

**SURANA INDUSTRIES LIMITED**

Regd Office: No: 29, 2nd Floor, Whites Road, Royapettah, Chennai 600 014

Phone: 044 - 28525127/28525596 Fax: 044 - 28521143

POSTAL BALLOT NOTICE

Dear Shareholder(s):

NOTICE pursuant to Sec 192A(2) of the Companies Act 1956

Notice is hereby given that pursuant to Sec 192A(2) of the Companies Act 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 the below mentioned resolutions are to be passed as ORDINARY/SPECIAL resolutions, as indicated against each item therein, by way of POSTAL BALLOT.

The Company seeks the shareholders consent for the proposals contained in the resolutions appended below. The Explanatory Statement pertaining to the said resolutions setting out the material facts and the reasons therefor is annexed. The said Ordinary/Special resolutions and the Explanatory Statement are being sent to you along with a Postal Ballot Form (the 'Form') for your consideration. The Company has appointed Shri Swaminathan Ganesh, Senior Partner of S Ganesh & Associates, Practicing Company Secretaries, Chennai (Certificate of Practice No: CP 5950 of the Insititute of Company Secretaries of India) as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form and return the same duly completed, in the self addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the closing of working hours i. e. 5 P.M. on Saturday, 28th May, 2011.

Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman of the Company.

The results of the Postal Ballot will be announced on Monday 30th May 2011 at 5 pm at the Registered Office of the Company by the Chairman or a Director, duly authorized by the Chairman. The results of the Postal Ballot will also be published in English and Tamil newspapers and will also be posted on the website of the Company.

All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 10 A.M. and 1 P.M. on working days upto on Saturday, 28th May, 2011

Item No 1: To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sec 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956, Shri. Rajesh Surana, be and is hereby appointed as the Director – Commercial with effect from 01.01.2011 and subject to such other consents, approvals, permissions as may be required, the Company be and is hereby authorized to increase his remuneration from Rs. 85,000/- to Rs.1,00,000/- per month.”

“FURTHER RESOLVED THAT Shri. Rajesh Surana is entitled to the following perquisites

Medical Reimbursement: Medical expenses incurred by the Director - Commercial and his family subject to ceiling of one months' salary in a year or accumulated three months salary over a period of three years shall be reimbursed.

Leave Encashment: Encashment of leave at the end of the year will be allowed as per the rules of the Company.

Leave Travel Concession: Leave Travel Concession for self and family, once in a year in accordance with any rule that may be framed by the Company.

Contribution to Provident Fund: Contribution to Provident Fund, Superannuation fund / Annuity fund as per the rules that may be framed by the Company shall not be included in the computation of the ceiling on perquisites to the extent of these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity: Gratuity payable as per Act shall not exceed half a month salary for each completed year of service.

Provision for car and telephone: The Company shall provide car for official and business use and telephone at residence. These will not be treated as perquisites. However, personal long distance calls on the telephone and use of car for private purposes shall be billed by the Company.”

“RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to take all steps and do all things, acts or deeds, as may be necessary and /or appropriate to give effect to the above.”

Item No 2 : To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sec 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956, Shri. Mahaveer Surana, be and is hereby appointed as the Executive Director with effect from 01.01.2011 and subject to such other consents, approvals, permissions as may be required, the Company be and is hereby authorized to increase his remuneration from Rs. 75,000/- to Rs.1,00,000/- per month.”

“FURTHER RESOLVED THAT Shri. Mahaveer Surana is entitled to the following perquisites;

Medical Reimbursement: Medical expenses incurred by Shri. Mahaveer Surana and his family subject to ceiling of one months' salary in a year or accumulated three months salary over a period of three years shall be reimbursed.

Leave Encashment: Encashment of leave at the end of the year will be allowed as per the rules of the Company.

Leave Travel Concession: Leave Travel Concession for self and family, once in a year in accordance with any rule that may be framed by the Company.

Contribution to Provident Fund: Contribution to Provident Fund, Superannuation fund / Annuity fund as per the rules that may be framed by the Company shall not be included in the computation of the ceiling on perquisites to the extent of these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity: Gratuity payable as per Act shall not exceed half a month salary for each completed year of service.

Provision for car and telephone: The Company shall provide car for official and business use and telephone at residence. These will not be treated as perquisites. However, personal long distance calls on the telephone and use of car for private purposes shall be billed by the Company.”

“RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to take all steps and do all things, acts or deeds, as may be necessary and /or appropriate to give effect to the above.”

Item No 3 : To consider and if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sec 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956, Shri. Deepak Surana, be and is hereby appointed as the Executive Director with effect from 01.01.2011 and subject to such other consents, approvals, permissions as may be required, the Company be and is hereby authorized to increase his remuneration from Rs. 60,000/- to Rs.1,00,000/- per month.”

“FURTHER RESOLVED THAT Shri. Deepak Surana is entitled to the following perquisites;

Medical Reimbursement: Medical expenses incurred by Shri. Deepak Surana and his family subject to ceiling of one months' salary in a year or accumulated three months salary over a period of three years shall be reimbursed.

Leave Encashment: Encashment of leave at the end of the year will be allowed as per the rules of the Company.

Leave Travel Concession: Leave Travel Concession for self and family, once in a year in accordance with any rule that may be framed by the Company.

Contribution to Provident Fund: Contribution to Provident Fund, Superannuation fund / Annuity fund as per the rules that may be framed by the Company shall not be included in the computation of the ceiling on perquisites to the extent of these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity: Gratuity payable as per Act shall not exceed half a month salary for each completed year of service.

Provision for car and telephone: The Company shall provide car for official and business use and telephone at residence. These will not be treated as perquisites. However, personal long distance calls on the telephone and use of car for private purposes shall be billed by the Company."

"RESOLVED FURTHER THAT the Company Secretary be and is hereby authorised to take all steps and do all things, acts or deeds, as may be necessary and /or appropriate to give effect to the above."

-/ By Order of the Board /-

For **SURANA INDUSTRIES LIMITED**

Place : Chennai.

Date: 23-04-2011

DINESHCHAND SURANA
MANAGING DIRECTOR

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 C OF THE COMPANIES ACT 1956

ITEM NO. 1 Appointment of Shri. Rajesh Surana.

Shri. Rajesh Surana, Director – Commercial, has been with the Company for a considerable number of years and has held various important positions. He is now in complete charge of the Commercial functions of the Company.

He was appointed to his current position, as Director – Commercial on 01.01.2011 on a Remuneration of Rs. 85,000/- which is now being sought to be increased to Rs. 1,00,000/- per month with effect from 01.04.2010.

As the Company has rapidly expanded its activities, the duties and responsibilities of Shri. Rajesh Surana, has also increased manifold. It is thus considered that the remuneration as above be increased.

Shri. Rajesh Surana is not a Member of the Board of Directors of the Company.

The Board thus recommends that the resolution may be approved by the Shareholders.

None of the Directors, other than Shri.G.R.Surana are interested in this resolution.

ITEM NO. 2 Appointment of Shri. Mahaveer Surana.

Shri. Mahaveer Surana, Executive Director, has been with the Company for a long time and has held various important positions. He is now in complete charge of the financial functions of the Company.

He was appointed to his current position, as Executive Director on 01.01.2011 on a Remuneration of Rs. 75,000/- which is now being sought to be increased to Rs.1,00,000/- With effect from 01.04.2010.

As the Company has rapidly expanded its activities, the duties and responsibilities of Shri. Mahaveer Surana, has also increased manifold. It is thus considered that the remuneration as above be increased.

The Board thus recommends that the resolution may be approved by the Shareholders.

None of the Directors, other than Shri.G.R.Surana are interested in this resolution.

ITEM NO. 3 Appointment of Shri. Deepak Surana.

Shri. Deepak Surana, Executive Director, has been with the Company for a long time and has held various important positions. He is now in charge of the Expansion Project of the Steel plant of the Company.

He was appointed to his current position, as Executive Director on 01.01.2011 on a Remuneration of Rs. 60,000/- which is now being sought to be increased to Rs.1,00,000/- With effect from 01.04.2010.

As the Company has rapidly expanded its activities, the duties and responsibilities of Shri. Deepak Surana, has also increased manifold. It is thus considered that the remuneration as above be increased.

The Board thus recommends that the resolution may be approved by the Shareholders.

None of the Directors, other than Shri.G.R.Surana are interested in this resolution.

-/ By Order of the Board -/

For **SURANA INDUSTRIES LIMITED**

Place : Chennai

Date: 23-04-2011

DINESHCHAND SURANA
MANAGING DIRECTOR