

**ANNUAL REPORT
2014 – 2015**



SURAJ PRODUCTS LIMITED

Formerly

CHAMPION CEMENTS INDUSTRIES LTD.

BARPALI, KESRAMAL, RAJGANGPUR, SUNDERGARH, ODISHA-770017

SURAJ PRODUCTS LIMITED

BOARD OF DIRECTORS

Mr. Y. K. Dalmia, Chairman
Mr. S. N. Kabra
Mr. R. P. Agarwal
Mrs. Sunita Dalmia
Mr. Gagan Goyal, Executive Director

AUDITOR

M/S Rustagi & Co.
19, R.N.Mukherjee Road
Kolkata – 700072

CHIEF FINANCIAL OFFICER

Mr. M. K. Hati

COMPANY SECRETARY

Mr. A.N. Khatua

BANKER

Canara Bank

REGISTRAR & SHARE TRANSFER AGENTS

M/S MCS Share Transfer Agent Limited,
12/1/5, Manoharpukur Road,
Ground Floor, Kolkata - 700026
Telephone: 033-40724052
E-mail: mcssta@rediffmail.com

REGISTERED OFFICE :

Vill : Barpali
P.O.: Kesramal (Rajgangpur)
Dist : Sundergarh
Orissa – 770017
EPBX No. 09437049074
Email: suproduct@gmail.com, info@surajproducts.com
Website: www.surajproducts.com

KOKATA OFFICE :

59, N. S. Road
1st Floor
Kolkata – 700001
Tel/ Fax : 033-22107117

SURAJ PRODUCTS LIMITED

NOTICE OF THE 24TH ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the members of SURAJ PRODUCTS LIMITED will be held on Monday **the 28th day of September, 2015 at 11:30 AM at the Registered Office of the Company** situated at Vill: Barpali, P.O. Kesramal (Rajgangpur) – 770 017 Dist: Sundergarh, Odisha, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2015 and Profit & Loss Account of the Company for the year ended as on that date, together with the Auditor's Report and Director's Report thereon.
2. To declare Dividend on equity shares.
3. To appoint a director in place of Mrs. Sunita Dalmia (DIN- 00605973) who retires by rotation and being eligible offers herself for reappointment.
4. To ratify the re-appointment of Messrs Rustagi & Co., Statutory Auditors, who have been appointed at the AGM held on 27th September, 2014 for a period of three years upto the conclusion of 26th AGM to be held in the year 2017 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:-

"RESOLVED THAT pursuant to Section 139, 142 of the Companies Act, 2013 and Audit and Auditors Rules, 2014 (the rules), (including any statutory modification(s) or enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Audit Committee, Messrs Rustagi & Co., Chartered Accountants, Kolkata (ICAI Firm Registration Number -301094E), the retiring Auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the company for a remaining period of 2(two) years for auditing the accounts of the Company from the financial years 2015-16 to 2016-17 (subject to ratification of the appointment by the members at every Annual General Meeting to be held during the period) and the Board of Directors be and is hereby authorized to fix their remuneration plus travelling expenses and other out of pocket expenses incurred by them in connection with statutory audit ".

By Order of the Board
For Suraj Products Limited

A.N.Khatua
Company Secretary

Place: Barpali
Dated: 8th August, 2015

Notes:

1. A member entitled to attend, vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf, and a proxy need not be a member of this company. Proxies in order to be effective must be received at the registered office of the company not later than 48 hours before the commencement of the meeting. A blank proxy form is enclosed.
2. The Register of Members and Share Transfer Books of the company will remain closed from 25.09.2015 to 28.09.2015 (both days inclusive).
3. As required by the Listing Agreement, details of the Director retiring by rotation and eligible for re-appointment are annexed hereto.
4. The Dividend, after declaration, will be paid to those members of the Company whose names stand on the Registered of Members on the record date to be fixed by the Board for this purpose.
5. The Company had declared Dividend @7% i.e. ₹ 0.70 per equity shares of the Company for the Financial Year 2009-10, @ 8 % i.e. ₹ .80 for the Financial Year 2010-11, @ 9 % ₹ 0.9 for the Financial Year 2011-12, @ 5 % i.e. ₹ 0.50 for the Financial Year 2012-13 and @ 6% i.e. ₹ 0.60 for the Financial Year 2013-14. All the equity shareholders of the Company are requested to contact the Company/ Share Transfer Agent i.e. M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata-700026, for payment of their dividend amount, if they have not been paid. The un-paid dividend for the Financial Year 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 as on 31.03.2015 are ₹ 6,04,108/-, ₹ 6,94,172/- ₹ 8,42,649/- , ₹ 5,10,658/- and ₹ 6,36,255/- respectively.

Members are requested to note that as per Section 124 of the Companies Act, 2013, dividends not en-cashed

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or claimed within seven years from the date of transfer to the Company's Un-paid Dividend Account, will be transferred to the Investor Education and Protection Fund.

The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividends. As per the recent RBI guidelines, effective from September 30, 2009, ECS credit will be moved completely on National Electronic Clearance System (NECS) platform through core banking system. Accordingly, dividend will be credited to the shareholders' Bank account through NECS where complete Core Banking details are available with the Company. In the event any branch of a Bank has not migrated to Core Banking system, or where the core banking account number is not furnished by the shareholder to the Depository/Company as the case may be, the Company will print the details available in its records on the dividend warrants to be issued to the shareholders. The Company is complying with SEBI's directive in this regard.

- 6 Members desiring to seek any information/clarification on the Annual Accounts are requested to write to the Company at least seven days before the Annual General Meeting.
- 7 Share holders are requested to notify their Bank particulars giving the name of the bank and the branch and the nature of account and also any change of address to the Company's Registrar and Share Transfer Agent, M/S MCS Share Transfer Agent Limited. Share holders are hereby intimated that under instructions from the Securities and Exchange Board of India (SEBI), furnishing of bank particulars by the shareholders has become mandatory.
- 8 Members are requested to send all communications relating to shares to the company's Registrar and Share Transfer Agent. (Physical and Electronic) M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata-700026. E- mail:mcssta@rediffmail.com
- 9 RBI vide it's Circular No. DPSS. (CO). EPPD. No. 191.04.01.01/2009-2010 dated July 29, 2009 has instructed banks to move to the NECS platform from October 1, 2009.

Consequently you are requested to provide your new account number allocated to you after implementation of Core Banking System by your Bank. NECS credit to your old account may either be rejected or returned. Please provide to the Company's Share Registrar and Transfer Agent (M/S MCS Share Transfer Agent Limited, Kolkata) new Bank Account particulars along with a copy of the cheque duly cancelled by quoting your reference folio number in case of shares held by you in physical form. In case the shares are in Dematerialized form, you may kindly provide the same to your Depository participant, so that your future dividend payments can correctly be credited to your new account.

- 10 In compliance with the provisions of section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 24th Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

(A) In case of members receiving e-mail from NSDL:

- i) Open e-mail and PDF file viz. "SURAJ PRODUCTS LIMITED e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user id and password for e-voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii) Click on shareholder – Login.
- iv) Put user id and password as initial password in step (i) above. Click Login.
- v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home page of e-voting opens. Click on e-voting cycles.
- vii) Select "EVEN" of Suraj Products Limited.
- viii) Now you are ready for e-voting as cast vote page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also click "Confirm" when prompted.

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(B) In case of members receiving physical copy of the notice of Annual General Meeting and attendance slip:

- i) Initial password is provided below the attendance slip.
- ii) If you are already registered with NSDL for e-voting then you can use your existing user id and password for casting your vote.
- iii) The e-voting period commences on September 25, 2015 (9:00 AM) and ends on September 27, 2015 (5:00 PM). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- iv) The voting rights of shareholders shall be as per the number of equity shares held by members as on the cut-off date (record date) of September 21, 2015.
- v) L N Panda & Associates, Company Secretaries, Rourkela has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vi) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- vii) The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website @ www.surajproducts.com. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for the year 2014-15, will be available on the Company's website.

Note: In case of queries/ grievances with regard to e-voting, contact Mr. Rajiv Ranjan, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013. Email: evoting@nsdl.co.in/ rajvir@nsdl.co.in. Tel: 022-24994600/ 022-249944738.

Registered Office :

At - Vill : Barpali,
Po : Kesramal, Rajgangpur,
Dist : Sundergarh, Odisha - 770017
e-mail : info@surajproducts.com
Website : [www. Surajproducts.com](http://www.Surajproducts.com)
8th August, 2015

By order of the Board

A. N. Khatua
Company Secretary

ANNEXURE TO THE NOTICE

Information required to be furnished as per the Listing agreement:

As required under the listing agreement, the particulars of Directors who are proposed to be appointed/ re-appointed are given below:

Name of Director	Mrs. Sunita Dalmia
DIN	00605973
Date of Birth	03.05.1964
Date of Appointment	19.06.2000
Qualification	Graduate
Expertise in specific functional areas	She has come from business family and has possessed good business sense and administrative capabilities.
List of other Companies in which Directorship held (excluding in Foreign companies)	1. NIP Power Pvt. Ltd. 2. Balbhadra Infratech Pvt. Ltd. 3. Molisati Vinimay Pvt. Ltd. 4. Brex Technology Pvt. Ltd.
Chairman/Member of Committees of the Board of Directors of the Company	1. Shareholders Grievance committee. 2. Remuneration Committee
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	7,72,400 Shares

DIRECTORS' REPORT TO SHAREHOLDERS

Dear Shareholders,

Your Directors have pleasure in presenting their Report on the business and operations of your Company along with the Audited Accounts of the company for the year ended 31st March 2015.

FINANCIAL RESULTS:

PARTICULARS	Current Year (₹ In Lac)	Previous Year (₹ In Lac)
Sales and other income	10298.34	9788.10
Profit before depreciation	641.82	435.38
Depreciation	265.07	263.83
Profit for the year	376.75	171.56
Provision for tax	123.92	56.86
Profit after tax	252.82	114.68
Profit brought forward from the previous year	1062.02	1007.60
Profit available for appropriation	1308.44	1122.28
Proposed Dividend	79.8	51.31
Tax on Proposed Dividend	16.33	8.95
Surplus carried to Balance Sheet	1212.31	1062.02

OPERATIONS:

During the year, the Company produced 28,955 MT and sold 29,084 MT of Sponge Iron compared to previous year's production of 28,703 MT and sales of 29,566 MT. The company produced 12,151 MT and sold 12,109 MT of Pig Iron as compared to last year's production of 11,664 MT and sales of 11,668 MT.

DIVIDEND:

Your Directors have pleasure in recommending for approval of the members at the ensuing Annual General Meeting a Dividend of 7% (Seven percent) per share i.e. ₹ 0.70 (Previous year ₹ 0.60) per equity share of face value of ₹ 10 each for the year ended 31st March, 2015. The dividend if approved by the shareholders will be paid to those members whose name appears on the Register of Members on the record date. The total outgo on account of Dividend (ex-taxes) will be ₹ 79.80 Lac compared to previous year figure of ₹ 51.31 Lac.

CLOSURE OF MEMBERS AND SHARE TRANSFER BOOKS:

The Register of Members and Share Transfer Books of the Company will be closed with effect from 25th September, 2015 to 28th September, 2015 (both days inclusive).

TRANSFER TO RESERVES:

The Company did not transfer any amount to General Reserve during the year.

SHARE CAPITAL:

The Authorized Share Capital of the Company is ₹ 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 Equity Shares of ₹10/- each. As on March 31, 2015 the paid-up share capital of the Company is ₹ 11,40,00,000 (Rupees Eleven Crores and Forty Lacs only) divided into 1,14,00,000 Equity Shares of ₹ 10/- each. During the year your Company has not issued any equity shares.

DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as at March 31, 2015.

DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Sunita Dalmia (DIN- 00605973), Non-Executive Promoter Director is liable to retire by rotation at the ensuing AGM. Being eligible, she has offered herself for re-appointment. Necessary resolutions for the

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reappointment of Mrs. Sunita Dalmia (DIN- 00605973) have been included in the notice convening the ensuing AGM. She has confirmed that she is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. Your Directors recommend her re-appointment.

BOARD EVALUATION:

Pursuant to the provisions of Section 134 (3) (p) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the independent Directors was completed. The performance evaluation of the Chairman and the non-independent Directors was carried out by the independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

DETAILS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

AUDITORS REPORT & AUDITORS' OBSERVATION:

There is no audit qualification in the Company's financial statements. The company continues to adopt practices to ensure best practice as per Indian Accounting Standards. The Notes on Accounts referred to in the Auditors' Report enclosed are self-explanatory and do not call for any further comments.

STATUTORY AUDIT:

M/s Rustagi & Co., Chartered Accountants (Reg. No.301094E), the statutory auditors of the Company, were appointed as Statutory Auditors for 3 years at the Twenty Third Annual General Meeting of the Company held on 27.09.2014. The Board recommends the ratification by the shareholders of their re-appointment as Statutory Auditors of the Company for the year 2015-16.

SECRETARIAL AUDIT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Secretarial Audit has been carried out by L.N.Panda & Associates, Rourkela a firm of Company Secretaries in practice. The Secretarial Audit Report is annexed herewith as "**Annexure I**". The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

COST AUDIT:

The Cost Audit Report for the Financial Year 2013-14 was filed with Ministry of Company Affairs.

AUDIT COMMITTEE RECOMMENDATION:

During the year all the recommendations of the Audit Committee were accepted by the Board. The composition of the Audit Committee is as described in the Corporate Governance Report.

LISTING:

The shares of the Company are listed at Bombay Stock Exchange and at the Calcutta Stock Exchange Limited. The Scrip Code at BSE is 518075 and at CSE is 13054.

The respective listing fees for the above Stock Exchanges up to the year 2015-16 have been paid.

RECONCILIATION OF SHARE CAPITAL:

As directed by Securities Exchange Board of India (SEBI), Reconciliation of Share Capital is being carried out quarterly by a practicing Company Secretary. The findings of the Reconciliation of Share Capital were satisfactory.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to section 134 (3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirm that;

- (i) in the preparation of annual accounts, the applicable Accounting Standards as specified by the Institute of Chartered Accountants of India have been followed and that there has been no material departures from the same;

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- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- (iii) the Directors have taken proper and sufficient care, to the best of their for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on going concern basis.

SUBSEQUENT EVENTS:

There are no material changes and commitments affecting the financial position of the company which have occurred between March 31, 2015 and the date of the report.

NUMBER OF BOARD MEETINGS DURING FY 2014-15:

During the FY 2014-15 the number of meeting of Board of Directors of the Company comes to 4 (Four). The details of the number of meetings of the Board held during the financial year forms part of the Corporate Governance Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The prescribed details as required Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in **Annexure 'A'** forming part of this report.

DECLARATION OF INDEPENDENCE:

The Company has received Declaration of Independence from Mr. S.N.Kabra (DIN- 00556947), Mr. R.P.Agarwal (DIN- 02390381), the Independent Directors of the Company as per sub-section (6) of Section 149 of the Companies Act, 2013. The declarations are annexed to the Report as **Annexure II**.

REMUNERATION & NOMINATION POLICY:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The detail of the policy is explained in the Corporate Governance Report.

RELATED PARTY TRASACTION:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

VIGIL MECHANISM POLICY:

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any.

The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

WHISTLE BLOWER POLICY:

The Company has a "Whistle Blower Policy" to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company.

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PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

MANAGERIAL REMUNERATION:

Executive Directors are paid remuneration by way of salary, commission, perquisites and retirement benefits as recommended by the Nomination and Remuneration Committee and approved by the Board and shareholders of the Company.

Key Managerial Personnel and senior Management Personnel are paid remuneration by way of salary (comprising fixed components and variable component). Remuneration to Directors, Key Managerial personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Company does not have any Stock Option Scheme. No severance pay is payable on termination of appointment.

BUSINESS RISK MANAGEMENT:

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

REGARDING KEY MANAGERIAL PERSONNEL:

During the year the Company has appointed/designated the following as the Key Managerial Personnel of the Company:

Mr. Y.K.Dalmia, Chairman

Mr. Gagan Goyal, Executive Director

Mr. M.K.Hati, Chief Financial Officer

Mr. A.N.Khatua, Company Secretary

EXTRACTS OF ANNUAL RETURN IN MGT- 9:

The details forming part of the extract of the Annual Return for the year ended on 31.03.2015 in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure- III** and forms an integral part of this Report.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexures as mentioned below, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, the following form part of this Annual Report:

- (i) Report on Corporate Governance – (Annexure 'B');
- (ii) Management Discussion & Analysis Report – (Annexure 'C').

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ACKNOWLEDGEMENT AND APPRECIATION:

Your Directors place on record their appreciation of the continued support, cooperation and assistance from our shareholders, customers, suppliers, employees and other business associates including various agencies of the Central and State Governments and Bankers.

On behalf of the Board of Directors

Place: Barpali
Date: 08.08.2015

Y. K. Dalmia
Chairman

Annexure 'A'

ANNEXURE TO THE DIRECTORS' REPORT

Statement pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended 31st March 2015.

1. CONSERVATION OF ENERGY:

The Company has taken various steps for conservation of energy and has installed energy efficient equipments and thereby able to optimize the energy consumption.

ELECTRICITY		For the year 2014-2015	For the year 2013-2014
(a) Purchased Units	KWH	65,55,234	60,72,060
Amount	₹	370,55,154	342,31,189
Cost per Unit	₹	5.65	5.64
(b) Through Diesel Generator	KWH	3,16,627	4,19,824
Unit per Ltr. of Diesel		3.29	3.75
Cost per Unit *	₹	16.87	13.26

POWER CONSUMPTION

Power Consumption Per Unit of Production:

Consumption of electricity per ton of production cannot be determined product wise as company is having common processing facility for interdependent products.

2. TECHNOLOGY ABSORPTION:

The Company continues to use to technology & process know how developed in house.

3. INDUSTRIAL RELATIONS:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

4. FOREIGN EXCHANGE OUTGO:

	Current Year (₹)	Previous Year (₹)
Travel Expenses:	1,88,027	89,284
Purchase of Spares & Services:	NIL	7,20,957
Others (Conference Fees)	1,04,174	Nil

On behalf of the Board of Directors

Place: Barpali
Date: 8th August, 2015

Y. K. Dalmia
Chairman

SURAJ PRODUCTS LIMITED

Annexure I to Boards Report SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2015
(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of
the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To The Members,
Suraj Products Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Suraj Products Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Suraj Products Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Other Applicable Acts,
 - (a) Factories Act, 1948,
 - (b) Payment of Wages Act, 1936, and rules made there under,
 - (c) The Minimum Wages Act, 1948, and rules made there under,
 - (d) Employees' State Insurance Act, 1948, and rules made there under,
 - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
 - (f) The Payment of Bonus Act, 1965, and rules made there under,
 - (g) Payment of Gratuity Act, 1972, and rules made there under,
 - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
 - (i) Food Safety and Standards Act, 2006, and rules made there under.

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We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Rourkela
June 20, 2015

L.N.Panda & Associates
Practicing Company Secretary
CP No.: 8310

Note: This report is to be read with our letter of even date which is annexed as '**ANNEXURE- D**' and forms an integral part of this Report.

'ANNEXURE D'

To
The Members,
Suraj Products Limited
Barpali, Po- Kesramal,
Rajgangpur, Dist- Sundargarh,
Odisha- 770017

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report 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.

Place: Rourkela
June 20, 2015

L.N.Panda & Associates
Practicing Company Secretary
CP No.: 8310

SURAJ PRODUCTS LIMITED

Annexure II DECLARATION OF INDEPENDENCE

01st April, 2015

To
The Board of Directors
Suraj Products Limited
Barpali, Po- Kesaramal,
Rajgangpur, Odisha-770017

Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, **Sri S.N.Kabra**, hereby certify that I am a Non-executive Independent Director of **Suraj Products Limited, Barpali, Odisha** and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, or associate company;
- I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- None of my relatives has or had any pecuniary relationship or transaction with the company, or its associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its associate company in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - b. any legal or a consulting firm that has or had any transaction with the company, or its associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,
Yours faithfully,

Sd/-
S.N.Kabra
DIN: 00556947
26, Rameswar Malia Lane,
2nd Floor, Sibpur, Howrah- 711101
West Bengal
Email- sreechem@cal2.vsnl.net.in

SURAJ PRODUCTS LIMITED

To
The Board of Directors
Suraj Products Limited
Barpali, Po- Kesaramal,
Rajgangpur, Odisha-770017

01st April, 2015

Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, **Sri R.P.Agarwal**, hereby certify that I am a Non-executive Independent Director of **Suraj Products Limited, Barpali, Odisha** and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, or associate company;
- I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, or its associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its associate company in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of:
 - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - b. any legal or a consulting firm that has or had any transaction with the company, or its associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sd/-

R.P.Agarwal
DIN: 02390381
Y- 10, Civil Township, Rourkela
Dist- Sundargarh- 769004, Odisha
Email- vedapresident@yahoo.co.in

SURAJ PRODUCTS LIMITED

Annexure –III to Boards Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- L26942OR1991PLC002865
- ii) Registration Date- 26.07.1991
- iii) Name of the Company- SURAJ PRODUCTS LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by Shares.
- v) Address of the Registered office and contact details:
At- Barpali, Po.- Kesramal, Rajgangpur, Dist- Sundargarh, Odisha- 770017
Contact Detail: EPBX No. 9437049074, Email:suproduct@gmail.com, Website: www.surajproducts.com
- vi) Whether listed company: YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
M/S MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata- 700026

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	SPONGE IRON	3303	60%
2	PIG IRON	3304	28%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of Shares held	Applicable Section
	NA	NA	NA	NA	NA

SURAJ PRODUCTS LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	16,84,800	NIL	16,84,800	14.78	19,84,800	NIL	19,84,800	17.41	2.63
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	51,17,000	NIL	51,17,000	44.88	53,67,000	NIL	53,67,000	47.08	2.19
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total									
(A) (1):-	68,01,800	NIL	68,01,800	59.66	73,51,800	NIL	NIL	64.49	4.82
(2) Foreign									
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	68,01,800	NIL	68,01,800	59.66	73,51,800	NIL	73,51,800	64.49	4.82
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

SURAJ PRODUCTS LIMITED

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	280	NIL	280	0.0024	0.0024
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	280	NIL	280	0.0024	0.0024
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	23,31,412	71,700	24,03,112	21.08	19,16,709	63,800	19,80,509	17.37	3.71
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,62,688	16,74,500	20,37,188	17.87	3,60,811	16,39,600	20,00,131	17.55	0.32
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,04,800	53,100	1,57,900	1.39	13,900	53,100	67,000	0.59	0.8
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-									
Total Public Shareholding (B)= (B)(1)+ (B)(2)	27,98,900	17,99,300	45,98,200	40.34	22,91,700	17,56,500	40,47,920	35.51	4.83
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	96,00,700	17,99,300	1,14,00,000	100	96,43,500	17,56,500	1,14,00,000	100	NIL

SURAJ PRODUCTS LIMITED

(ii) **Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	% change in share holding during the year
1	NIP Power Pvt. Ltd.	28,27,000	24.8	NIL	28,27,000	24.8	NIL	NIL
2	Molisati Vinimay Pvt. Ltd.	20,00,000	17.54	NIL	20,00,000	17.54	NIL	NIL
3	Y.K.Dalmia	9,81,500	8.61	NIL	9,91,500	8.7	NIL	0.09
4	Sunita Dalmia	4,72,400	4.14	NIL	7,72,400	6.78	NIL	2.63
5	Balbhadra Infratech Pvt. Ltd.	2,9,0000	2.54	NIL	5,40,000	4.74	NIL	2.19
6	Nivedita Dalmia	1,10,900	0.97	NIL	1,10,900	0.97	NIL	NIL
7	Nandita Dalmia	1,10,000	0.96	NIL	1,10,000	0.96	NIL	NIL
8	Kumudini Dalmia	10,000	0.09	NIL	NIL	NIL	NIL	0.09
	Total	68,01,800	59.66	NIL	73,51,800	64.49	NIL	4.82

(iii) **Change in Promoters' Shareholding (please specify, if there is no change):**

Sl. No.	At the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	68,01,800	59.66	68,01,800	59.66
	Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease: Purchase			5,50,000	4.82
	At the End of the year			73,51,800	64.49

Sl. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tirupati Vincom Pvt. Ltd.	20,00,000	17.54	17,50,000	15.3509
2	Sykes & Ray Equities (I) Ltd.	67,307	0.5904	72,675	0.6375
3	Elan Capital Advisors Pvt. Ltd.	0	0	28,200	0.2474
4	Rabindra Kumar Bachhawat	26,600	0.2333	26,600	0.2333
5	Bengani Securities Pvt. Ltd.	23,300	0.2044	18,799	0.1649
6	VSL Securities Pvt. Ltd.	17,100	0.15	17,100	0.15
7	Deepak Das	14,000	0.1228	14,000	0.1228
8	Sagar Chandulal Jain	13,900	0.1219	13,900	0.1219
9	Shikha Halder	12,500	0.1096	12,500	0.1096
10	Tara Devi Ratanlal Bafna	10,000	0.0877	10,000	0.0877

SURAJ PRODUCTS LIMITED

(iv) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Y.K.Dalmia, Chairman				
	At the beginning of the year	9,81,500	8.6094	9,81,500	8.6094
	Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease	_____	_____	10,000	0.09
	At the End of the year	_____	_____	9,91,500	8.69
2	Sunita Dalmia, Director				
	At the beginning of the year	4,72,400	4.14	4,72,400	4.14
	Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease	_____	_____	3,00,000	2.63
	At the End of the year	_____	_____	7,72,400	6.78
3	M.K.Hati, CFO				
	At the beginning of the year	_____	_____	_____	_____
	Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease	_____	_____	500	0.0044
	At the End of the year	_____	_____	500	0.0044
4	A.N.Khatua, Company Secretary				
	At the beginning of the year	_____	_____	_____	_____
	Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease	_____	_____	500	0.0044
	At the End of the year	_____	_____	500	0.0044

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	191,129,223	128,153,138	-	319,282,361
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	191,129,223	128,153,138	-	319,282,361
Change in Indebtness during the financial year				
· Addition	-	-	-	-
· Reduction	31,587,610	120,040,926	-	151,628,536
Net Change Indebtness	31,587,610	120,040,926	-	151,628,536
At the end of the financial year				
i) Principal Amount	159,541,613	8,112,212	-	167,653,825
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	159,541,613	8,112,212	-	167,653,825

SURAJ PRODUCTS LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Chairman, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of Chairman/WTD/ Manager		Total
		Y.K.Dalmia Chairman	Gagan Goyal Executive Director	Amount (amount in ₹)
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27,75,000	6,08,000	33,83,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	59,190	59,190
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	27,75,000	6,67,190	34,42,190

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors			Total
	S.N.Kabra	R.K.Agarwal	Sunita Dalmia	Amount
Independent Directors Fee for attending board committee meetings	Nil	Nil	Nil	Nil
· Commission	Nil	Nil	Nil	Nil
· Others, please specify	Nil	Nil	Nil	Nil
Total (1)	Nil	Nil	Nil	Nil
Total Remuneration	Nil	Nil	Nil	Nil

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN CHAIRMAN/MANAGER/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,10,000	9,60,000	14,70,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	48,040	48,040	96,080
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	as % of profit	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	5,58,040	10,08,040	15,66,080

SURAJ PRODUCTS LIMITED

II. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Sections of company Act	Brief of description	Detail of penalty/ punishment / compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

REPORT ON CORPORATE GOVERNANCE:

As per the guidelines of SEBI & amended Listing Agreement with the stock exchanges, the company is making efforts to implement the guidelines taking in to consideration the size and location of the company.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company continues to commit to maintain the highest standards of integrity, transparency and accountability in all facts of its operations and to create shareholder's value on sustainable basis. The company is committed to achieve and maintain the highest standards of Corporate Governance; it believes that good Corporate Governance with transparency and independence as its key ingredients provides the market oriented framework for the running of companies.

1. BOARD OF DIRECTORS:

A. The composition of the Board:

As on 31st of March, 2015, the Board of Directors of Suraj Products Limited comprises of five directors. The Board consists of the Chairman, who is Promoter & Executive Director, one Executive Director and three Non-Executive Directors, of which two are independent Directors. Details are given below.

Sl. No.	Name of the Directors	Status	Category	Shareholding in the Company
1	Sri Y. K. Dalmia	Chairman	Promoter and Executive Director	9,91,500
2	Smt. S. Dalmia	Director	Promoter and Non Executive Director	7,72,400
3	Sri S. N. Kabra	Director	Non-Executive and Independent Director	NIL
4	Sri R. P. Agarwal	Director	Non Executive and Independent Director	NIL
5	Sri Gagan Goyal	Director	Executive Director	NIL

SURAJ PRODUCTS LIMITED

B. Number of Board Meetings:

During the year 2014-15, the Board of the Company met four times on 31.05.2014, 09.08.2014, 15.11.2014, and 12.02.2015. All the meeting were held in such manner that the gap between two consecutive meetings was not more than four months.

Name of the Directors	Attendance Particulars		Number of other Directorship and Committee Chairmanship / Membership		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Sri Y. K. Dalmia	4	Yes	6	1	1
Smt. S. Dalmia	4	Yes	4	2	1
Sri S.N. Kabra	3	Yes	6	4	2
Sri R. P. Agarwal	3	Yes	—	3	—
Sri Gagan Goyal	4	Yes	—	2	—

2. AUDIT COMMITTEE:

The Audit Committee consists of Sri S.N. Kabra, Sri R. P. Agarwal and Sri Gagan Goyal. Sri S. N. Kabra acts as Chairman of the Committee. During the period under review four Audit Committee meetings were held on 31.05.2014, 09.08.2014, 15.11.2014, and 12.02.2015.

The composition of the Audit Committee and attendance of its meetings are given below:

Name of the Directors	No. of Audit Committee Meeting Attendance
Sri S.N. Kabra	4
Sri R.P. Agarwal	3
Sri Gagan Goyal	4

Term of reference of the Audit Committee:

The Committee is entrusted with review of quarterly, half yearly and annual financial statements before submission to the Board. The scope of the audit committee, inter alia, includes review of the Company's financial reporting process, the financial statements; review the adequacy of the internal control systems. The Company Secretary acts as the secretary of the Committee.

3. REMUNERATION COMMITTEE:

A Committee of Directors comprising of Mrs. Sunita Dalmia, Mr. S.N.Kbra and Mr. R.P.Agarwal has been formed as Compensation / Remuneration Committee for the purpose of recommending of the Executive Director, Senior Executives and Key Managerial Personnel's remuneration / revision / merit increment and related matters. No sitting fees are payable for the meeting of this Committee. Smt. Sunita Dalmia acts as Chairman of the Committee.

The purpose of the Remuneration committee of the company shall be to discharge the Board's responsibilities relating to remuneration of the Company's Executive Directors and Key Managerial Personnel. The committee has overall responsibility for approving and evaluating and recommending plan, policies and programs relating to remuneration of Executive Directors and Key Managerial Personnel of the Company.

SURAJ PRODUCTS LIMITED

4. MANAGERIAL REMUNERATION:

The remuneration of Chairman was fixed in the AGM held on 29.09.2013 and the remuneration of Executive Director was fixed in the AGM held on 24.09.2011.

(a) REMUNERATION TO DIRECTORS:

Following remuneration was paid to Directors during the Financial Year 2014-15:

Mr. Y.K.Dalmia, Chairman	- ₹ 27,75,000 (10,75,000)
Mr. Gagan Goyal, Executive Director	- ₹ 6,08,000 (5,60,000)

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

Shareholders' & Investors' Grievance Committee consists of Sri S.N. Kabra, Sri R.P. Agarwal and Smt. Sunita Dalmia. Sri S.N.Kabra acts as Chairman of the Committee. Sri A.N.Khatua, Company Secretary Serves as the Secretary of the Committee. The Committee to look into redressing of shareholders and investors grievances like transfer of shares, non receipt of Balance sheet, etc.

During the financial year 2014-15 the Committee held three meetings 09.08.2014, 15.11.2014, and 12.02.2015.

The committee received 25 complaints from investors during the year and all of have been resolved. There is no complaint outstanding at the end of the year.

Mr. Gagan Goyal acts as Compliance Officer to this Committee under the Security Exchange Board of India (SEBI) Notification.

7. SHARE TRANSFER COMMITTEE:

The Company has a Share Transfer Committee consisting of Sri Y. K. Dalmia, Sri S.N. Kabra, and Sri Gagan Goyal. Sri Y. K. Dalmia acts as Chairman of the Committee. The Share Transfer Committee meets as and when required and is entrusted with transfer / transmission of shares, issue of duplicate share certificates, changes of name / status, transposition of names, sub-division / consolidation of share certificates, dematerialization / rematerialization of shares, etc.

8. CEO/ CFO CERTIFICATION:

A certificate from the Chairman on the Financial Statements of the Company was placed before the Board at its meeting held on 22.05.2015.

9. RISK ASSESSMENT & MINIMIZATION PROCEDURE:

The risk assessment and its minimization procedures have been laid down by the company and the same been informed to board members. The procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

10. GENERAL BODY MEETING:

a) ANNUAL GENERAL MEETING

Date	Venue	Time	No. of Special Resolution
24th Sept. 2011	Registered Office of the company at Barpali	11.30 A.M.	—
29th Sept. 2012	Registered Office of the Company at Barpali	11.30 A.M.	—
27th Sept. 2013	Registered Office of the Company at Barpali	11.30 A.M.	3
27th Sept. 2014	Registered Office of the Company at Barpali	11.30 A.M.	—

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- b) During the year, no resolution was passed through postal ballot in accordance with Section 108 of the Companies Act, 2013.

11. DISCLOSURES:

- a) **RELATED PARTY DISCLOSURE:** There are no materially significant related party transactions with its Promoters, the Directors or the Management and their Subsidiaries or relatives etc., which may have potential conflict with the interest of the Company at large.
- b) **NON-COMPLIANCE PENALTIES:** There were no instances of non-compliances and no penalties/strictures have been imposed/ passed by Stock Exchange, SEBI or any other statutory authority during last three years on any matter related to the capital markets.
- c) **CODE OF CONDUCT:** The Board formulated a code of conduct for the Board Members and the Senior Management of the company. All Board Members and senior management personnel have affirmed their compliance with the code.
- d) During the financial year 2014-15, there is no audit qualification in the Company's financial statements.

12. MEANS OF COMMUNICATION:

- a) The quarterly, half yearly and full year results are 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 and are published in News papers.
- b) The financial results are displayed on the Company's Website viz: www.surajproducts.com
- c) The Management Discussion and Analysis Report is attached with Director's Report in this 24th Annual Report of the Company posted to the Share holders.

13. GENERAL INFORMATION FOR SHARE HOLDERS:

24th Annual General Meeting:

Day : Monday

Date : 28th September, 2015

Time : 11:30 AM

Venue : Regd. Office: Vill: Barpali, P. O.: Kesramal (Rajgangpur), Dist.: Sundergarh, Odisha.

a. Financial Calendar (Tentative):

Quarterly Result: Last week of succeeding month Annual Accounts 2015-16: May, 2016

b. Date of Book Closure:

The Company's Register of members and share books will remain closed from 25th September to 28th September, 2015

c. Listing at Stock Exchange:

(i) Bombay Stock Exchange Ltd. (ii) Calcutta Stock Exchange Ltd.

d. Stock Code: (i) 518075 at BSE (ii) 13054 at CSE

e. Dematerialization of shares and liquidity:

The shares of the Company are dematerialized with Central Depository Services (India) Ltd and National Securities Depository Limited. The addresses of the Depositories are as under:

**1. National Securities Depository Limited
(ISIN –INE069E01019)**

Trade world, 4th Floor,
Kamala Mills Compound
Lower parel, Mumbai – 400013

**2. Central Depository Services (India) Limited
(ISIN – INE069E01019)**

Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street,
Senapati Bapat Marg,
Mumbai – 400023

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No. of Shares held in dematerialized and physical mode as on 31st March, 2015 is as under:

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in CDSL	75,78,885	66.48
Held in dematerialized form in NSDL	20,64,615	18.11
Physical	17,56,500	15.41
TOTAL	1,14,00,000	100.00

f. Public Deposit:

The Company has not accepted any deposit during the year under review.

g. Registrar & Share Transfer Agent:

M/s MCS Share Transfer Agent Limited,
12/1/5, Manoharpukur Road,
Ground Floor, Kolkata – 700026
Telephone: 033-40724052
E-mail: mcssta@rediffmail.com
Contact Person: Mr. Partho Mukherjee

h. CIN Number:

The CIN of the Company granted by
Ministry of Corporate affairs is
L26942OR1991PLC002865

i. Share Transfer System:

Share transfer system is entrusted to the Registrar and Share Transfer Agent. Transfer Committee is empowered to approve the share transfers. Transfer committee Meeting is held as and when required. The share transfers, issue of duplicate certificate etc are endorsed by Directors / Executives / Officers as may be authorised by the Transfer Committee. Grievances received from members and miscellaneous correspondences are processed by the Registrar within 15 days.

14. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2015:

a. Details of shareholding as on 31st March, 2015.

CATEGORY	No. of Shares	% of Share Holding
Promoters Group	73,51,800	64.49
Private Corporate Bodies	19,80,789	17.37
Indian Public	20,67,411	18.14
Total	1,14,000,00	100.00

b. Distribution of shareholding as on 31st March, 2015:

CATEGORY No. of Shares	No. of Shares	No. of Shareholder	Percent Shares	Percent Holders
1 - 500	1280686	8170	11.2341	93.8541
501 - 1000	282524	317	2.4783	3.6416
1001 - 5000	380216	184	3.3353	2.1138
5001 - 10000	151000	18	1.3246	0.2068
10001 - 50000	131099	7	1.1500	0.0804
50001 - 100000	72675	1	0.6375	0.0115
and Above	9101800	8	79.8404	0.0919
Total	11400000	8705	100.0000	100.0000

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c. Shareholding pattern as on March 31, 2015:

Category	No of shareholders	Total Share	% of Equity
Promoter & Promoter Group	7	73,51,800	64.49
Resident Individuals	8635	20,67,411	18.14
Body Corporate	63	1980789	17.37
Total	8705	114,00,000	100%

15. SECRETARIAL AUDIT:

As stipulated by Securities Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out in every half year and year ending and the report thereon is submitted to Stock Exchanges and is also placed before the Board of Directors.

16. CORPORATE ETHICS:

The Company adheres to high standards of business ethics, compliance with various statutory and legal requirements and commitment to transparency in business dealing.

The Executive Director of the Company is appointed as Compliance Officer and is responsible for adherence to the code.

17. COMPLIANCE CERTIFICATE OF AUDITORS:

The Company has obtained a certificate from the Statutory Auditors confirming the compliance with the conditions of Corporate Governance.

18. PLANT - LOCATION:

Village – Barpali, Post – Kesramal (Rajgangpur)
Dist – Sundergarh, Odisha, PIN – 770 017

19. ADDRESS FOR CORRESPONDENCE:

SURAJ PRODUCTS LIMITED
Village – Barpali, Post – Kesramal (Rajgangpur)
Dist – Sundergarh, Odisha. PIN – 770 017
EPBX No- : 9437049074,
E-mail: info@surajproducts.com, suproduct@gmail.com,
Web Site: www.surajproducts.com

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Annexure to the Corporate Governance Report:

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT(S)

To

The members of
SURAJ PRODUCTS LIMITED

We have reviewed the implementation of Corporate Governance procedures by M/s. Suraj Products Limited during the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our responsibility was limited to review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

As per Schedule of implementation stipulated in clause 49 of the Listing Agreements with Stock Exchanges, the Company is supposed to comply with all the conditions by March, 2015. During the year, initiated steps to set up various Committees and comply with the other requirements during the course of the year in stages.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Corporate Governance Clause of the listing agreements with Stock Exchanges have been substantially complied with by the Company and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

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

19, R.N.Mukherjee Road
Kolkata – 700001
Dated: the 22nd day of May, 2015

For RUSTAGI & CO
Chartered Accountants
(ASHISH RUSTAGI)
Membership No. 062982

DECLARATION UNDER CLAUSE 49(1)(D)

As required under Clause 49 of the Listing Agreement(s) with Stock Exchanges relating to Corporate Governance I hereby declare that all the members of the Board of Directors and the senior Management personnel have compliance with the company's code of conduct, to the year ended 31st March, 2015.

Place: Barpali
Date: 22nd day of May, 2015

For Suraj Products Limited
Y. K. Dalmia
Chairman

CERTIFICATE OF CHAIRMAN AND CHIEF FINANCIAL OFFICER ON CORPORATE GOVERNANCE:

The Board of Directors
Suraj Products Limited

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2015 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during

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the year ended 31st March, 2015 which is fraudulent, illegal or violative of the Company's code of conduct.

- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Y.K.Dalmia
Chairman

M.K.Hati
Chief Financial Officer

Place: Barpali
Date: 22nd day of May, 2015

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

The Board takes pleasure in presenting your Company's 24th Annual report for the year 2014-15 along with the compliance report on Corporate Governance.

INDUSTRY STRUCTURE & DEVELOPMENT:

Sponge iron is an intermediate product as source of metalics for electric steel making. Other sources of metalics are either steel scrap or pig iron from Blast furnace.

The Sponge iron industry in India is divided into two types, those who are integrated with steel making and those in merchant sector. Suraj Products Limited belongs to the merchant sector.

In the Modern Economy Steel is a vital component to the development. The strength of steel industry shows the growth & development of all major industrial economies. Consumption of steel is a significant indicator of socio-economic development of the people of the country. Since incubation period for setting up integrated steel plants is large, the growth in demand of steel during the year was met generally by secondary steel sector or through import of steel. One of the sources of metallic's for secondary steel making sector is sponge iron and pig iron. Sponge iron industry, therefore, witnessed continued development for its product during the year. The trend is likely to continue in future.

COMPANY'S PERFORMANCE:

Gross Turnover	:	₹ 1,027,959,365
Profit before Taxation	:	₹ 37,675,001
Profit after Taxation	:	₹ 25,282,556

OPPORTUNIES, THREATS & FUTURE OUTLOOK:

a) OPPORTUNITIES:

Growth in the steel demand has strong correlation with growth in GDP of Nation. The Indian economy was expected to grow at a growth rate of 7 % of GDP but unfortunately the same could not happen. As a result the steel demand is unlikely to grow at expected pace. The demand for sponge Iron in medium term shall be at healthy level due to closure of many sponge iron plants for want of iron ore. Increase in price at international market and unavailability of quality scrap provides huge opportunities for growth

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of Sponge Iron industry. Company is located in Orissa which has abundant stock of Iron ore and coal, the basic raw material for sponge iron industry & hence is ideally located to take advantage of the growing demand.

b) THREATS:

The cost of iron ore and coal constitute more than 80% of cost of production. Therefore the profitability of the Company depends on market price of these raw materials. The only way to reduce the cost of iron ore and coal is to have captive mines for these raw materials, which the company does not have. The emergence of large players may pose threat due to their economies of scale.

RISK AND CONCERN:

Increasing trend in raw material prices and non-availability of good quality raw material is the area of concern for the Company. Company is keeping close watch on these and taking appropriate steps timely.

SEGMENT- WISE/ PRODUCT- WISE PERFORMANCE:

During the year, the Company produced 28,955 MT of sponge iron compared to 28,703 MT in the previous year. The production of pig iron for the year was 12,151 MT as compared to last year's production of 11,664 MT.

Sales of sponge iron during the year totaled to 29,084 MT in compared to 29,566 MT in the previous year. Pig iron sales during the year totaled to 12,109 MT in comparison to last year's sale of 11,668 MT. Due to higher price of coke, the production of pig iron was adversely affected. Company is continuously focusing on the quality consistency and better marketing strategies.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:

The company has adequate and effective internal control system commensurate with its size and nature of business to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly, applicable statutes, the Suraj Products Limited code of conduct and Corporate policies are duly complied with Internal audit and other control are reviewed periodically by Audit Committee.

HUMAN RESOURCES:

Company possesses good quality of human resources. The Board wishes to place on record its appreciation for the sustained efforts and devoted contribution made by all the employees for its success.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, no case of sexual harassment was reported.

SAFETY MEASURES:

Suraj Products Limited has taken the following initiatives during the year in order to safeguard the health of the workers;

Unsafe conditions in the plant are regularly inspected by the safety committee and deficiencies are attended immediately.

SAFETY TRAINING:

Training of various Safety Standards are imparted to all employees.

HEALTH CHECK- UP:

About 40 Medical Camps with qualified and experience medical practitioners were conducted in nearby villages and about 2000 patients availed the service.

CAUTIONARY STATEMENT:

Actual results could differ materially from those stated above. Important factors that could make a difference to the Company's operation include, among others, economic condition affecting demand/supply and price conditions in the market in which the company operates, changes in Government regulations, tax laws and others statutes and incidental factors.

INDEPENDENT AUDITORS' REPORT

To

**The Members of
SURAJ PRODUCTS LIMITED.**

Reports on the Financial Statements

We have audited the attached standalone Balance Sheet of "M/s SURAJ PRODUCTS LIMITED" (the "Company") as at 31st March, 2015, and the related Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report. 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.

Management's responsibility for the Financial Statements.

Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General circular 15/2013 dated 13th September, 2013 issued by Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Those standards require that we comply with the ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion excepting as stated below.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India :

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- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015
- b) in the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("The Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 we give in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the Order.

As required by Section 143(3) of the Companies Act, 2013 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 purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors, as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013;
- f) With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.
 - 1) The company has disclosed the impact of pending litigation on its financial position in its financial statement.
 - 2) The company has not entered into any long term contracts including derivative contracts and hence it is not required to make provision for material foreseeable losses, as required under the applicable law or Accounting Standards.
 - 3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.

For **RUSTAGI & Co.**
Chartered Accountants
Firm Registration No. 301094E
ASHISH RUSTAGI

Place : Barpali

Dated : the 22nd day of May, 2015

(Partner)

Membership No. : 62982

ADDITIONAL INFORMATION ANNEXED TO THE INDEPENDENT AUDITORS' REPORT

As required by the Companies (Auditor's Report) Order, 2015, issued by the Company Law Board in terms of section 143(11) of the Companies Act, 2013, and on the basis of such checks as we considered appropriate and as per the information and explanations given to us during the course of audit, we further state that:

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- (i) In respect of fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
 - (b) The company has physically verified certain assets during the year in accordance with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of inventory:
 - (a) According to information and explanation given to us the stocks of finished goods has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) In our opinion and according to explanation given to us the company is maintaining proper records of inventory and according to the information given to us no material discrepancies were noticed on physical verification of stock as compared to the books and records and were properly dealt with in the books of accounts.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, according to the information and explanation given to us:
 - (a) The company has not granted secured/ unsecured loans to companies, firms, parties covered in the register maintained under section 189 of the Companies Act, 2013 and hence relevant clause is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Hence the directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under u/s 148(1) of the Companies Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, service tax, excise duty, cess and other material statutory dues applicable to it.
 - (a) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, provident fund, employee state insurance, sales tax, excise duty and other material statutory dues were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (b) According to information and explanation given to us, there are disputed Sales Taxes, Entry Tax and Excise Duty which has not yet been paid and are pending in at forum for redressal of dispute. The particulars of dues of Excise Duty, Sales Tax, Entry Tax which has not yet been deposited on account of dispute are as follows:

SURAJ PRODUCTS LIMITED

Name of Statute	Nature of Dues	Amount in ₹ (Lacs)	Period to which the amount relates to	Forum where the dispute is pending
The Orissa Sales Tax Act 1947	Dispute regarding ITC	3.68	2005-2006 to 2007-2008	Additional Commissioner Sales Tax (Appeals) North Zone, Sambalpur
The Orissa Sales Tax Act 1947	Dispute regarding ITC	8.09	01.10.2008 to 31.03.2012	Additional Commissioner Sales Tax (Appeals) North Zone, Sambalpur
The Orissa Entry Tax Rules, 1999	Entry Tax on Inter-State Purchases	9.7	2002-2003 to 2003-2004	Dy. Commissioner (Appeals) Sundargarh Range, Rourkela
The Orissa Entry Tax Rules, 1999	Entry Tax on Inter-State Purchases	0.87	2005-2006 to 2003-2004	Addl. Commissioner of Sales Tax (Appeals), North Zone, Sambalpur.
The Orissa Entry Tax Rules, 1999	Entry Tax on Inter-State Purchases	2.10	01.10.2008 to 31.03.2012	Addl. Commissioner of Sales Tax (Appeals), North Zone, Sambalpur.
Central Sales Tax, 1956	Non- submission of C-Form Declaration	3.12	2004-2005	Addl. Commissioner of Sales Tax (Appeals), North Zone, Sambalpur.
Central Sales Tax, 1956	Non- submission of C-Form & H-Form Declaration	9.52	2011-12	Addl. Commissioner of Sales Tax, (Appeals) North Zone, Sambalpur
Central Sales Tax, 1956	Non- submission of H-Form Declaration	28.57	2006-2008 to 2007-2008	Addl. Commissioner of Sales Tax, (Appeals) North Zone, Sambalpur
Central Excise Rules 2004	Cenvat Credit on Cement	4.86	2010-2011 to 2011-2012	Commissioner of Appeals, Central Excise Customs & Service Tax, Bhubaneshwar

c) According to information and explanation given to us, there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- viii) The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) Based on our audit procedures and on the according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and bank. The company does not have any borrowings by way of debentures.
- x) In our opinion and according to the information and explanations given to us, the company has not given any guarantees for the loans taken by the others from banks and financial institutions.
- xi) According to information and explanation given to us we are of the opinion that the company has not availed any term loan except loan for acquisition of vehicles, which have been utilized for the purpose for which they were raised.
- xii) To the best of our Knowledge and belief and based on the audit procedures performed by us and according to the information and explanations given to us, we report that no fraud on or by the company was noticed or reported during the course of our audit.

For **RUSTAGI & Co.**
Chartered Accountants
Firm Registration No. 301094E

ASHISH RUSTAGI
(Partner)
Membership No. : 062982

Place: Barpali
Dated : the 22nd day of May 2015

SURAJ PRODUCTS LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note No.	As at 31st March-15 (₹)	As at 31st March-14 (₹)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	114,000,000	114,000,000
(b) Reserves & Surplus	2	177,883,595	162,855,082
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	15,894,931	146,541,917
(b) Deferred Tax Liabilities	4	10,304,322	11,908,298
(3) Current Liabilities			
(a) Short Term Borrowings	5	151,758,894	172,740,444
(b) Trade Payables	6	30,185,998	22,543,145
(c) Other Current Liabilities	7	17,589,058	32,402,487
(d) Short Term Provisions	8	10,774,347	6,200,177
TOTAL		528,391,145	669,191,550
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	210,272,688	221,174,668
(ii) Intangible Assets	9	260,386	520,770
(b) Non-Current Investments	10	250,000	250,000
(c) Long Term Loans & Advances	11	2,384,072	2,572,227
(2) Current Assets			
(a) Inventories	12	173,558,838	319,016,241
(b) Trade Receivables	13	50,490,936	51,367,131
(c) Cash & Cash Equivalents	14	28,334,524	15,032,170
(d) Short Term Loans & Advances	15	62,839,701	59,258,343
TOTAL		528,391,145	669,191,550

Significant Accounting Policies 24

See accompanying notes forming part of Financial Statements

As per our report attached of even dateFor RUSTAGI & CO.
Chartered Accountants
Firm Registration No. 301094EAshish Rustagi
Partner
Membership No.062982
Place : Barpali
Dated: the 22nd day of May, 2015

For and on behalf of Board of Directors

M.K. Hati CFO	Y. K. Dalmia Chairman	S N Kabra Director
A.N. Khatua Company Secretary	S Dalmia Director	Gagan Goyal Executive Director

SURAJ PRODUCTS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2015

Particulars	Note No.	For Year ended 31.03.2015 (₹)	For Year ended 31.03.2014 (₹)
Revenue			
I Revenue From Operations (Gross)	16	1,027,959,365	974,523,515
Less : Excise Duty		99,618,993	97,930,103
Revenue From Operations (Net)		928,340,372	876,593,412
II Other Income	17	1,874,567	4,286,925
III Total Revenue (I+II)		930,214,939	880,880,337
IV Expenses			
Cost of Materials Consumed	18	718,137,952	678,757,963
Change in Inventories of Finished Goods	19	3,886,600	26,670,515
Manufacturing & Operating Costs	20	84,155,611	65,558,410
Employee Benefits Expense	21	21,360,512	17,267,153
Finance Costs	22	23,749,656	37,593,189
Depreciation and Amortisation Expense		26,507,421	26,382,635
Other Expenses	23	14,742,186	11,494,468
Total Expenses		892,539,938	863,724,333
V Profit Before Tax		37,675,001	17,156,004
VI Less: Tax Expenses			
(a) Current Tax		13,650,000	7,450,000
(b) Tax relating to prior years		38,787	23,100
(c) Deferred Tax		(1,296,342)	(1,785,687)
VII Profit for the year		25,282,556	11,468,591
VIII Earnings per share (of ₹ 10/-each)			
(a) Basic		2.22	1.34
(b) Diluted		2.22	1.34

NOTES ON ACCOUNTS

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Notes 16 to 32 form an integral part of the Profit & Loss Account

As per our report attached of even date

For RUSTAGI & CO.

For and on behalf of Board of Directors

Chartered Accountants

Firm Registration No. 301094E

Ashish Rustagi

M.K. Hati

Y. K. Dalmia

S N Kabra

Partner

CFO

Chairman

Director

Membership No.062982

Place : Barpali

A.N. Khatua

S Dalmia

Gagan Goyal

Dated: the 22nd day of May, 2015

Company Secretary

Director

Executive Director

SURAJ PRODUCTS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	For the Year Ended 2015	For the Year Ended 2014
	(₹)	(₹)
A Cash Flow from Operating Activities		
Net Profit before Tax and extra ordinary items	37,675,001	17,156,004
Add/(Deduct)		
Depreciation and amortisation	26,507,421	26,382,635
Profit on sale of Fixed Assets	-	(168,000)
Financial charges	23,749,656	37,593,189
	<u>50,257,077</u>	<u>63,807,824</u>
Operating Cash Profit before Working Capital	87,932,078	80,963,828
Add/Deduct		
Increase in Trade Payable	7,650,804	(16,288,932)
(Increase)/Decrease in Trade & Other receivable	876,195	(16,802,589)
Increase in Inventories	145,457,403	29,443,296
Increase in Other Current Liabilities	(8,674,350)	(3,210,697)
Increase/Decrease in Advances	(3,403,491)	35,023,722
	<u>141,906,561</u>	<u>28,164,800</u>
Cash flow from Operation	229,838,639	109,128,628
Direct Tax Paid	(12,722,501)	(9,412,467)
	<u>217,116,138</u>	<u>99,716,161</u>
Net Cash Inflow/(Outflow) from Operating Activities		
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(16,293,228)	(64,463,506)
Sale of Fixed Asset	-	288,000
	<u>(16,293,228)</u>	<u>(64,175,506)</u>
Net Cash Outflow from Investing Activities	(16,293,228)	(64,175,506)
C Cash Flow from Financing Activities		
(Repayment)/Proceeds from		
Long -Term Borrowing(Net)	(137,406,430)	(3,918,531)
Proceeds from Short -Term Borrowing	(20,981,550)	3,809,875
Dividend Paid	(4,510,867)	(2,457,282)
Corporate Dividend Tax	(872,053)	(501,353)
Share Issue expenses	-	(300,000)
Financial charges paid	(23,749,656)	(37,593,189)
	<u>(187,520,556)</u>	<u>(40,960,480)</u>
Net Cash Flow from Financing Activities	(187,520,556)	(40,960,480)
Net Cash Flow during the Year(A+B+C)	13,302,354	(5,419,825)
Cash and Cash Equivalent (Opening Balance)	15,032,170	20,451,995
Cash and Cash Equivalent (Closing Balance)	<u>28,334,524</u>	<u>15,032,170</u>
	13,302,354	(5,419,825)
Reconciliation of Cash & Cash equivalents with the Balance Sheet		
Cash & Cash equivalents as per the Balance Sheet Note 14	28,334,524	15,032,170
Less. Bank Balance not considered as cash and cash equivalent as definition in AS 3		
- Deposit under lien	10,422,923	9,329,269
- Unpaid Dividend Account	3,287,915	2,667,550
	<u>14,623,686</u>	<u>3,035,351</u>
Net cash & cash equivalent(as defined in AS - 3)	14,623,686	3,035,351

As per our report of even date

As per our report attached of even date

For RUSTAGI & CO.

Chartered Accountants

Firm Registration No. 301094E

Ashish Rustagi

Partner

Membership No.062982

Place : Barpali

Dated: the 22nd day of May, 2015

For and on behalf of Board of Directors

M.K. Hati
CFOY. K. Dalmia
ChairmanS N Kabra
DirectorA.N. Khatua
Company SecretaryS Dalmia
DirectorGagan Goyal
Executive Director

SIGNIFICANT ACCOUNTING POLICIES**A. Basis of Preparation of Financial Statements:**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory Accounting Standards as prescribed under section 133 of the Companies Act 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by Securities Exchange Board of India (SEBI). Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the economic policy hitherto in use.

B. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ.

C. Recognition of Income & Expenditure:

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Expenses are accounted for on accrual basis and provision is made for all expenses.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

D. Fixed Assets & Depreciation:

Fixed Assets are stated at cost net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production are capitalized.

Depreciation

- a) Depreciation has been provided on pro-rata basis on assets acquired after 01.04.2002 on a Written down Value Method and on assets acquired prior to 01.04.2002 on a straight Line Basis Method.
- b) Effective 1st April, 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- c) Refractory Assets are depreciated over the useful life of four years based on estimates approved by the management.
- d) Depreciation useful lives and residual values are reviewed periodically, at each financial year end.
- e) The carrying amount of assets whose remaining useful life is nil after retaining the residual value of five percent where available has been adjusted against retained earnings.
- f) No depreciation is charged on the assets disposed off / discarded during the year.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes and includes amount added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production are capitalized.

E. Investments:

Long Term Investments are stated at cost, except where there is a diminution in value other than temporary in nature.

F. Inventories:

Inventories are valued at Cost or Net Realisable Value whichever is lower.

- a) In case of Raw Material, Stores and spares, consumables and trading goods, the cost includes duties and taxes (net of Cenvat/VAT Credit wherever applicable) and is arrived on weighted average cost basis.
- b) Cost of Finished goods includes the cost of raw material, cost of conversion and other manufacturing costs incurred in bringing the inventories to their present location and condition and excise duty.

G. Employees Benefits:**(i) Short Term**

Short term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

(ii) Leave Encashment**Retirement and other employee benefits**

- a) Earned leave which cannot be carried forward to future periods are "short term" benefit only

SURAJ PRODUCTS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT

if the employees are entitled to either encash or utilize the benefits during the period of twelve months following the end of the accounting period (when they became entitled to the leave). In other cases the benefit is required to be treated as "long term". According to the policy of the company, no leave can be carried forward beyond the end of the financial year. Accordingly all leave granted has been accounted for in the current financial year.

- b) Contribution to Provident Fund, employee state insurance and other funds are determined under the relevant statute and charged to revenue Account.
- c) Present liability for future payment of gratuity is covered through Group Gratuity Scheme of Life Insurance Corporation of India and contribution thereon is charged to revenue account and the assets are funded by the LIC and the company has no obligation except to the extent of the premium determined by Life Insurance Corporation.

H. Accounting For Taxation:

Provision for current taxation is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred Tax is recognized subject to consideration of prudence on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

I. Borrowing Cost:

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets

J. Impairment of Assets:

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

K. Earning Per Share:

Basic Earnings per Share is calculated by dividing the net profit or loss after tax for the year attributable to the shareholders by the weighted average number of equity shares outstanding during the year. For purpose of calculating diluted earning per share, the net profit or loss for the year and weighted number of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares.

L. Foreign Currency Transaction:

Foreign Currency Transaction is recorded in the reporting currency, by applying to foreign currency amount the exchange rate at the transaction date. The exchange difference arising on revenue transactions are charged to Profit and Loss Account

M. Provisions and Contingent Liabilities:

Provisions are recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of obligation.

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

N. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

SURAJ PRODUCTS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT

	<u>As at 31st March-15</u> (₹)	<u>As at 31st March-14</u> (₹)		
1. Share Capital				
Authorised :				
120,00,000 Equity shares of ₹ 10 each	120,000,000	120,000,000		
Issued, Subscribed & Fully Paid up Capital				
114,00,000 Equity shares of ₹ 10 each	<u>114,000,000</u>	<u>114,000,000</u>		
Total	<u>114,000,000</u>	<u>114,000,000</u>		
(a) Reconciliation of Number of Shares				
Shares outstanding as at 1st April 2014/1st April 2013	11,400,000	5,900,000		
Add. Number of shares issued during the year	-	5,500,000		
Shares outstanding as at 31st March 2015/31st March 2014	<u>11,400,000</u>	<u>11,400,000</u>		
(b) List of shareholders holding more than 5% of the total number of shares issued by the Company :				
Name of the share holders	No of shares	% of holding	No of shares	% of holding
NIP Power Private Limited	2,827,000	24.79	2,827,000	24.79
Molisati Vinimay Private Limited	2,000,000	17.54	2,000,000	17.54
Tirupati Vinicom Private Limited	1,750,000	15.35	2,000,000	17.54
Yogesh Kumar Dalmia	991,500	8.69	981,500	8.61
Sunita Dalmia	772,400	6.77	472,400	4.14
The company has issued one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Share is entitled to one vote per share. The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.				
2. Reserve & Surplus				
(a) Revaluation Reserve on Land				
As per last account	<u>1,952,880</u>		<u>1,952,880</u>	
	1,952,880		1,952,880	
(b) Securities Premium				
Opening balance in Securities Premium	54,700,000		-	
Add. Premium on shares issued during the year	-		55,000,000	
Less. Expenses on Issue of shares	-		<u>300,000</u>	
Closing Security Premium	<u>54,700,000</u>		<u>54,700,000</u>	
(C) Surplus in Statement of Profit and Loss				
Opening balance	106,202,202		100,759,686	
Less: Additional Depreciation (Net of Tax Rs 3,07,634/-) pursuant to enactment of Schedule II of the Companies Act 2013	(640,537)			
Add: Profit for the year	<u>25,282,556</u>		<u>11,468,591</u>	
	<u>130,844,221</u>		<u>112,228,277</u>	
Less : Appropriations				
Proposed Dividend #	7,980,000		5,131,233	
Tax on Proposed Dividend	1,633,506		872,053	
Dividend Distribution Tax relating to prior years	-		22,789	
Closing Balance	<u>121,230,715</u>		<u>106,202,202</u>	
Total	<u>177,883,595</u>		<u>162,855,082</u>	

Dividend proposed to be distributed to Equity Shareholders is ₹ 0.70 (P.Y. ₹ 0.60) per equity share.

SURAJ PRODUCTS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT

	As at 31st March-15 (₹)	As at 31st March-14 (₹)
3. Long Term Borrowings		
Secured Loan		
Term Loans From Bank.		
i) From Canara Bank	6,277,789	16,596,389
Vehicle Loan from HDFC	1,504,930	1,792,390
	7,782,719	18,388,779
Unsecured Loan		
From Related Parties	8,112,212	44,793,837
From Bodies Corporate	-	83,359,301
	8,112,212	128,153,138
Total	15,894,931	146,541,917
Nature of Security and terms of repayment for Long term secured borrowings		
Nature of Security	Terms of Repayment	
a) Term loan amounting to 36,51,936/- (P.Y. ₹ 1,44,51,936/-) is secured by exclusive charge on the entire assets of Cold Briquette Plant, Pig iron Plant, Plant & machinery, pollution control equipment and improvements in sponge iron plant and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ₹ 54 lacs.	Repayable in 50 monthly installments commencing from July, 2011, Last installment due in August, 2015, Rate of interest 13.95 % p.a. as at year end (P.Y. 13.95%)	
b) Term loan amounting to ₹ 1,29,44,449 (P.Y. ₹ 1,96,11,113) is secured by EMT of Land and Boundary wall built out of the term loan and collaterally secured against all fixed assets of the company and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ₹ 54 lacs.	Repayable in 20 quarterly instalment commencing from September 2013, Last installment due in september, 2018, Rate of interest 12.45 % (P.Y. 12.45%)	
c) Vehicle loans from HDFC is secured by hypothecation of respective vehicles financed.	Repayable in 35 monthly instalment commencing from the date of sanction of respective loans	
Installments falling due in respect of all the loans upto 31.03.2016 have been grouped under "Short Term Borrowings"		
4. Deferred Tax Liabilities		
Deferred Tax Liabilities		
Depreciation on Fixed Assets	10,304,322	11,908,298
Net Deferred Tax Liabilities	10,304,322	11,908,298
5. Short Term Borrowings		
Working Capital Loan	151,758,894	172,740,444
	151,758,894	172,740,444
Working capital loan is secured by hypothecation of present and future stock of raw material, stock-in-process, finished goods, stores, spares and bookdebts.		
6. Trade Payables		
Trade Payables	30,185,998	22,543,145
	30,185,998	22,543,145
7. Other Current Liabilities		
Current Maturities of Long Term Debts	10,318,596	17,466,660
Current Maturities of Vehicle loan (Refer Note 3c)	1,323,780	935,160
Unpaid Dividend	3,287,915	2,667,550
Statutory Liabilities	625,356	4,114,159
Advances From Customers	2,033,411	7,218,958
	17,589,058	32,402,487

SURAJ PRODUCTS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT

	As at 31st March-15 (₹)	As at 31st March-14 (₹)
8. Short Term Provisions		
Provision For Taxation (Net of Advance Tax ₹ 1,26,94,001/-, P.Y NIL)	955,999	-
Provision For Employee Benefits	204,842	196,891
Provision For Proposed Dividend	7,980,000	5,131,233
Tax on Proposed Dividend	1,633,506	872,053
	10,774,347	6,200,177
10. Non-Current Investments		
Non Trade		
Investments in Mutual Funds		
25000 units of HDFC Long Term Equity Growth Fund	250,000	250,000
NAV as on 31.03.15 ₹ 5,97,235 (₹ 4,48,400 on 31.03.14)		
	250,000	250,000
11. Long Term Loans & Advances		
Advance Income Tax (Net of Provision For Tax ₹ 1,36,50,000/- P.Y ₹ 74,50,000/-)	-	337,455
Income Tax Refundable	348,516	21,348
Deposits with Other	2,035,556	2,213,424
	2,384,072	2,572,227
12. Inventories		
Raw Materials	129,670,151	269,260,999
Finished Goods	26,085,589	29,972,189
Store & Spares	17,803,098	19,783,053
	173,558,838	319,016,241
13. Trade Receivables		
Unsecured, Considered Good*	50,490,936	51,367,131
	50,490,936	51,367,131
*Includes an amount of ₹ 59,04,795 (P.Y. ₹ 59,04,795) outstanding for a period exceeding six months from the date they are due for payment.		
14. Cash & Cash Equivalents		
Cash on Hand	641,472	1,912,390
Balance with Banks		
Current Accounts	13,982,214	1,122,961
Unpaid Dividend Account	3,287,915	2,667,550
Other Bank Balances		
Fixed Deposits	8,960,423	7,114,269
Balances with Bank to the extent of margin money	1,462,500	2,215,000
	28,334,524	15,032,170
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement is :	14,623,686	3,035,351

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT

9. Fixed Assets

	Gross Block				Depreciation					Net Block	
	As at 31.03.2014	Additions	Sales	As at 31.03.2015	Upto 31.03.2014	For the Year	Retained Earnings	Adjust- ment	Total upto 31.3.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets (A)	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land (Leasehold)	52,302,407	2,900,069	-	55,202,476	-	-	-	-	-	55,202,476	52,302,407
Land (Freehold)	5,685,530	-	-	5,685,530	-	-	-	-	-	5,685,530	5,685,530
Factory Building	74,614,750	627,064	-	75,241,814	38,267,913	3,319,335	210,100	-	41,797,348	33,444,466	36,346,837
Plant & Machinery	124,888,296	-	-	124,888,296	84,632,486	3,977,870	-	-	88,610,356	36,277,940	40,255,810
Pollution Control Equipment	67,846,215	6,934,396	-	74,780,611	39,771,212	3,212,847	-	-	42,984,059	31,796,552	28,075,003
Electric Installation	50,819,062	-	-	50,819,062	31,232,405	6,955,160	519,597	-	38,707,162	12,111,900	19,586,657
Motor Vehicles	22,565,059	1,256,098	-	23,821,157	17,127,109	1,866,631	18,637	-	19,012,377	4,808,780	5,437,950
Furniture & Fixture	2,200,944	-	-	2,200,944	1,106,352	298,047	61,758	-	1,466,157	734,787	1,094,592
Others	75,104,237	4,575,601	-	79,679,838	43,405,288	6,064,399	138,079	-	49,607,766	30,072,072	31,698,949
Refractories	6,600,738	-	-	6,600,738	5,909,805	552,748	-	-	6,462,553	138,185	690,933
Total	482,627,238	16,293,228	-	498,920,466	261,452,570	26,247,037	948,171	-	288,647,778	210,272,688	221,174,668
Intangible Assets (B)											
Technical knowhow	1,301,922	-	-	1,301,922	781,152	260,384	-	-	1,041,536	260,386	520,770
Total (A+B)	483,929,160	16,293,228	-	500,222,388	262,233,722	26,507,421	948,171	-	289,689,314	210,533,074	221,695,438
Previous Year	419,585,654	64,463,506	120,000	483,929,160	235,851,087	26,382,635	-	-	262,233,722	221,695,438	

Note :

- In accordance with the provisions of Schedule II of the Act, incase of fixed assets which have completed their useful life as at 1st April 2014, the carrying value (net of residual value) amounting to ₹ 6,40,537/- (net of defferred tax of ₹ 3,07,634) as a transitional provision has been recognised in the Retained Earnings
- Further, in case of assets acquired prior to 1st april 2014, the carrying value of assets (net of residual value) is depreciated over the remaining useful life as determined effective 1st April, 2014
- Depreciation and amortisation expenses for the year would have been lowered by ₹ 14,95,943/-, had the company continued with the previous assessment of useful life of such assets.

SURAJ PRODUCTS LIMITED**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT**

	As at 31st March-15 (₹)	As at 31st March-14 (₹)
15. Short Term Loans and Advances		
(Unsecured, Considered Good)		
Balance with Revenue Authorities	12,223,227	16,743,016
Advances to suppliers	41,793,791	33,862,755
Other Advances Recoverable in cash or in kind or for value to be received	2,523,818	2,943,701
Deposit Others	6,298,866	5,708,871
	62,839,701	59,258,343
16. Revenue From Operations		
Manufactured Goods		
Sponge Iron	608,924,671	581,792,544
Pig Iron	287,706,355	302,428,570
Iron Ore Fines	118,753,340	82,665,482
Others	12,574,999	7,636,919
	1,027,959,365	974,523,515
17. Other Income		
Interest Received	1,608,266	1,282,309
Exchange Fluctuation Gain	-	6,917
Miscellaneous Income	266,301	2,997,699
	1,874,567	4,286,925
18. Cost of Materials Consumed (Indegenous)		
Materials Consumed Comprises of:		
Iron ore	243,066,848	245,796,258
Coal	154,004,352	124,340,038
Coke	206,621,529	246,248,572
Others	114,445,223	62,373,095
	718,137,952	678,757,963
19. Change in Inventories of Finished Goods		
Opening Stock	29,972,189	56,642,704
Closing Stock	26,085,589	29,972,189
	3,886,600	26,670,515

SURAJ PRODUCTS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT

	<u>As at 31st March-15</u> (₹)	<u>As at 31st March-14</u> (₹)
20. Manufacturing & Operating Costs		
Consumption of stores, spares & consumables	34,376,937	20,109,508
Power & Fuel	42,396,605	39,803,376
Repairs to Plant & Machinery	3,368,826	2,533,263
Repairs to Others	1,266,058	955,838
Insurance Charges	1,031,861	1,041,569
Others Manufacturing & Operating Expenses	<u>1,715,324</u>	<u>1,114,856</u>
	<u>84,155,611</u>	<u>65,558,410</u>
Entire stores & spares consumed is Indigenous		
21. Employee Benefits expense		
Salaries, Wages & Bonus	19,059,774	15,238,216
Contribution to Provident and Other Funds	1,439,436	1,283,115
Contribution to Gratuity Fund	129,898	439,470
Staff Welfare Expenses	<u>731,404</u>	<u>306,352</u>
	<u>21,360,512</u>	<u>17,267,153</u>
22. Finance Cost		
Interest -Bank	11,975,356	23,155,958
Interest - Others	11,774,300	13,584,731
Other Borrowing Costs	<u>-</u>	<u>852,500</u>
	<u>23,749,656</u>	<u>37,593,189</u>
23. Other Expenses		
Rates & Taxes	3,391,720	3,099,041
Rent	643,440	533,870
Auditor's Remuneration		
- Statutory Audit	85,000	75,000
- Taxation Matters	35,000	25,000
- In Other Capacity	50,000	13,500
Excise Duty on Stock Differential	(873,338)	(1,614,549)
Periphery Development	724,160	331,815
Security Service Charges	2,692,026	2,604,648
Carriage Outward	1,039,350	1,604,850
Other Expenses	<u>6,954,828</u>	<u>4,821,293</u>
	<u>14,742,186</u>	<u>11,494,468</u>

SURAJ PRODUCTS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT

24. Excise Duty

Excise Duty on sales for the year has been disclosed as reduction from the turnover. Excise Duty relating to the difference between the closing stock and opening stock has been included in Note 25 "Other Expenses".

25. Related party disclosures as identified by the management and relied upon by the Auditors

(a) List of Related parties and description of relationship						
(i) Parties with Significant influence :		M/s. NIP Power Private Ltd M/s. Balbhadra Infratech Private Ltd. M/s. Molisati Vinimay Private Ltd.				
(ii) Key Management Personnel & Relatives :		Yogesh Kumar Dalmia, Chairman Gagan Goyal, Executive Director Sunita Dalmia, Non Executive Director				
(b) Transactions with related parties:						Amount in ₹
Nature of transactions	Parties with significant influence (Direct and Indirect)			Key Management Personnel and Relatives	Total	
	NIP Power Private Ltd.	Balbhadra Infratech Private Ltd.	Molisati Vinimay Private Ltd.			
Expenses						
i) Interest	12,17,482 (29,60,559)	9,37,870 (8,34,424)	10,26,791 (7,97,350)	– –	31,82,143 (45,92,333)	
ii) Remuneration						
a Yogesh Kumar Dalmia	–	–	–	27,75,000 (10,75,000)	27,75,000 (10,75,000)	
b Gagan Goyal	–	–	–	6,08,000 (5,60,000)	6,08,000 (5,60,000)	
Finance						
i) Loans & Advances Received	Nil (96,00,000)	Nil (Nil)	Nil (1,07,00,000)	– –	Nil (2,03,00,000)	
ii) Loans & Advances Repaid	2,70,10,509 (4,16,50,000)	90,95,227 (Nil)	15,00,000 (5,11,50,000)	– –	3,76,05,736 (9,28,00,000)	
iii) Allotment of Shares	Nil (3,00,00,000)	Nil (Nil)	Nil (4,00,00,000)	– –	Nil (7,00,00,000)	
Outstanding						
Loans & Advances (CR)	Nil (2,70,10,509)	Nil (90,95,227)	81,12,212 (86,88,101)	– –	81,12,212 (4,47,93,837)	

Figures in the bracket indicate previous year figures.

SURAJ PRODUCTS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS ACCOUNT

26. In compliance with Accounting Standard for Earning per Shares (AS-20) issued by the Institute of Chartered Accountants of India the company has calculated EPS. There are no diluted elements involved, hence basic EPS and diluted EPS is same:-

Particulars		As at 31.03.2015	As at 31.03.2014
A)	(I) No. of Shares at the Beginning of the Year	1,14,00,000	59,00,000
	(II) No. of Shares Issued During the Year	Nil	55,00,000
B)	Weighted Average Number of Equity Shares outstanding during the Year	1,14,00,000	85,52,055
C)	Net Profit After Tax Available for Equity Share Holders in (₹)	2,52,82,556	1,14,68,591
D)	Basic Earning Per Share (C / B) in (₹)	2.22	1.34

27. Expenditure in Foreign Currency

	Current Year (₹)	Previous Year (₹)
Travelling Expenses	1,88,027	89,284
Purchase of spares & services	Nil	7,20,957
Others (Conference Fees)	1,04,174	Nil

28. Micro, Small and Medium Enterprises Development Act, 2006

There are no outstanding dues for Micro & Small Enterprises based on information available with the Company.

29. Contingent Liabilities and Commitments

No provision is made in respect of the following: -

	As at 31.03.2015 (₹)	As at 31.03.2014 (₹)
(i) Disputed Demand of Orissa Sales Tax	11,77,868	3,68,720
(ii) Disputed Demand of Central Sales Tax	41,21,343	53,93,343
(iii) Disputed Demand of Orissa Entry Tax	12,67,378	10,58,151
(iv) Disputed Demand of Central Excise	4,85,968	4,85,968

30. Segment Reporting:

As per AS 17, the company operates predominantly only in one business segment, i.e..finished products from Iron Ore. There is no reportable geographical segment.

31. The Board of Directors has reviewed the realizable value of all current assets of the company and has confirmed that the value of such assets in ordinary course of business will not be less than the value at which these are recognized in the financial statements.

32. Previous year's figures have also been reclassified wherever necessary to confirm to current year's classification.

As per our report attached of even date

For RUSTAGI & CO.

Chartered Accountants

Firm Registration No. 301094E

Ashish Rustagi

Partner

Membership No.062982

Place : Barpali

Dated: the 22nd day of May, 2015

For and on behalf of Board of Directors

M.K. Hati

CFO

A.N. Khatua
Company Secretary

Y. K. Dalmia

Chairman

S Dalmia
Director

S N Kabra

Director

Gagan Goyal
Executive Director

SURAJ PRODUCTS LIMITED**SURAJ PRODUCTS LIMITED**

Regd. Office :

Vill. : Barpali, Post : Kesramal (Rajgangpur)

Dist. : Sundergarh, Orissa - 770017

**ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)
MANDATE FORM FOR PAYMENT OF DIVIDEND**

To,
M/s MCS Share Transfer Agent,
12/1/5, Manoharpukur Road, Ground Floor
Kolkata - 700 026

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

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

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

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

Place :

Name of First Holder :

Date :

Signature of First Holder :

Note :

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

If undelivered please return to :
SURAJ PRODUCTS LIMITED
59, N.S. Road, 1st Floor
Kolkata - 700 001