part II of Schedule XIII of the Companies Act, 1956.

I.	GENERAL INFORMATION:	
(1)	Nature of Industry	Manufacturing of all kinds of ferrous and non-ferrous stainless steel Pipes and tubes for industrial and non industrial use.
(2)	Date or expected date of commencement of commercial production.	Existing Company and hence not applicable.
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Existing Company and hence not applicable.

(4)	Financial Performance based on given indicators. (As at 31st March 2011)	Particulars	(Rs. in Lacs)
		Turnover	23817.58
		Operating Profit (PBIDT)	3242.19
		Net Profit Before Tax	1004.35
		Debt Equity Ratio	1.48:1
(5)	Export Performance	The Company has achieved export Turnover FOB value of Rs. 13388.82 Lacs for the financial year ended on 31.03.11	
(6)	Foreign Investments or collaborators, if any.	None	
II. INFORMATION ABOUT THE APPOINTEE:			
(1)	Background Details	Shri Bipin K Prajapati possesses a graduate degree. He is with company since last 18 years more particularly as Whole time Director of the Company since 2007.	
(2)	Past Remuneration	Remuneration paid for the Financial year 2010-11 was Rs. 12.00 Lacs per annum plus perquisites of Rs. 0.13 Lacs per annum.	
(3)	Recognition or Awards	No such award has been received by Shri Bipin Prajapati in personal capacity however he put in hard efforts to get the company global image in setting parameters for international quality product and getting certification for the same for the company.	
(4)	Job Profile and his suitability	Shri Bipin K Prajapati has vast experience in production field, its quality, durability of the product and time job completion in effective manner which will be of immense help to the company in achieving its desired goals.	
(5)	Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.	
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is commensurate with level skills, experience of the appointee. Shri Bipin K Prajapati has been re-appointed as Whole time Director, to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.	
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	There is no such pecuniary relation either directly or indirectly with the company, its promoters or any managerial personnel of the company.	
III. OTHER INFORMATION:			
(1)	Reasons of loss or inadequate profits.	Though, the company has made reasonable profit during the immediately preceding financial year in which such reappointment has been made as per the industry norms, however as per calculation of profit u/s. 349 such profits are inadequate to remunerate such managerial personnel.	
(2)	Steps taken or proposed to be taken for improvement	Efforts taken for cost cutting to improve margins. Search for improved quality and value added products.	
(3)	Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Stainless Steel Industry.	
IV. DISCLOSURES:			
(1)	The remuneration package of Shri Bipin K Prajapati has been enumerated above. A copy of the agreement entered with the Whole time Director is available for inspection by the members of the Company at the Registered office of the Company between 11.00 a.m. to 1.00 p.m. on any working day.		
(2)	The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2011-12, wherever applicable.		

SURAJ LIMITED (Formerly known as Suraj Stainless Limited)

The re-appointment of Shri Bipin K Prajapati as Whole-time Director of the company requires special majority of the members under Section 198, 269, 309, 310 read with provisions of sub-clause (B) of section II of part II of Schedule XIII of the Companies Act, 1956, for payment of remuneration. The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in terms of the proviso of sub clause (ii) of clause (B) of Section II of Part II of Schedule XIII of the Companies Act, 1956.

Consequently the said resolution for re-appointment of Shri Bipin K Prajapati as Whole-time Director for a period of three years on the remuneration as set out in the Agreement, requires approval of Members in General Meeting with special majority. Hence, your directors recommend the resolution for your approval.

As the resolution for re-appointment has been proposed for three years with remuneration within the limits prescribed under Sub-Clause-B of section II of part II of Schedule XIII of the Act, calculated with reference to effective capital on higher side and hence the approval of Central Government is not required.

None of the Directors, except Shri Bipin K Prajapati, is in any way concerned or interested in the aforesaid resolution and recommend your acceptance thereof in the interest of the Company.

The notice and explanatory statement may be treated as an abstract of terms and memorandum of interest under section 302 of the Companies Act, 1956, regarding re-appointment of Shri Bipin K Prajapati as Whole-time Director of the Company to be circulated to the shareholders of the company and the requirement of the said act may be deemed to have been sufficiently complied with.

Registered Office

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

For and on behalf of the Board

Date : August 6, 2012

Place : Ahmedabad

Viral M. Shah

Company Secretary

DIRECTORS' REPORT

The Members,

Suraj Limited, Ahmedabad

The Directors present their 19th Annual Report together with the Audited Statement of Accounts of Company for the year ended 31st March 2012.

Financial Results

The financial results of the Company for the year under review are as under :

The summary of operating results for the year and appropriation of divisible profits is given below: (Rs. In Lacs)

	2011-2012	2010-2011
Total Revenue (Net)	24896.87	23817.58
Other Income	134.58	115.08
Interest	1156.06	1239.69
Profit Before Depreciation	1691.42	2002.50
Depreciation	1015.26	998.15
Profit Before Tax	676.16	1004.35
Taxation--Current Tax	250.76	347.59
--Excess/Short provision for earlier years	(126.16)	2.49
--Deferred Tax (Assets/Liability)	(73.84)	(20.52)
Profit after Tax	625.40	674.79
Balance Brought Forward from previous year	2919.43	2615.33
Amount available for proposed appropriations:	3544.84	3290.12
Appropriations		
Proposed Dividend	288.96	288.96
Provision for tax on Dividend	46.88	47.99
Transfer to Statutory Reserves	31.27	33.74
Balance carried forward to Balance Sheet	3177.73	2919.43

2) OPERATIONS

The Company achieved magnificent turnover (net) of Rs. 24,896.87 Lacs as compared to Rs. 23,817.58 Lacs in the previous financial year, which shows an increase of about 4.53% of turnover as compared to the previous financial year. The other income of the company for the said period stood at Rs. 134.58 Lacs as compared to Rs. 115.08 Lacs of previous financial year. The PAT levels were stood at Rs. 625.40 Lacs as compared to Rs. 674.79 Lacs previous financial year, which shows a decrease of 7.32% as compared to last financial year. The Net profit was decreased mainly due to steep increase in raw material prices and increase in financial costs as compared to previous financial year. Your directors of the company are aware of the said situation and are continuously striving to cope up the said situation.

- 3) **DIVIDEND**
Your Directors recommend a final dividend of 15% i. e. Rs. 1.50 for each Equity Shares of Rs. 10/- for the year ended March 31, 2012, subject to the approval of shareholders at the ensuing Annual General Meeting.
- 4) **TRANSFER TO STATUTORY RESERVE**
In accordance with the statutory provisions and companies (Transfer of Profit to Reserves) Rules, 1975, The Company has transferred 5% of its distributable profit to Statutory Reserve as per the provision of Companies Act, 1956.
- 5) **DEPOSITS**
Your Company has not accepted any public deposit within the meaning of the provisions of Section 58A of the Companies Act, 1956.
- 6) **INTERNAL CREDIT RATING**
Care rating services has assigned to the Company its 'CARE BBB-' corporate credit rating with outlook as stable
- 7) **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. 2012-13.
- 8) **DIRECTORS**
The Board of Directors of your company has various executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning. Mr. Kunal T Shah and Bipin K. Prajapati, Directors of the company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. Shri Bhupendrasinh B. Patel director of the company was appointed as the additional director of the Company w.e.f. 26th December 2011 in accordance with the provisions of Section 260 of the Act, whose period of office expires until the date of this Annual General Meeting. Your directors recommend the re-appointment of these directors.
- 9) **CORPORATE GOVERNANCE**
Your company has taken adequate measures to ensure that the provision of corporate Governance as prescribed under clause 49 of the listing agreement with stock exchanges are complied with. A detailed report as per Appendix-I on corporate governance, to be certified by the Company Secretary in whole time practice on its Compliance by the Company, forms part of this report. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct.
- 10) **MANAGEMENT DISCUSSION & ANALYSIS**
The management discussion & analysis is given separately and forms part of this annual report.
- 11) **AUDITORS**
M/s. Pankaj K. Shah Associates, Chartered Accountant (firm registration no. 107352W), retire at the close of this Annual General Meeting and is eligible for re-appointment. The Company has received confirmation that their reappointment will be within the limits prescribed under section 224(1B) of the Companies Act, 1956. The Audit Committee of the Board has recommended their re-appointment. The necessary resolution is being placed before the shareholders for approval.
- 12) **COST AUDITORS**
The Government has stipulated Cost Audit of the Company's records in respect of Steel tubes and pipes industries from the financial year commencing from 01/04/2011. M/s Kiran J. Mehta & Co., Cost Accountants have carried out this audit. Their findings have been satisfactory.
- 13) **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, 2012 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 taken 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. The financial statements for the year ended 31st March 2012 have been prepared on a going concern basis.
- 14) **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.
- 15) **EMPLOYEES**
Relations between the employees and the management continued to be cordial during the period under review. The Directors hereby place on record their appreciation for the efficient services rendered by the company's employees at all levels.
None of the employee of the Company was drawing the remuneration exceeding the ceiling limits as prescribed in the Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956 during the year under review. Hence, no information is required to be appended to this report in this regard.

16) **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**
Statement giving Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings and out-go, in terms of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars) Rules, 1988 is given in Annexure forming part of this Report.

17) **FINANCE**

During the year under review, the company has continued to enjoy various credit facilities from the consortium bankers to the extent of Rs. 148 Crores with upper limits of working capital of Rs. 114 Crores to meet short term liquidity requirements of the company for the smooth and efficient running of the business.

18) **CEO and CFO Certification**

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

19) **APPRECIATION AND ACKNOWLEDGEMENTS**

The Directors thank the Company's employees, customers, vendors, investors and the financial institutions, banks, Regulatory authorities, Stock Exchange for their continued support to the Company.

The Directors also thank the Government of various countries, Government of India, State Governments in India and concerned Government Departments / Agencies for the co-operation.

The Directors appreciate and value the contributions made by every member of the SURAJ family globally.

Registered Office

'SURAJ HOUSE',

Opp. Usmanpura Garden,

Ashram Road, Ahmedabad - 380 014

For and on behalf of the Board of Directors

Date : August 6, 2012

Place : Ahmedabad

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, 2012.

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 31-03-2012	Year Ended 31-03-2011
A). Power and Fuel Consumption		
▶ Electricity		
❖ Purchase in Unit KWH	3220140	3288000
❖ Total Amount Rs.	22160322	20981963
❖ Rate KWH Rs.	6.88	6.38
B). Consumption per unit of production		
❖ Production (M.T.)	9237.077	9707.074
❖ Total Nos. of Unit (KWH)	3220140	3288000
❖ Unit Per M.T. (KWH)	348.61	338.72
❖ Cost per M.T. Rs.	2398.44	2161.51

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 Rs.
1) Foreign Exchange earned :	
Export of Goods	1465477021.45
2) Foreign Exchange Outgo :	
i) Material Import on CIF Basis	959104035.00
ii) Capital Goods Imported	4140610.00
iii) Stores & Spares	4854996.00
iv) Foreign Travel	1340936.00
v) Advertisement	3445092.00
vi) Sales Commission	26547249.00
vii) Business Development Exp.	2463248.00

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development:

Your Company is a leading producer of SS seamless Welding Pipes, Tubes and "U" Tubes in Gujarat having a plant at S.NO. 779/A, Thol, Tal:- Kadi, Dist:- Mehsana. Our products find application in important industry segments like pharmaceuticals, agro-chemicals, dyes & pigments, Oil, Gas, Refinery, etc. The day-to-day management of the Company is looked by the Executive Director assisted by a team of competent technical & commercial professionals.

Further details on the Company can be obtained by visiting the website www.surajgroup.com

Performance:

Total income (net of excise) for the year 2011-2012 amounted to Rs. 24896.87 lacs compared to Rs. 23817.58 lacs of the previous year. Sales of SS Pipes, Tubes and SS Scrapes in quantity terms amounted to 9337.28 MT compared to 9499.93 MT for the year 2010-11. During the year, your Company has made exports of its products amounting to Rs. 15138 Lacs.

Opportunities, Threats, Risks and Concerns:

As is normal and prevalent for any business, the Company is likely to face competition from large-scale imports. There can be risks inherent in meeting unforeseen situations, not uncommon in the industry. Your Company is fully aware of these challenges and is geared to meet them. Your Company also recognizes the risks associated with business and would take adequate measures to address the associated risks and concerns. Some of these factors include competition from multinational companies, duty free imports by customers against export obligations, our pricing strategy being mainly dependent on import tariffs and dependence on imported raw material.

Financial Performance with Respect to Operational Performance:

The operating profit for the current year before Interest Tax & Depreciation stands at Rs. 2847.49 Lacs as compared to Rs. 3242.19 lacs, last year.

Internal Control Systems and their adequacy:

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. The internal control systems are supplemented by an extensive programme of internal audits, review by management, guidelines & procedures. Company's control systems are time tested, documented and recognized under ISO Certification. On the financial side, periodic audits by Internal Auditors and External Auditors provide a means whereby weaknesses are exposed and rectified.

The Company has an independent internal audit system, covering on a continuous basis, the entire gamut of operations and services spanning major business functions. The internal audit functions include evaluation of all financial & major operating system controls. The internal audit findings and recommendations are reviewed by the Audit Committee and are then reported to the Board.

Human Resource/Industrial Relations:

Human Resources Development, in all its aspects like training in safety and social values is under constant focus of the management. Relations between the management & the employees at all levels remained healthy & cordial throughout the year. The Management and the Employees are dedicated to achieve the corporate objectives and the targets set before the Company.

Business Outlook:

The year 2012-2013 offers a positive picture in terms of the growth in all segments in comparison with previous years. Consequently the demand for our products will increase. At the same time on account of weakening of Indian Currency, imports will become costlier, However majority sales will be export sales, it works to our advantage. Your Company has also identified and is focusing on some of its specialty products that would add to its application areas and increase the turnover.

Cautionary Statement:

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations are "forward looking statements". Actual results might differ materially from those anticipated because of changing ground realities.

For and on behalf of the Board

ASHOK SHAH

Ahmedabad, Dated: August 6, 2012. Chairman

APPENDIX - I

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

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 Limited is as under:

1. Company's Philosophy on Corporate Governance:

As a policy SURAJ Limited (SURAJ) gives utmost importance to achieving high standards of Corporate Governance and is committed to achieve the highest level of Corporate Governance in order to enhance long-term shareholder value by integration of systems and actions for enhancement of corporate performance. The Company places due emphasis on regulatory compliance.

The Company gives equal importance for maintaining as well as improving the quality of its products and to achieve this, the Company carries out continuous product developments and quality controls.

The Company gives utmost importance for developing a team of competitive professional managers. Overall, policy is set by the Board of Directors and implemented by a team of professional managers in their respective field. The Company gives fair amount of freedom to the employees to get their best contribution to the Company and rewards and incentives are given in recognition thereof.

2. Board of Directors:

Composition & size of the Board.

The present strength of the Board is eight Directors, The Board of Directors of the Company comprises of optimum mix of both Executive and Non-executive Directors with independent Directors. The Board members consist of persons with professional expertise and experience in various fields of Finance, Accounts, Management, Law, Labour Welfare etc.

Number of Board Meeting held during the year along with the dates of Meeting.

Four Board Meetings were held during the year 2011-12 the dates on which the said meetings were held are as follows:

- 1) 13th May 2011
- 2) 9th August 2011
- 3) 12th November 2011
- 4) 10th February 2012

Attendance of each Director at Board Meeting and the last Annual General Meeting (AGM) and the number of Companies and Committees where he/she is Director/Member are as under.

Name of Director	PD/NPD*	ED/NED/ID*	No. of Board Meeting Attended	Attendance at the last AGM	No. of Directorship in other Companies (Excluding Pvt. Limited Companies)	No. of specified Committees (Other than (Suraj) in which chairman / Member	
						Chairman	Member
Mr. Ashok T Shah	PD	ED	4	Yes	1	-	-
Mr. Gunvant T Shah	PD	ED	4	Yes	1	-	-
Mr. Kunal T Shah	PD	ED	4	Yes	1	-	-
Mr. Bipin K Prajapati	NPD	ED	4	Yes	-	-	-
Mr. Dipak H Shah	NPD	NED/ID	3	Yes	-	-	-
Mr. Ketan R Shah	NPD	NED/ID	3	Yes	-	-	-
Mr. Haren R Desai	NPD	NED/ID	4	Yes	-	-	-
Mr. Bhupendrasinh B Patel##	NPD	NED/ID	1	No	-	-	-
Mr. Mahesh V Parikh #	NPD	NED/ID	1	No	-	-	-

* PD - Promoter Director NPD - Non Promoter Director, ID - Independent Director, N.E.D - Non-Executive Director, E.D.-Executive Director.

• The committees mentioned above include only Audit Committee and Share holders Investors' Grievance Committee.

Mr. Mahesh V Parikh has resigned from the Board w.e.f. 28th June 2011.

Shri Bhupendrasinh B. Patel joined the Board w.e.f. 26th December, 2011

" None of the Directors of the Company was a member of more than ten Committees of Boards as stipulated under Clause 49 of the Listing Agreement nor was a Chairman of more than five such committees across all companies in which he was a director.

The Chairman of the Board is an Executive Director.

In the judgment of the Board of Directors of the Company, following Directors are independent Non-executive Directors:

- Mr. Dipak Shah
- Mr. Ketan Shah
- Mr. Haren R Desai
- Mr. Bhupendrasinh Patel

Information about Directors seeking appointment and re-appointment:

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company; (pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

Name of the Director	Mr. Kunal T Shah	Mr. Bipin K Prajapati
Date of Birth	August 24, 1973	October 6, 1974
Date of Appointment	January 20, 1994	January 29, 2007
Expertise in specific functional areas	Marketing	Production
Qualifications	B.Com	B. Com
Details of Shares held in the Company	10,30,600	500
List of companies in which outside Directorship held as on March 31, 2012 (excluding private & foreign) companies)	TBS Metal Limited	Nil
Chairman / Members of the *Committee of other companies on which he is a Director as on March 31, 2012	Nil	Nil

*The committees include the Audit Committee and the Shareholders' / Investors Grievance Committee

Information placed before the Board of Directors:

All major decisions regarding resource mobilization, capital expenditure, etc. are considered by the Board, in addition to day-to-day matters, which are statutorily required to be placed before the Board of Directors for its approval. Following information is regularly put up before the Board for its consideration and approval:

- Review of operational results
- Quarterly financial results
- Minutes of the meeting of Audit Committee and Shareholder's/Investors' Grievance Committee of the Board.
- Compliance with various statutory requirements.

The Board is informed of all material, financial and commercial decision from time to time.

3. Audit Committee:

Name of Committee Member	Category	No. of meetings held	No. of meetings attended
Mr. Dipak H. Shah	Independent, Non Executive	4	4
Mr. Ketan R. Shah	Independent, Non Executive	4	4
Mr. Haren R. Desai	Independent, Non Executive	4	4

The audit committee meetings were held on 13th May 2011, 9th August 2011, 12th November 2011 and 9th February 2012. The power and role of the Audit Committee are as per Guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchange.

The Terms of the reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. The Audit Committee met prior to the finalization of Accounts for the year ended 31st March 2012.

The Chairman of the Audit Committee was present at 18th Annual General Meeting of the Company held on 19th September 2011.

4. Remuneration Committee:

- i) The Company constituted remuneration Committee of Directors on 13th May 2011 and the meeting of such committee members were held on (1) 9th August 2011 & (2) 12th November 2011.
- ii) The broad terms of reference of the remuneration Committee are as under;
 - a) To approve annual remuneration plan of the Company.
 - b) Such other matters as the Board may from time to time request the Remuneration committee to examine and recommend/ approve.
- iii) The Chairman of the Remuneration Committee was present at the Last Annual General Meeting of the Company held on 19th September 2011.
- iv) The Company does not have any ESOP Scheme.
- v) Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the company endeavors to attract, retain, develop and motivate a high performance workforce. The company pays remuneration by way of salary, benefits, perquisites and allowances to its Chairman & CEO, Managing Director and other executive directors. Annual increments are decided by the Remuneration Committee within the salary scale permitted within the limits prescribed in the Act read with rules and schedules and as approved by the shareholders of the company.

The Company pays Sitting Fees of Rs. 2,500/- per meeting to its Non-Executive Directors (NEDs) for attending only the meeting of the Board of Directors of Company. However, the Company does not pay any sitting fees to the members for attending any other committee meetings except as mentioned above.

The details of the remuneration paid to the directors for the year 2011-12 are as follows:

Name of Directors		Ashok Shah	Gunvant Shah	Kunal Shah	Bipin Prajapati
Designation		Chairman & CEO	Vice Chairman & Whole Time Director	Managing Director	Whole Time Director
Fixed Component	Salary	36,00,000	36,00,000	36,00,000	12,00,000
	Perquisites	Nil	Nil	Nil	Nil
	Special Allowance	3,500	3,500	3,500	3,500
Variable Component		Nil	Nil	Nil	Nil
Contribution to Provident Fund and Super Annotation Fund		Nil	Nil	Nil	9,360
TOTAL		36,03,500	36,03,500	36,03,500	12,12,860

Company has not issued any convertible instrument. However, the details of the Shares held by Non-Executive Directors as at 31st March 2012 and sitting fees paid for various meetings attended during the F.Y. 2011-12 are as follows:

Sr. No.	Name of Non-Executive Director	No. of Shares Held	Sitting fees Paid during the year
1	Mr. Dipak H Shah	1,200	7,500
2	Mr. Ketan R Shah	None	7,500
3	Mr. Haren R Desai	None	10,000
4	Mr. Bhupendrasinh B Patel	None	2,500
5	Mr. Mahesh V Parikh #	None	2,500

Resigned w.e.f. 28th June 2011.

5. Shareholders/Investors' Grievance Committee:

The Company has constituted a Shareholders/Investors' Grievance Committee to ensure timely services to the Member/Investors and to supervise the performance of the Registrar and Share Transfer Agent and to provide the best services to the Investors. It is also empowered to approve transfer, transmission and transposition of shares, issue duplicate share certificates, etc. from time to time.

The Committee consists of following three Non-Executive Directors, as under;

1. Mr. Ketan R. Shah Chairman/NED & ID
2. Mr. Dipak H. Shah Member/NED & ID
3. Mr. Haren R. Desai Member/NED & ID

Mr. Ketan Shah, who is a non-executive director and independent, is a Chairman of the Committee and Mr. Viral Shah, Company Secretary of the Company is designated as Compliance Officer appointed by the Board.

The number of shareholder's complaints received through Stock Exchange or SEBI during the year 2011-12 and status of the same are as follows:

Complaints Received from	No. of Complaints Received	No. of Complaints Disposed off Satisfactorily	No. of Complaints Outstanding As on 31.03.2012
SEBI	None	None	None
Shareholders	24	24	None

All the complaints/queries are promptly attended and resolved to the satisfaction of shareholders. All shares received for transfer were registered and dispatched within the stipulated time, wherever documents were correct and valid in all respects.

6. General Body Meetings:

(A) Annual General Meeting:

Date and time of the Annual General Meeting held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

Year	Location	Date & Time	Special Resolution passed
2010-11	Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009.	September 19, 2011 10:00 a. m.	None
2009-10	Suraj House, Opp. Usmanpura Garden, Ashram Road, Ahmedabad - 380 014.	November 25, 2010 10:00 a. m.	To Change the name of the Company from Suraj Stainless Limited to Suraj Limited.
2008-09	Suraj House, Opp. Usmanpura Garden, Ashram Road, Ahmedabad - 380 014.	September 3, 2009 11:00 a. m.	To increase Authorized Share Capital of the Company from present strength of Rs. 18 Crores to Rs. 20 Crores

(B) Extra Ordinary General Meeting:

Date and time of the Extra Ordinary General Meeting held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

Year	Location	Date & Time	Special Resolution passed
2010-11	None	None	None
2009-10	Suraj House, Opp. Usmanpura Garden, Ashram Road, Ahmedabad - 380 014.	January 16, 2010 10:00 a.m.	To approve the Scheme of Amalgamation of Suraj Limited with Suraj Stainless Limited.
2008-09	None	None	None

The shareholders passed the resolutions set out in the respective notices. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

7. Disclosure:

1. There are no materially significant related party transactions made by the Company with its promoters, Directors or Management, etc., that may have potential conflict with the interest of the Company at large. Transactions with related parties as per requirements of Accounting Standard (AS-18) - 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Notes to the Accounts for the year 2011-2012
2. In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Companies (Accounting Standard) Rules, 2006 as well as the Accounting Standard issued by the ICAI.
3. The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of Securities & Exchange Board of India, Consequently, there were no strictures or penalties imposed either by Securities & Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during last three years.
4. As a non-mandatory requirements your Company has adopted the following clauses;
 - a) The Company has set up Remuneration Committee to determine remuneration package of executive director/s.

8. Code of Conduct:

The Company has laid down a Code of Conduct for all the Board members and senior management personnel. The declaration by Chairman & CEO is forming part of this report.

9. Means of Communication with shareholders:

- (i) Quarterly Results : Quarterly results were taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of clause 41 of the Listing Agreement. Quarterly results are normally published in English and Gujarati newspapers.
- (ii) Website : www.surajgroup.com
- (iii) Whether it also displays official News releases : Press release, if any made by the Company are also displayed from time to time.
- (iv) The presentations made to institutional investors or to the analysts : No such presentation has been made during the year.
- (v) Whether MD&A is Part of Annual Report : Yes

10. General Shareholders Information:

- (i) Annual General Meeting : Date: 24th September, 2012
Time: 10:00 a.m.
Venue: The Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009

(ii) Financial Calendar(Tentative) :

Period	Tentative Schedule
1st quarter results ending 30th June	Within 45 days of end of the quarter
2nd quarter results ending 30th September	Within 45 days of end of the quarter
3rd quarter results ending 31st December	Within 45 days of end of the quarter
4th quarter results ending 31st March	Within 60 days of the end of the year in case of Audited Results.

- (iii) Book Closure dates : The date of Book Closure is from Monday, 17/09/2012 to Monday, 24/09/2012 (Both days inclusive) to determine the members entitled to the dividend for 2011-2012
- (iv) Dividend Payment Date : Within 30 days form the date of AGM to be held on 24/09/2012
- (v) Listing on Stock Exchanges : Your Company's share is listed with The Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai -400 001. The listing fee for the financial year 2012-2013 has been paid.
- (vi) Stock Code : BSE - 531638
- (vii) Market Price Data : As Below

Month wise high/low prices during last year at BSE are as under:

Period	BSE High (Rs.)	BSE Low (Rs.)	No. of Shares Traded
Apr' 11	69.00	53.25	2,09,788
May' 11	62.65	50.05	3,32,903
Jun' 11	63.50	53.15	2,67,181
July' 11	66.50	53.55	2,46,148
Aug' 11	62.95	47.25	2,09,614
Sept' 11	66.85	53.10	3,08,355
Oct' 11	63.50	55.35	3,13,097
Nov' 11	64.85	54.10	3,21,743
Dec' 11	62.70	54.00	2,57,980
Jan' 12	58.00	51.60	1,78,760
Feb' 12	60.50	55.00	1,52,204
Mar' 12	61.45	52.25	2,56,942

- (viii) Registrar & Transfer Agents Address : MCS Limited
101, Shatdal Complex, 1st Floor, Opp. Bata Showroom, Ashram Road, AHMEDABAD- 380 009.
(+91)(79) 2658 2878/ 2658 4027
- (ix) Share Transfer System : 1. the share transfer activities under physical mode are carried out by RTA. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time.
2. Physical shares received in dematerialization are processed and completed within a period of 21 days from the date of receipt. Bad deliveries are promptly returned to Depository Participants (DPs) under the advice to the shareholders.
3. As required under clause 47-C of the Listing Agreement, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchange within stipulated time.

(x) Distribution of Shareholding :

a. Distribution of Shareholding as on 31st March 2012

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares Held	% of Shares Holding
From To				
Up - 5000	2080	95.2817	8,03,917	4.1731
5001 - 10000	28	1.2826	2,11,520	1.0980
10001 - 20000	24	1.0994	3,20,375	1.6631
20001 - 30000	8	0.3665	1,91,174	0.9924
30001 - 50000	9	0.4123	3,50,988	1.8220
50001 -100000	12	0.5497	7,87,926	4.0901
100001-1000000	15	0.6871	43,40,400	22.5310
1000001 - Above	7	0.3207	122,57,800	63.6303
Total	2183	100.0000	192,64,100	100.0000

b. Shareholding pattern as on 31st March 2012

Sr. No.	Category	No. of Shares Held	% of total Shares
1	Promoters	1,35,64,400	70.41%
2	Mutual Funds/UTI	0.00	0.00%
3	Private Corporate Bodies	10,25,133	5.32%
4	Public including HUF	31,12,097	16.16%
5	NRIs/Foreign Companies/OCBs	15,62,470	8.11%
	TOTAL	1,92,64,100	100.00%

(xi) Dematerialization of Shares and Liquidity:

Number of shares held in dematerialized and physical mode as on 31st March 2012

Particulars	No. of Equity Shares	% to Share Capital
NSDL	42,11,297	21.86%
CDSL	1,49,11,470	77.41%
Physical	1,41,333	00.73%
TOTAL	1,92,64,100	100.00%

As per SEBI's Directive, effective from 27th November 2000 trading in equity shares of the Company has been made compulsory in dematerialized form for all the categories of investors. The Company has already established connectivity with National Securities Depository Ltd. and Central Securities Depository Ltd. through MCS Limited, Registrar & Share Transfer Agent, so as to facilitate the dematerialization of its shares.

- (xii) Outstanding GDRs/ADRs /warrants or any convertible instruments, conversion date and likely impact on Equity : The Company has not issued any of these instruments.
- (xiii) Plant Locations : Survey No. 779/A, Thol, Kadi - Sanand Highway, Tal. - Kadi, Dist. Mehsana, Gujarat, Pin Code: 382 729
- (xiv) Address for Correspondence : 1. Share Transfer in Physical Form and other communication in that regard including share certificates, dividend and change of address etc., may be addressed to our Registrar & Share Transfer Agents at the address mentioned above.
2. Shareholders may also contact the Compliance Officer, Suraj Limited, Suraj House, Opp. Usmanpura Garden, Ashram Road, Ahmedabad-380014 for any assistance.
3. Shareholders holding shares in electric mode should address all their correspondence to their respective depository participants.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with Suraj Limited code of Business conduct and Ethics for the year ended March 31, 2012.

For and on behalf of the Board of Directors

Place : Ahmedabad

Date : 06-08-2012

Ashok T Shah
(Chairman & CEO)

CEO CERTIFICATION

We, Ashok Shah, Chairman & CEO and Kunal Shah, Managing Director of the Company shall certify that, to the best of our knowledge and belief that:

- a) We have reviewed financial statements and cash flow statements for the year ended on 31st March, 2012 and,
 - These statements do not contain any materially untrue statement or omit any material fact nor do they contain statement that might be misleading;
 - These statements together present a true and fair view of the Company, and are in compliance with the existing Accounting Standards and/or applicable laws and regulations;
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2012 are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal control for financial reporting and we have evaluated the effectiveness of internal control system of the Company pertaining to the financial reporting; and deficiencies in the design or operation of such internal controls, if any of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies, if any.
- d) We have indicated to Auditors and Audit Committee that:
 - 1) There has not been any significant change in internal control over financial reporting during the year under reference;
 - 2) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - 3) We are not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Ahmedabad
Date : 06-08-2012

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

Kunal T. Shah
Managing Director

CIN NO :- L27100GJ1994PLC021088

Nominal Capital: Rs. 23,25,00,000/-

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
SURAJ Limited,
'Suraj House', Opp. Usmanpura Garden,
Ahmedabad-380 014

I have examined all relevant records of Suraj Limited for the purpose of certifying compliance of conditions of Corporate Governance under clause 49 of the listing agreement with Bombay Stock Exchange for the financial year ended on 31st March 2012. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanation and information furnished, I certify that the Company has complied with;

- a) all the mandatory conditions of the said clause 49 of the listing agreement;
- b) the following non-mandatory requirements of the said Clause 49;
 - i) The Company has set up Remuneration Committee to determine remuneration package of executive director/s.

Signature with Seal

Name of Company Secretary : Sandip Sheth

Signing Authority : Practicing Company Secretary

FCS No : 5467

COP No. : 4354

Date : 6th August, 2012

Place : Ahmedabad

AUDITORS' REPORT

The Members,

M/S SURAJ LIMITED

Ahmedabad.

1. We have audited the attached Balance Sheet of **M/S SURAJ LIMITED**, as at 31st March 2012 and Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the Financial Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the companies (Auditor's Report) (amendment) order, 2004 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable.
 - (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors of the company are prima facie disqualified as on 31st March 2012 from being appointed as Directors of the company in terms of clause (g) of Section 274(1) of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the Significant Accounting Policies and other notes in Note No. - 26 thereon, give the information required under the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India.
 - i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2012.
 - ii) In the case Statement of Profit & Loss, of the Profit for the year ended on that date and,
 - iii) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For, **PANKAJ K. SHAH ASSOCIATES**
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 06/08/2012

Pankaj K. Shah (Proprietor)
M. No. : 34603

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 3 of the Auditor's report to the members of **M/S SURAJ LIMITED**. on the accounts for the year ended **31st March, 2012**.

- (i) (a) According to the information and explanation given to us, the fixed assets records showing full particulars including quantitative details and situation of fixed assets are under compilation.
- (b) All the fixed assets have not been physically verified by the management during the year, but there is a regular programme of verification at reasonable intervals, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) The company has not disposed off substantial part of its fixed assets during the year.
- (ii) (a) The Inventories lying with the company have been physically verified at reasonable intervals during the year by the management. In our opinion the frequency of such verification is adequate.
- (b) In our opinion and according to information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion the company has maintained proper records of inventory and according to the records of the company, the discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt within the books of account.
- (iii) (a) According to the information & explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register required to be maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (b), (c), and (d) of the order are not applicable to Company.
- (b) According to the information & explanations given to us, the Company has taken interest free unsecured loan from one company covered in the Register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 623 Lacs and aggregate outstanding amount of such loan at the year end is Rs. 573 Lacs.
- (c) The above loan is interest free and other terms and conditions of such loan are not prima-facie prejudicial to the interest of the company.
- (d) In respect of the aforesaid loan, there are no overdue amounts.
- (iv) In our opinion and on the basis of test checks carried out by us, it appears that there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books of account and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under.
- (vii) Internal audit is carried out by a firm of Chartered Accountants. On the basis of the reports made by them to the management, in our opinion, the Internal Audit System is commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed maintenance of the cost records under section 209(1)(d) of the companies Act, 1956 in respect of the Company's products. As per the information and explanations provided to us, we are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, we are of the opinion that the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, Vat, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues as applicable, with the appropriate authorities in India. Based on our audit procedures and according to the information and explanations given to us, and records of the company, there are no arrears of statutory dues which has remained outstanding as at 31st March 2012 for a period of more than Six months from the date they became payable.

- (b) According to the information and explanations given to us, and the records of the company, disputed amounts payable in respect of Income Tax and Sales Tax not deposited with the appropriate authorities are as under:

Name of the Statute	Nature of Dues	Disputed Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax	2,24,379/-	2003-04	Sales Tax Appellate Commissioner Ahmedabad.
Sales Tax Act	Sales Tax	1,40,975/-	2004-05	Jt. Commissioner of Commercial Taxes Ahmedabad.
Income Tax Act	Income Tax	68,35,283/-	A.Y. 2007-08	CIT (Appeal) - XIV Ahmedabad
Income Tax Act	Income Tax	6,81,310/-	A.Y. 2008-09	ITAT
Income Tax Act	Income Tax	56,06,879/-	A.Y. 2009-10	CIT (Appeal) - XIV Ahmedabad
Income Tax Act	Income Tax	2,29,491/-	A.Y. 2009-10	CIT (Appeal) - XIV Ahmedabad

- (x) The Company has no accumulated losses as at 31st March 2012 and has not incurred any cash losses during the current financial year and in the immediately preceding financial year.
- (xi) According to the records of the company, and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank during the financial year.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the company.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from bank.
- (xvi) According to information and explanations given to us, in our opinion, the term loans have been applied for the purpose for which they were obtained/ raised.
- (xvii) On the basis of overall examination of the Balance Sheet of the Company and information and explanation given to us, in our opinion funds raised on short term basis have not been used to finance long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to any parties and companies covered in the register maintained under Section 301 of the Companies Act 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The company has not raised any money by way of public issues during year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For, **PANKAJ K. SHAH ASSOCIATES**
Firm Registration No. 107352W
CHARTERED ACCOUNTANTS

Place : Ahmedabad
Date : 06/08/2012

Pankaj K. Shah (Proprietor)
M. No. : 34603

Notes to the Financial Statements for the year ended 31st March 2012**Note - 26****NOTES TO THE ACCOUNTS****1. Significant Accounting Policies****A) Basis of Preparation**

The financial statements of Suraj Limited ("the Company") have been prepared under the historical cost convention on accrual basis of accounting in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, to the extent applicable and relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of product and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current -non current classification of assets and liabilities.

B) Fixed Assets and Depreciation**(i) Fixed Assets**

Fixed assets are stated at cost of acquisition (net of CENVAT, wherever applicable), less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. Direct costs are capitalized till the assets are ready to be put to use. Interest on borrowings, wherever applicable, attributable to new projects is capitalized and included in the cost of fixed assets as appropriate.

(ii) Depreciation

Depreciation on fixed assets is charged on the Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on Plant & Machinery of the Company is charged for Triple Shift.

Depreciation on sale /deduction from Fixed Assets is provided for up to the month of sale, deduction, discarded as the case may be.

C) Borrowing costs

Borrowing cost attributable to acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset, till the asset is ready for use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

D) Inventories

- a) Raw Materials: Valued at cost or Market Value which ever is Lower.
- b) Work-in-Progress is valued at cost plus direct cost, manufacturing overheads and other related cost or market value whichever is lower.
- c) Finished goods are valued at cost or net realizable value whichever is lower. The cost includes cost of production and other appropriate overheads.
- d) Goods in Transits: At Cost.
- e) Stores and Spares are valued at cost or market value whichever is lower.
- f) Scrap is valued at estimated realisable value.

E) Revenue Recognition

- (a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The company collects sales tax and value added tax (VAT) on behalf of Government and therefore these are not economic benefit flowing to the company. Hence they are excluded from revenue.

(b) Sales:

Sales of goods is recognized when the significant risks and rewards of ownership of goods have passed to buyer.

(c) Export Benefits :

Incomes in respect of Duty Drawback and Duty Entitlement Pass Book Scheme (DEPB) in respect of exports made during the year are accounted on accrual basis. Profit or losses on transfer of DEPB licenses are accounted in year of the sales. Duty free imports of material under Advance License matched with the export made against the said licenses.

F) CENVAT Credit

The CENVAT credit available on purchase of raw materials, other eligible inputs and capital goods is adjusted against excise duty payable on clearance of goods produced. The unadjusted CENVAT credit is shown under the head "Loans and Advances

G) Employee Benefits

- (a) Provision for gratuity and leave encashment is made on the basis of actuarial valuation at the end of the year in conformity with the Accounting Standard - 15. Actuarial gains or losses are recognized in the profit and loss account.
- (b) Contribution to Provident Fund and Superannuation is accounted for on accrual basis.

H) Foreign Exchange Transactions

- (a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the respective transactions. Monetary items denominated in foreign currencies at the year-end and not covered under forward exchange contracts are translated at year-end rate.
- (b) Exchange differences arising on foreign currency transactions settled during the year are recognized in the profit and loss A/c except in respect of fixed assets where exchange variance is adjusted to the cost of the respective fixed assets.

I) Amortization of Miscellaneous Expenditure

Preliminary expenses & Amalgamation expenses have been amortized over a period of five years in equal installments.

J) Income Tax Expenses

- Income tax expenses comprise current tax and deferred tax charge or credit.

- Current Tax

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company.

- Deferred tax

Deferred Tax charge or credit reflects the tax effects of timing differences between accounting Income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the Balance Sheet date as per the Accounting Standard - 22.

K) Impairment of assets

An assets 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 assets is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

L) Prior Period Adjustment

Expenses and income pertaining to earlier/previous years are accounted as prior period items.

M) Earning Per Share

In determining earning per share, the company considers the net profit after tax and includes the post-tax effect of any extra ordinary items. The number of shares used in computing basic earning per shares is the weighted average number of shares outstanding during the period.

N) Provisions, Contingent Liabilities and Contingent Assts

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of that obligation. Contingent Liabilities which are considered significant and material by the company are disclosed in the NOTES to Accounts. Contingent Assets are neither recognized nor disclosed.

II. ADDITIONAL NOTES (Forming an integral part of Accounts)**1. Contingent liabilities not provided for**

Demand of Rs. 2,24,379/- raised by Sales Tax authorities, for the accounting year 2003-04 which is disputed by the Company.

Demand of Rs. 1,40,975/- raised by Sales Tax authorities, for the accounting year 2004-05 which is disputed by the Company.

Demand of Rs. 68,35,283/- raised by Income Tax authorities, for Assessment year 2007-08 which is disputed by the Company.

Demand of Rs. 14,99,230/- after giving appeal effect raised by Income Tax authorities, for Assessment year 2008-09 which is disputed by the Company.

Demand of Rs. 2,29,491/- raised by Income Tax authorities, for Assessment year 2009-10 which is disputed by the Company.

Demand of Rs. 89,96,224/- raised by Income Tax authorities, for Assessment year 2009-10 which is disputed by the Company.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for in the Accounts (net of advances) NIL

3. In terms of accounting policy (E) for the accounting of export incentives, estimated benefit of Rs. 295.36 Lacs have been taken in to account under DES Scheme. Steps are being taken to import raw materials and utilize the same.

4. Amount Paid / Payable to Auditors :

(Amount in Rs.)

No.	Particulars	2011-2012	2010-2011
a)	Audit Fees	3,75,000	3,00,000
b)	Tax Audit Fees	75,000	50,000
c)	For other works	2,28,873	3,76,488
	Total	6,78,873	7,26,488

5. Prior Period Expenditure:

(Amount in Rs.)

No.	Particulars	2011-2012	2010-2011
a)	VAT Expenses	12,05,632	--
b)	Consultancy Expenses	38,600	--
c)	Other Expenses	40,878	--
	Total	12,85,110	--

6. In the opinion of the Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and provision for all known and determined liabilities (except wherever otherwise stated) are adequate and not in excess of the amount reasonably necessary.

7. Balances under Sundry Debtors, Sundry Creditors, Loans & Advances are subject to confirmation and reconciliation with the respective parties/ concerns. Necessary adjustment if any, thereon having an importance of revenue nature, will be made in the year of such confirmation / reconciliation.

8. Employee Benefits

As per Accounting Standard 15 "Employee Benefits", the disclosure of Employee benefits as defined in the Accounting Standard are given below. :

a) Gratuity (defined benefits plans)

The Company has defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

b) Leave wages (long term employment benefit)

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

Particulars	Privilege Leave (non funded)	Gratuity (funded)
Change in the present value of the defined benefit obligation.		
Opening defined benefit obligation	206849	2755118
Interest cost	17334	230879
Current service cost	103721	431459
Benefits paid	(88312)	(70594)
Actuarial (gain) / Losses on obligation	(15762)	(171171)
Closing defined obligation	223830	3175691
Change in the fair Value plan asset		
Opening fair value of plan asset	--	2619469
Expected return on plan asset	--	235752
Contribution by employer	--	423581
Benefits paid	--	(70594)
Actuarial gain / (Losses)	--	6744
Closing balance of fair value of plan assets	--	3214952
Amount recognized in the balance sheet		
(Assets)/Liability at the end of the year	223830	3175691
Fair value of plan assets at the end of the year	--	3214952
Difference	223830	39261
Unrecognized past service cost	--	--
(Assets)/Liability recognized in the balance sheet	223830	3175691

Particulars	Privilege Leave (non funded)	Gratuity (funded)
Income/expense recognized in the profit and loss account statement		
Current service cost	103721	431459
Interest cost on benefit obligation	17334	230879
Expected return on plan assets	--	(235752)
Net actuarial (gain) / loss in the period	(15762)	(177915)
Net Expenses	105293	248671
Movement in net liability recognized in balance sheet		
Opening net liability	206849	2755118
Expenses as above (P/L Charge)	105293	248671
Employers contribution	(88312)	(423581)
(Assets)/Liability recognized in the balance sheet	223830	3175691
Principal actuarial assumption as at balance sheet date		
Discount rate	8.50%	8.50%
Expected rate of return on the plan assets	9.00%	8.60%
Annual increase in salary cost	6.00%	6.00%
Attrition Rate	2.00%	2.00%
The categories of plan assets as % of total plan assets are with insurance company	100.00%	100.00%

9. Segment Reporting
a) Primary Segment

The Company's operations predominantly relates to a single segment namely "Stainless Steel Tubes & Pipes" which as per Accounting Standards 17 is considered the only reportable business segment.

b) Secondary Segment

Secondary Segment is geographical, which is determined on the basis of location of the customer, is classified as either domestic or overseas and the same is as under :

(Rs. in Lacs)

Sales	2011-12	2010-11
Domestic Sales	10781.98	10776.32
Export Sales	15180.98	14086.45
Total	25962.96	24862.77

Note : Since income from power generation is set off against Electricity Exp., it is not treated as a separate segment.

10 Earning per share (EPS)

Sr. No.	Particulars	2011-2012	2010-2011
a)	Net Profit after Tax available for Equity Shareholders (Rupees)	62,540,912	6,74,79,308
b)	Weighted average number of Shares at beginning	1,92,64,100	1,92,64,100
c)	Basic and Diluted Earning per Share (Rupees)	3.25	3.50

11 As required by Accounting Standard 18 issued by Institute of Chartered Accountants of India relating to Related Party Disclosure, information is as under:
a) Related parties and nature of relationship
*** Directors of the Company**

- 1 Shri Ashok T. Shah
- 2 Shri Guntant T. Shah
- 3 Shri Kunal T. Shah
- 4 Shri Bipin K. Prajapati
- 5 Shri Ketan R. Shah
- 6 Shri Dipak H. Shah
- 7 Shri Haren R. Desai
- 8 Shri Bhupendrasinh B Patel

*** Associate Companies**

- 1 Suraj Impex Pvt. Ltd.
- 2 Suraj Enterprise Pvt. Ltd.
- 3 Suraj Retail Pvt. Ltd.
- 4 Suraj Star Trading Pvt. Ltd.
- 5 Suraj Commodities Pvt. Ltd.
- 6 TBS Metal Ltd.
- 7 Spice Metal Ltd.

(c) Transactions that have taken place during the period April 1, 2011 to March 31, 2012 with related parties by the company.

(Rs. in Lacs)

Name of the Related Parties with whom the transaction have been made	Description of Relationship with the party	Nature of Transaction	F.Y. 2011-12		F.Y. 2010-11	
			During the Year	Amount Outstanding	During the year	Amount Outstanding
Suraj Enterprise Pvt. Ltd.	Associate Company	Temporary Adv. Taken Temporary Adv. Given	4378.00 3805.00	573.00	2514.00 2504.00	10.00
Suraj Impex Pvt. Ltd.	Associate Company	Temporary Adv. Taken Temporary Adv. Given	--- --	--- ---	400.00 400.00	--
TBS Metal Ltd.	Associate Company	Purchase	133.87	--	---	---
Spice Metal Ltd.	Associate Company	Sales	4.47	--	---	--
Shri Ashok T. Shah	Chairman & C.E.O.	Remuneration P.F. ontribution Bonus	36.000 -- 0.0350	2.37	36.00 0.0936 0.0350	2.29
Shri Guntant T. Shah	Vice Chairman & Whole Time Director	Remuneration P.F. ontribution Bonus	36.000 -- 0.0350	2.37	36.000 0.0936 0.0350	2.29
Shri. Kunal T. Shah	Managing Director	Remuneration P.F. ontribution Bonus	36.000 -- 0.0350	2.36	36.000 0.0936 0.0350	2.28
Shri Bipin K. Prajapati	Whole Time Director	Remuneration P.F. Bonus	12.000 0.0936 0.0350	0.99	12.000 0.0936 0.0350	0.84
Shri Dipak H. Shah	Non Executive Director	Sitting Fees	0.075	--	0.125	--
Shri Ketan R. Shah	Non Executive Director	Sitting Fees	0.075	--	0.125	--
Shri Haren R. Desai	Non Executive Director	Sitting Fees	0.100	--	0.125	--
Shri Mahesh V. Parikh	Non Executive Director	Sitting Fees	0.025	--	0.125	--
Shri Bhupendrasinh B. Patel	Non Executive Director	Sitting Fees	0.025	--	--	--

Related party relationship is as identified by the management and relied upon by the auditors.

12 Inventory related details :

a. Consumption of Raw materials

(Rs. in Lacs)

Particulars	2011-2012	2010-2011
S.S. Seamless Pipes	10125.11	4896.52
S.S. Coil	7032.30	6742.45
S.S. Round Bar	4831.48	4604.18
Total	21988.89	16243.15

b. Composition (Raw Materials)

(Rs. in Lacs)

Particulars	2011-2012		2010-2011	
	Value Rs.	% age	Value Rs.	% age
Indigenous	8625.69	39.23%	5899.99	36.32%
Imported	13363.20	60.77%	10343.16	63.68%
Total	21988.89	100.00	16243.15	100.00

c. Composition (Stores & Consumable)

(Rs. in Lacs)

Particulars	2011-2012		2010-2011	
	Value Rs.	% age	Value Rs.	% age
Indigenous	298.31	86.00%	275.18	84.00%
Imported	48.55	14.00%	52.43	16.00%
Total	346.86	100.00	327.61	100.00

d. Finished Goods

(Rs. in Lacs)

Particulars	Sales	Closing Inventory	Opening Inventory
A) Manufactured goods			
-S. S. Pipes & Tubes	20968.19 (20617.85)	624.36 (438.75)	438.75 (218.30)
- S.S. Scrap	3602.43 (3357.46)	40.75 (155.58)	155.58 (32.73)
Sub-Total	24570.63 (23975.31)	665.11 (594.33)	594.33 (251.03)
B) Traded goods			
S.S. Pipe & Tubes	46.34 (61.07)	- -	- -
Sub-Total	46.34 (61.07)	-	-
Total	24616.97 (24036.38)	665.11 (594.33)	594.33 (251.03)

e. Closing stock of WIP

(Amount in Rs.)

Particulars	2011-2012	2010-2011
S.S. Pipe & Tubes	527773643	149579306
S.S. Scrap	12072572	17306813
Total	539846215	166886119

13. Value of Imports on C.I.F. Basis

(Amount in Rs.)

Particulars	2011-2012	2010-2011
Raw Material	959104035.00	1335329509.00
Capital Goods	4140610.00	269400.00
Stores	4854996.00	5243223.00

14. Expenditure in Foreign Exchange (on actual payment basis)

(Amount in Rs.)

Particulars	2011-2012	2010-2011
Traveling Expenses	1340936.00	531020.00
Sales Commission	26547249.00	30752895.00
Advertisement	3445092.00	2620147.00
Business Development	2463248.00	1152015.00
Capital goods	4140610.00	269400.00
Stores & Spares	4854996.00	5243223.00

15. Details of Foreign currency exposure that are not hedged by derivative instruments or otherwise:-

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency
As at 31st March 2012			
Receivables	EURO	237567	15886125
	USD	5128302	260825446
Payables	EURO	56096	3825176
	USD	884556	45134865
Buyer's Credit payable	USD	6657912	342150089
As at 31st March 2011			
Receivable	EURO	134309	8448016
	USD	3284652	145722717
Payable	EURO	20823	1321616
	USD	1318909	58546065
Buyer's Credit payable	USD	1588072	70828016

16. Earning in Foreign Exchange

(Amount in Rs.)

Particulars	2011-2012	2010-2011
Export Sales [F.O.B. Value Rs.]	1465477021.45	1338882411.76

17. Dividend remitted to Non Resident

Number of Shareholders	1
Number of Shares held	15,45,000
Net amount of dividend remitted	
- Final dividend for the year 2010-11	Rs. 2317500.00
	EURO 34719.10

18. During the year Company has paid Managerial Remuneration to Managing Director and Whole-time Directors aggregating to Rs. 120.00 lacs which is in excess of the limit prescribed u/s. 198 and 309 of the Companies Act read with Schedule - XIII of the Companies Act, 1956 due to inadequacy of Profit. The company has initiated steps to obtain the approval of Shareholders in ensuing Annual General Meeting.

19. The Company has initiated the process of identifying the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2012, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

20. Previous year comparatives

Till the year ended 31st March, 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification.

Signature to Notes 1 to 26

As per our report of even date.

For PANKAJ K. SHAH ASSOCIATES
Firm Registration No. 107352W
Chartered Accountants

For and on behalf of the Board of Directors

Pankaj K. Shah
Proprietor
M.No. : 34603

Ashok T. Shah Chairman & C.E.O.**Kunal T. Shah** Managing Director**Viral M. Shah** Company Secretary

Ahmedabad.
Date : 06-08-2012

Ahmedabad.
Date : 06-08-2012

BALANCE SHEET AS AT 31ST MARCH 2012

(Amount in Rs.)

Particulars	Note No.	As at 31-03-2012	As at 31-03-2011
<u>I. EQUITY AND LIABILITIES</u>			
1. Shareholders' Funds			
(a) Share Capital	1	19,26,41,000.00	19,26,41,000.00
(b) Reserves and Surplus	2	58,71,36,120.00	55,81,79,180.00
2. Non-current Liabilities			
(a) Long-term Borrowings	3	29,15,76,631.00	38,80,80,948.00
(b) Long-term Provisions	4	32,85,913.00	57,61,943.00
(c) Deferred Tax Liabilities	5	5,17,72,363.00	5,91,56,846.00
3. Current Liabilities			
(a) Short-term Borrowings	6	92,88,01,972.00	65,25,68,276.00
(b) Trade Payables	7	3,50,93,305.00	3,62,94,430.00
(c) Other Current Liabilities	8	16,56,09,739.00	16,97,78,314.00
(d) Short-term Provisions	9	6,29,52,239.00	6,84,54,179.00
	Total Rs.	231,88,69,282.00	213,09,15,116.00
II. ASSETS			
1. Non-current Assets			
(a) Fixed Assets			
	10		
i) Tangible Assets		90,61,15,107.00	98,65,81,761.00
ii) Intangible Assets		---	---
(b) Long-term Loans and Advances	11	84,38,654.00	54,98,478.00
(c) Other non-current assets	12	3,87,244.00	4,88,720.00
2. Current Assets			
(a) Inventories	13	75,19,69,230.00	69,46,02,816.00
(b) Trade Receivables	14	48,70,34,156.00	29,35,18,033.00
(c) Cash and Bank Balances	15	5,44,70,953.00	9,27,40,709.00
(d) Short-term Loans and Advances	16	8,65,47,321.00	4,30,10,107.00
(e) Other Current Assets	17	2,39,06,617.00	1,44,74,492.00
	Total Rs.	231,88,69,282.00	213,09,15,116.00
The notes form an integral part of these financial statements	26		

As per our report of even date attached
For PANKAJ K. SHAH ASSOCIATES
 Firm Registration No. 107352W
 Chartered Accountants

Pankaj K. Shah
 Proprietor
 M. No. : 34603

Place : Ahmedabad.
 Date : 06-08-2012

For & on behalf of the Board of Directors

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

Kunal T. Shah Managing Director

Viral M. Shah Company Secretary

Place : Ahmedabad.
 Date : 06-08-2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2012

(Amount in Rs.)

<u>Particulars</u>	<u>Note No.</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
I. INCOME			
Revenue from operations (gross)		262,40,20,493.00	250,67,87,609.00
Less: Excise duty		13,43,33,178.00	12,50,29,641.00
Revenue from operations (Net)	18	248,96,87,315.00	238,17,57,968.00
II Other Income	19	1,34,58,383.00	1,15,08,046.00
III Total Revenue (I + II)		250,31,45,698.00	239,32,66,014.00
IV Expenses			
• Cost of materials consumed	20	219,88,88,849.00	162,43,15,763.00
• Purchases of Stock-in-Trade	21	46,33,830.00	61,06,702.00
• Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	22	(39,32,70,365.00)	11,88,91,182.00
• Employee benefits expenses	23	9,25,03,454.00	7,51,58,282.00
• Finance Costs	24	18,36,20,656.00	13,96,70,930.00
• Depreciation and amortization expense		10,15,25,878.00	9,98,14,897.00
• Other Expenses	25	24,76,27,184.00	22,88,73,243.00
Total Expenses		243,55,29,486.00	229,28,30,999.00
V Profit before exceptional items and tax (III - IV)		6,76,16,212.00	10,04,35,015.00
VI Exceptional items		—	--
VII Profit/(Loss) before tax (V - VI)		6,76,16,212.00	10,04,35,015.00
VIII Tax Expense :			
(1) Current Tax		2,50,76,385.00	3,47,58,378.00
(2) Deferred Tax Assets/Liabilities		(73,84,483.00)	(20,51,470.00)
(3) (Excess)/Short provision of earlier years		(1,26,16,602.00)	2,48,799.00
		50,75,300.00	3,29,55,707.00
IX Profit / (Loss) for the year (VII - VIII)		6,25,40,912.00	6,74,79,308.00
X Earnings per Equity Share of Rs. 10 each			
-- Basic & Diluted		3.25	3.50
The notes form an integral part of these financial statements	26		

As per our report of even date attached

For PANKAJ K. SHAH ASSOCIATES

Firm Registration No. 107352W

Chartered Accountants

Pankaj K. Shah

Proprietor

M. No. : 34603

Place : Ahmedabad.

Date : 06-08-2012

For & on behalf of the Board of Directors**Ashok T. Shah**

Chairman & C.E.O.

Kunal T. Shah

Managing Director

Viral M. Shah

Company Secretary

Place : Ahmedabad.

Date : 06-08-2012

NOTES TO THE FINANCIAL STATEMENTS
NOTE - 1 : SHARE CAPITAL

(Amount in Rs.)

Particulars	As at 31-03-2012	As at 31-03-2011
1. AUTHORISED CAPITAL		
2,32,50,000 Equity Shares of Rs. 10/- each.	23,25,00,000.00	23,25,00,000.00
2. ISSUED, SUBSCRIBED & PAID UP		
1,92,64,100 Equity Shares of Rs.10/- each, fully paid.	19,26,41,000.00	19,26,41,000.00

3. Reconciliation of number of shares outstanding at the beginning & at the end of the reporting year

Particulars	As at 31 March 2012		As at 31 March 2011	
	No of Shares	Value Rs.	No of Shares	Value Rs.
-- At the beginning of the year	19264100.00	19,26,41,000.00	19264100.00	19,26,41,000.00
-- Movement during the period	--	--	--	--
-- Outstanding at the end of the year	19264100.00	19,26,41,000.00	19264100.00	19,26,41,000.00

4. The Company has only one class of equity shares having a par value of Rs. 10 per share, each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend in the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

5. Company has not bought back any equity shares during the period of five years immediately preceding the Balance sheet date. However the Company has allotted 1,13,39,400 equity shares as bonus shares during F.Y .2007-2008 and also allotted 22,55,000 equity shares for consideration other than cash pursuant to the scheme of amalgamation during F.Y. 2009-2010

6. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of the Shareholders	As at 31 March 2012		As at 31 March 2011	
	No. of Share held	% of Holding	No. of Share held	% of Holding
Anilaben Ashokkumar Shah	2523800.00	13.10	2523800.00	13.10
Suraj Impex Private Limited	2469000.00	12.82	2469000.00	12.82
Chandrika Kunal Shah	2017100.00	10.47	2017100.00	10.47
Rekhaben Gunwantkumar Shah	1594600.00	8.28	1594600.00	8.28
Ashokkumar Tarachand Shah	1077700.00	5.59	1077700.00	5.59
Kunal Tarachand Shah	1030600.00	5.35	1030600.00	5.35
Gunvant Tarachand Shah	991600.00	5.15	991600.00	5.15
Bsurinvest Bvba	1545000.00	8.02	1545000.00	8.02

NOTE - 2 : RESERVES & SURPLUS

Sr	Particulars	As at 31-03-2012	As at 31-03-2011
1	Securities Premium Account		
	Balance as per last Balance Sheet	21,89,56,000.00	21,89,56,000.00
2	General Reserve		
	Balance as per last Balance Sheet	2,63,75,485.00	2,63,75,485.00
3	Statutory Reserve		
	Opening Balance	2,09,05,064.00	1,75,31,099.00
	Add: Transferred from Profit & Loss Account	31,27,046.00	33,73,965.00
		2,40,32,110.00	2,09,05,064.00

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
4 Surplus in Statement of Profit & Loss		
Opening Balance	29,19,42,631.00	26,15,33,089.00
Add: Profit for the year	6,25,40,912.00	6,74,79,308.00
Less: Transfer to statutory reserve	31,27,046.00	33,73,965.00
Proposed Dividend	2,88,96,150.00	2,88,96,150.00
Tax on dividend	46,87,822.00	47,99,651.00
Closing Balance	31,77,72,525.00	29,19,42,631.00
	58,71,36,120.00	55,81,79,180.00

Note - 3 : LONG TERM BORROWINGS

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
Term Loans		
From Banks		
Secured	40,71,76,631.00	52,70,80,948.00
Less : Current maturities of Long-term debt	(11,56,00,000.00)	(13,90,00,000.00)
	29,15,76,631.00	38,80,80,948.00

Corporate Loan from Punjab National Bank of Rs. 15 Crore and other Term Loan aggregating to Rs. 48.5 Crores are secured by equitable mortgage on Immovable Properties of the company situated at Survey No. 771, 772, 773, 774, 779, 767, 779/A at village -Thol, Taluka Kadi Dist. Mehsana, & land of Wind mill at survey no. 367/2 Village -Vanku Taluka Abdasa, District Kutch Gujarat and Property of the company situated at "Suraj House", Vidhyanagar Soc, Usmanpura, Ahmedabad on first charge basis and personal guarantees of Directors of the Company viz. Ashok T. Shah, Kunal T. Shah & Gunvant T. Shah and corporate guarantee of M/s. Suraj Impex Pvt. Ltd.

Term Loan of Rs. 8 Crore is repayable in 20 equal Quarterly installment of Rs. 400000/- starting from July 2007 and last installment due on July 2012. Term Loan of Rs. 3 Crore is repayable in 20 equal Quarterly installment of Rs. 150000/- starting from Nov 2007 and last installment due on Nov. 2012. Term Loan of Rs. 37.50 Crore is repayable in 22 equal Quarterly installment of Rs. 1705000/- starting from June 2010 and last installment due on Sep. 2015 and Corporate Loan of Rs. 15 Crore is repayable in 17 equal Quarterly installment of Rs. 8823530/- starting from June 2011 and last installment due on Sep. 2015.

Note - 4 : LONG TERM PROVISIONS

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
(a) Provision for Employee benefits	32,85,913.00	57,61,943.00
	32,85,913.00	57,61,943.00

Note - 5 : DEFFERED TAX LIABILITIES (NET)

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
Balance as per last Financial Statement	5,91,56,846.00	6,12,08,316.00
Less: Deferred tax asset on account of timing difference of depreciation	73,84,483.00	20,51,470.00
	5,17,72,363.00	5,91,56,846.00

Note - 6 : SHORT TERM BORROWINGS

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
SECURED		
(a) Working Capital loans		
From Bank	55,13,90,303.00	58,07,40,261.00
(b) Buyers credit arrangements	32,01,11,669.00	7,08,28,015.00
The Working Capital limit from Punjab National Bank Rs. 69.48 Crores , State Bank of India Rs. 34.20 Crores , Standard Chartered Bank Rs. 19.52 Crores and from IDBI Bank Rs. 25 Crore is Secured by the first charge on pari passu basis over the current assests of the company and second charge over the Fixed Assets of the company and guarnted by the director of the company (1) Shri Ashok Kumar T. Shah (2) Shri Kunal T. Shah (3) Shri Guntvant Kumar T. Shah and also by Corporate guarntee of Suraj Impex Pvt. Ltd.		
UNSECURED		
Loan from related party	5,73,00,000.00	10,00,000.00
	92,88,01,972.00	65,25,68,276.00

Note - 7 : TRADE PAYABLES

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
Trade Payables	3,50,93,305.00	3,62,94,430.00
	3,50,93,305.00	3,62,94,430.00

Note - 8 : OTHER CURRENT LIABILITIES

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
1 Current maturities of Long-term debt	11,56,00,000.00	13,90,00,000.00
2 Interest accrued and due on borrowings	30,49,659.00	-
3 Interest accrued but not due on borrowings	33,68,256.00	2,50,402.00
4 Income received in advance	19,63,308.00	-
5 Statutory Dues	15,38,686.00	48,40,338.00
6 Advance from Customers	3,70,50,145.00	2,20,72,852.00
7 Unpaid dividend	12,60,090.00	10,27,982.00
8 Other Payables	17,79,595.00	25,86,740.00
	16,56,09,739.00	16,97,78,314.00

Note - 9 : SHORT TERM PROVISIONS

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
(a) Provision for Employee benefits	42,91,882.00	-
(b) Provision for income tax	2,50,76,385.00	3,47,58,378.00
Proposed dividend	2,88,96,150.00	2,88,96,150.00
Dividend tax	46,87,822.00	47,99,651.00
	6,29,52,239.00	6,84,54,179.00

NOTE-10 : FIXED ASSETS

Description of Assets	Gross Block			Depreciation			Net Block			
	As at 01-04-11	Addition	Deduction	As at 31-03-12	Upto 01-04-11	For the Year	Deduction During the Year	Upto 31-03-12	As at 31-03-12	As at 31-03-11
Tangible Assets										
Land & Site										
Development	191676860	195190	0	191872050	0	0	0	0	191872050	191676860
Factory Building	302623710	2807350	0	305431060	35036070	10126809	0	45162879	260268181	267587640
Office Premises	20013380	0	0	20013380	2108960	326218	0	2435178	17578202	17904420
Plant &										
Machinery	77611771	12489159	0	788600930	318794202	80751709	0	399545911	389055019	457317569
Furniture Fixture	17073994	204449	0	17278443	5956173	1086367	0	7042540	10235903	11117821
Office Equipment										
Computer	8381738	420248	0	8801986	7410776	1000366	0	8411142	390844	970962
Vehicle	19846834	5220040	802183	24264691	8556684	2083482	524971	10114195	14150496	11291150
Wind Mill	59486722	0	0	59486722	30771383	6150927	0	36922310	22564412	28715339
Total	1395215009	21336436	802183	1415749262	408633248	101525878	524971	509634155	906115107	986581761

Note - 11 : LONG TERM LOANS AND ADVANCES

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
A Deposits		
Unsecured, Considered good	34,08,202.00	34,11,552.00
B Other Loans and Advances		
Unsecured, Considered good	50,30,452.00	20,86,926.00
	84,38,654.00	54,98,478.00

Note - 12: OTHER NON-CURRENT ASSETS

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
a. Preliminary Expenses	3,87,244.00	4,88,720.00
	3,87,244.00	4,88,720.00

Note -: 13 INVENTORIES

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
a. Raw material	10,62,53,713.00	44,96,11,986.00
b. Work-in-progress	53,98,46,215.00	16,68,86,119.00
c. Finished goods	6,24,36,213.00	4,38,75,150.00
d. Scrap	40,75,344.00	1,55,57,700.00
e. Advance Licence	2,95,35,847.00	1,63,04,285.00
f. Stores , Spares & Packing Material	98,21,898.00	23,67,576.00
	75,19,69,230.00	69,46,02,816.00

Note - 14 : TRADE RECEIVABLES

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
A) Trade receivables outstanding for a period exceeding Six months from the date they are due for payment		
1 Unsecured, considered good	7,88,638.00	-
B) Trade receivables outstanding for a period less than Six months from the date they are due for payment		
1 Unsecured, considered good	48,62,45,518.00	29,35,18,033.00
	48,70,34,156.00	29,35,18,033.00

Note - 15 : CASH AND CASH EQUIVALENTS

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
I. Cash and bank balance		
a. Balances with Banks		
- in Current account	1,82,774.00	6,51,12,144.00
- in earmarked account		
-Unpaid dividend account	12,60,090.00	10,27,982.00
b. Cash on hand	10,26,309.00	3,31,296.00
II Other Bank Balances		
In Fixed Deposits held as Margin Money		
- Maturity Period - More than 12 Months	5,20,01,780.00	2,62,69,287.00
	5,44,70,953.00	9,27,40,709.00

Note - 16 : SHORT TERM LOANS AND ADVANCES

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
Other short term loans and advances		
Unsecured, considered good		
1 Balance With Excise and custom authorities	4,91,86,527.00	1,41,61,789.00
2 Advance Tax and TDS	3,34,54,628.00	2,48,87,327.00
3 Prepaid Expenses	28,12,213.00	39,17,799.00
4 Others	10,93,953.00	43,192.00
	8,65,47,321.00	4,30,10,107.00

Note - 17 : OTHER CURRENT ASSETS

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
1 Interest receivable	18,44,710.00	34,42,688.00
2 Export Incentives receivable	1,30,98,597.00	65,40,543.00
3 Advance to Suppliers	89,63,310.00	44,91,261.00
	2,39,06,617.00	1,44,74,492.00

Note - 18 : REVENUE FROM OPERATIONS

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
A) Sale of Products		
1 Manufactured goods - Domestic Sales	107,81,97,958.00	107,76,31,888.00
2 Manufactured goods - Exports	151,31,98,362.00	140,17,11,474.00
3 Stock-in-trade	48,99,493.00	69,33,808.00
	259,62,95,813.00	248,62,77,170.00
B) Sale of Services		
1 Job Work	8,00,358.00	-
C) Other operating revenues		
1 Power generation income	77,27,787.00	60,43,081.00
2 Export incentives	1,78,02,138.00	1,44,67,358.00
3 Inspection charges (export)	13,94,397.00	-
Revenue from Operations(gross)	262,40,20,493.00	250,67,87,609.00
Less :- Excise Duty	13,43,33,178.00	12,50,29,641.00
Revenue from Operations(Net)	248,96,87,315.00	238,17,57,968.00
Tax deducted at source on Job Work	14,788.00	-

Note - 19 : OTHER INCOME

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
1 Interest income	1,05,39,589.00	29,60,663.00
2 Profit on sale of assets	12,788.00	32,74,979.00
3 Accounts written off (Net)	29,06,006.00	3,27,352.00
4 Exchange Rate Fluctuation (Net)	-	37,17,983.00
5 Bad debts Recovered	-	2,00,000.00
6 Misc.Income	-	10,27,069.00
	1,34,58,383.00	1,15,08,046.00
Tax deducted at source on Interest Income	10,06,262.00	2,25,674.00

Note - 20 : COST OF MATERIALS CONSUMED

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
Raw Material		
Opening Stock	44,96,11,986.00	13,35,66,342.00
Add : Purchases - Import	97,75,92,363.00	135,95,81,138.00
: Purchases - Domestic	87,79,38,213.00	58,07,80,269.00
	230,51,42,562.00	207,39,27,749.00
Less :Closing Stock	10,62,53,713.00	44,96,11,986.00
	219,88,88,849.00	162,43,15,763.00

Note - 21 : PURCHASES OF STOCK-IN-TRADE

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
1 Traded Goods	46,33,830.00	61,06,702.00
	46,33,830.00	61,06,702.00

Note - 22 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
A. OPENING STOCK		
Finished Goods	4,38,75,150.00	2,18,30,219.00
Work in progress	16,68,86,119.00	32,15,55,298.00
Advance License	1,63,04,285.00	1,48,55,889.00
Scrap	1,55,57,700.00	32,73,030.00
	24,26,23,254.00	36,15,14,436.00
B. CLOSING STOCK		
Finished Goods	6,24,36,213.00	4,38,75,150.00
Work in progress	53,98,46,215.00	16,68,86,119.00
Advance License	2,95,35,847.00	1,63,04,285.00
Scrap	40,75,344.00	1,55,57,700.00
	63,58,93,619.00	24,26,23,254.00
	(39,32,70,365.00)	11,88,91,182.00

Note - 23 : EMPLOYEE BENEFITS EXPENSE

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
1 Salaries, Wages, Bonus etc	8,48,54,409.00	6,87,08,338.00
2 Contribution to Provident and Other funds	21,35,257.00	15,22,912.00
3 Staff Welfare expenses	55,13,788.00	49,27,032.00
	9,25,03,454.00	7,51,58,282.00

Note - 24 : FINANCE COSTS

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
1 Interest Expenses	11,56,06,513.00	12,39,69,242.00
2 Exchange Fluctuation on Loans	5,15,28,112.00	-
3 Other Bank Charges	1,64,86,031.00	1,57,01,688.00
	18,36,20,656.00	13,96,70,930.00

Note - 25 : OTHER EXPENSES

<u>Particulars</u>	<u>As at</u> <u>31-03-2012</u>	<u>As at</u> <u>31-03-2011</u>
A) Manufacturing Expenses		
1 Power and fuel	5,32,24,359.00	4,61,19,896.00
2 Consumption of stores and spares	3,46,86,003.00	3,27,61,465.00
4 Packing material	1,16,64,308.00	1,42,49,754.00
5 Job work charges	19,83,389.00	5,67,767.00
6 Transportation and freight	1,58,48,255.00	2,15,38,950.00
7 Clearing & Forwarding Exp.	4,84,38,943.00	3,17,91,832.00
8 Repairs and maintenance:		
- Plant and machinery	1,10,46,820.00	1,17,38,975.00
- Building	73,001.00	67,135.00
	17,69,65,078.00	15,88,35,774.00
B) Administrative Expenses		
1 Audit Fees	4,50,000.00	3,50,000.00
2 Bad Debts Written off	42,44,970.00	-
3 Communication Exp.	16,57,086.00	16,41,055.00
4 Commission	2,77,69,397.00	4,09,23,674.00
5 Donation	67,101.00	2,86,151.00
6 Insurance	10,53,768.00	9,94,420.00
7 Legal & Professional Charges	37,41,453.00	15,19,226.00
8 Rates & Taxes	9,21,209.00	6,51,956.00
9 Selling and marketing expenses	97,07,396.00	1,05,49,934.00
10 Sales tax/VAT	11,86,523.00	-
11 Traveling, Conveyance & Vehicle Exp.	88,97,549.00	24,98,295.00
12 Miscellaneous Expenses	56,71,125.00	1,00,15,153.00
13 Prior Period Exp.	12,85,110.00	6,07,605.00
14 Wealth Tax Exp.	77,500.00	-
15 Exchange Rate Fluctuation (Net)	39,31,919.00	-
	7,06,62,106.00	7,00,37,469.00
	24,76,27,184.00	22,88,73,243.00

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Pursuant to the Listing Agreement with Stock Exchanges)

	<u>Year Ended</u> <u>31-03-2012</u> (Rs. In Lacs)	<u>Year Ended</u> <u>31-03-2011</u> (Rs. In Lacs)
A CASH FLOW FROM OPERATING ACTIVITIES :		
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	67616212.00	100435015.00
NON CASH ADJUSTMENT FOR-		
DEPRECIATION AND AMORTIZATION EXPENSES	101525878.00	99814897.00
UNREALISED FOREIGN EXCHANGE (GAIN)/LOSS	122783.00	11487,841.00
(PROFIT)/LOSS ON SALE OF FIXED ASSETS	(12788.00)	(3163166.00)
ACCOUNT /EXPENSES WRITTEN OFF	1338964.00	327352.00
INTEREST INCOME	(10539589.00)	(2960663.00)
INTEREST EXPENSES	115606513.00	123969242.00
PRELIMINARY EXPENSES WRITTEN OFF	163976.00	267430.00
GRATUITY INCOME	-	(594710.00)
Operating Profit/(Loss) before working capital changes	275821949.00	329583238.00
Adjustments for (Increase) / Decrease in operating Assests		
INVENTORIES	(57366414.00)	(195994406.00)
TRADE RECEIVABLES	(197761093.00)	(42422966.00)
SHORT TERM LOANS AND ADVANCES	(45599875.00)	6649895.00
OTHER CURRENT ASSESTS	(9554908.00)	9348663.00
LONG TERM LOANS AND ADVANCES	(2940176.00)	104956.00
OTHER NON CURRENT ASSESTS	(62500.00)	(300740.00)
Adjustments for Increase / (Decrease) in operating Liabilities		
LONG TERM PROVISIONS	(2476030.00)	-
TRADE PAYABLE	1704881.00	44234157.00
OTHER CURRENT LIABILITIES	(4168575.00)	8983670.00
SHORT TERM PROVISIONS	4291882.00	3846106.00
Cash generated from operations	(38110859.00)	164032573.00
DIRECT TAX PAID (NET OF REFUND)	(20191088.00)	(21165376.00)
[A] Net cash flow from operating activities	(58301947.00)	142867197.00
Cash Flow from Investing activity		
PURCHASE OF FIXED ASSETS	(21336436.00)	(105538101.00)
PROCEEDS FROM SALE OF FIXED ASSETS	290000.00	6055000.00
DEPOSIT MADE DURING THE PERIOD	(25732493.00)	(3089812.00)
INTEREST INCOME	1039589.00	2960663.00
[B] Net Cash from Investing activity	(36239340.00)	(99612250.00)
Cash Flow from Finance activity		
AVIALMENT/REPAYMENT OF LONG TERM BORROWING	(96504317.00)	41511978.00
AVIALMENT/REPAYMENT OF SHORT TERM BORROWING	276233696.00	134293936.00
INTEREST EXPENSES	(115606513.00)	(123969242.00)
DIVIDEND PAID	(28896150.00)	(25513650.00)
DIVIDEND TAX PAID	(4687677.00)	(4336045.00)
[C] Net Cash used in financing activity	30539039.00	21986977.00
NET INCREASE(DECREASE) IN CASH & CASH EQUIVALENTS	(64002248.00)	65241924.00
OPENING CASH AND BANK BALANCE	66476422.00	1234498.00
CLOSING CASH AND BANK BALANCE (*)	2474174.00	66476422.00
(*) CLOSING CASH AND BANK BALANCE	54475954.00	92745709.00
Less :Fixed deposits with maturity greater than three month	52001780.00	26269287.00
CLOSING CASH AND BANK BALANCE	2474174.00	66476422.00

For PANKAJ K. SHAH ASSOCIATES

Firm Registration No. 107352W
Chartered Accountants

Pankaj K. Shah
Proprietor
M.No. : 34603

Place : Ahmedabad.
Date : 06-08-2012

For and on behalf of the Board of Directors

Ashok T. Shah Chairman & C.E.O.
Kunal T. Shah Managing Director

Place : Ahmedabad.
Date : 06-08-2012

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Submitted in terms of part IV and schedule VI to the Companies Act, 1956.)

1 REGISTRATION DETAILS		
Registration No.	: 21088	
State Code	: 04	Year Ended
Date of Balance Sheet	: 31-03-2012	31.03.2012
		Rs. in Lacs
2 CAPITAL RAISED DURING THE YEAR		
Public Issue		Nil
Right Issue		Nil
Bonus Issue		Nil
Private Placement		Nil
3 POSITION OF MOBILIZATION & DEPLOYMENT OF FUNDS		
Total Liabilities		23188.69
Total Assets		23188.69
a) Sources of Funds		
Paid up Capital		1926.41
Reserve & Surplus		5871.36
Non Current Liability		3466.35
Current Liability		11924.57
Total		<u>23188.69</u>
b) Application of Funds		
Net Fixed Assets		9061.15
Non Current Assets		88.26
Current Assets		14039.28
Total		<u>23188.69</u>
4 PERFORMANCE OF COMPANY		
Total Revenue		25031.45
Total Expenses		24355.29
Profit Before Tax		676.16
Profit After Tax		625.41
Net Profit		625.41
Earning Per Share (Rs.)		3.25
Dividend rate % (Proposed)		15.00
5 GENERIC NAME OF TWO PRINCIPAL PRODUCTS OF THE COMPANY		
Item Code No.	: 7306.90	
Product Description	: Stainless Steel Welded Pipes/Tubes	
Item Code No.	: 7304.90	
Product Description	: Stainless Steel Seamless Pipes/Tubes	

For and on behalf of the Board of Directors

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

Kunal T. Shah
Managing Director

Place : Ahmedabad
Date : 06-08-2012

SURAJ LIMITED

[AN ISO - 9001 COMPANY]

Suraj House, Opp. Usmanpura Garden,
Ashram Road, Ahmedabad - 380 014.

Client ID	
DP ID	
L. F. No.	
No. of Shares Held	

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL. Joint Shareholders may obtain additional Attendance Slip on Request.

Name and Address of the Shareholder :

I hereby record my presence at the 19th Annual General Meeting of the Company held on Monday, September 24, 2012 at 10:00 a.m., at the Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009

SIGNATURE OF THE SHAREHOLDER / PROXY

Strike out whichever is not applicable

----- Tear Here -----

PROXY FORM

SURAJ LIMITED

[AN ISO - 9001 COMPANY]

Suraj House, Opp. Usmanpura Garden,
Ashram Road, Ahmedabad - 380 014.

Client ID	
DP ID	
L. F. No.	
No. of Shares Held	

I/We..... ofbeing a member/members of the SURAJ LIMITED. hereby appoint of or failing himofas my/our proxy to vote for me/us and on my/our behalf at the 19th Annual General Meeting to be held on Monday September 24, 2012 at 10:00 a.m., at the Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009 or at any adjournment there of.

Signed this day of 2012

Signature : _____

Affix Revenue Stamp of Rs. 1/-

NOTE : The Proxy must be returned so as to reach the Registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company

BOOK-POST

To, _____

If undelivered please return to :



SURAJ LIMITED

(Formerly known as Suraj Stainless Limited)

REGD. OFFICE :

'Suraj House' Opp. Usmanpura Garden,
Ashram Road, Ahmedabad - 380 014. Gujarat (INDIA)
Phone : 079-27540720