

**ANNUAL REPORT  
2012 – 2013**



**SURAJ PRODUCTS LIMITED**

**Formerly**

**CHAMPION CEMENTS INDUSTRIES LTD.**

**BARPALI, KESRAMAL, RAJGANGPUR, SUNDARGARH, 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

## **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: Sundargarh  
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

**FOR YOUR KIND ATTENTION**

**Dematerialization of shares:**

The shares of the Company are dematerialized with Central Depository Services (India) Ltd and National Securities Depository Limited. The Shares are traded in compulsory dematerialized form. You are requested to get the shares dematerialized with your Depository Participant. This will also help in quick credit of dividend to your account.

Some shareholders are still holding shares of the Company in physical mode having share certificates in the old name i.e. **“Champion Cement Industries Limited”**. They are requested to **cut** the Sticker of **“Suraj Products Limited”** given below and **affix** on the old Name in the share certificate before producing the certificates for Dematerialization. The shares of the Company can be traded in dematerialized form only. The Scrip Code at BSE is **518075** and at Calcutta Stock Exchange is **13054**.

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**“Green Initiatives in the Corporate Governance”**

The Ministry of Corporate Affairs (MCA) has taken a Green Initiative in Corporate Governance by allowing paperless compliances by Companies Vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, MCA has permitted Companies to send Notices, Annual Reports etc. to its Members in electronic form, i.e. through e-mail.

Besides ensuring prompt receipt of communication and avoid loss of articles during postal transit, it shall also benefit the society at large through reduction in paper consumption thereby contributing towards a greener environment.

In view of the above, Members who have not registered their e-mail address so far, are requested to register the same with their Depository Participant (DP), if shares are held in demat form and with the Registrar, if shares are held in physical form, to receive documents and other communication from the company in electronic form.

## **SURAJ PRODUCTS LIMITED**

### **NOTICE OF THE 22ND ANNUAL GENERAL MEETING**

Notice is hereby given that the 22nd Annual General Meeting of the members of SURAJ PRODUCTS LIMITED will be held on Friday the 27th day of September, 2013 at 11.30 A.M. at the Registered Office of the Company at Vill: Barpali, P.O. Kesramal (Rajgangpur) Dist: Sundergarh, Orissa – 770 017, to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss 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 Final Dividend on equity shares.
3. To appoint a director in place of Mr. R.P.Agarwal who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory Auditors and to fix their remuneration 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 M/s Rustagi & Co. Chartered Accountants, the retiring Auditors of the Company be and hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company".

#### **Special Business**

5. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:  
"RESOLVED THAT pursuant to the provisions of Sec. 198, 269, 309, 310 and other applicable provisions if any of the Companies Act, 1956 read with Schedule XIII of the said Act, including any statutory modification and re-enactment thereof for the time being in force, approval of the Company be and is hereby accorded to the re-appointment of Mr. Yogesh Kumar Dalmia, as whole-time Director designated as the Chairman of the Company( not liable to retire by rotation) for a further period of five years, with effect from 1st September, 2013 on the terms and conditions as set out below:
  - a. **Salary:-**  
Salary of ₹ 1,00,000 - 12,500 – 1,50,000 per month w.e.f. September 01, 2013 as may be decided by the Board/ Committee of the Board.
  - b. **Perquisites:**
    1. Medical reimbursement for self and family reimbursement of actual expenses subject to a ceiling of one month's salary in one year maximum of 3 month's salary in a block of three years.
    2. Leave Travel Concession for self and family as per Rules of the Company.
    3. The Company's contribution to Provident Fund and Gratuity as per Rules applicable to the senior executives.
    4. Personal Accident Insurance as per the Rules of the Company.
    5. Provision for car with driver for business as well as personal purposes.
    6. Communication facilities.
  - c. **Privilege Leave:**  
On full, pay and allowance as per Rules of the Company, but not more than one month leave for every eleven months of service rendered. Leave accumulated, but not availed, will not be allowed to be encashed.

**d. Entertainment Expenses:**

The Chairman shall be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

**e. Minimum Remuneration :**

Where in any financial year, the Company has no Profits or its Profits are inadequate, the Company will pay to the Whole Time Director, minimum Remuneration as provided in Section II of Part II of Schedule XIII of the Companies Act, 1956 as modified from time to time.

f. So long as functions as Chairman of the Company, he shall not be paid any sitting fees for attending meeting of the Board of Directors or Committees thereof.

g. The Chairman shall not be subject to retirement by rotation.

h. This may be treated as an abstract under Section 302 of the Companies Act, 1956 of the terms of reappointment of the Chairman w.e.f. 1st September, 2013.

i. The resolution for appointment of Sri Y.K.Dalmia as a Chairman is recommended to the members for approval.

j. Sri Y.K.Dalmia may be concerned or interested in the resolution as Director and Smt. Sunita Dalmia as a relative of Sri Y.K.Dalmia. No other Director is concerned or interested in the resolution.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

RESOLVED THAT pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956, and other applicable provisions if any, the authorized share capital of the company be and is hereby increased from ₹ 6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 Equity shares of ₹10/- each to ₹12,00,00,000/- (Rupees Twelve crore only) divided into 1,20,00,000 Equity Shares of ₹ 10/- each by creation of 60,00,000 Equity Shares of ₹ 10/- each ranking pari passu in all respect with the existing equity shares.”

RESOLVED FURTHER THAT consequent upon increase in authorised share capital as aforesaid, the existing clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:

V. The Authorised Share Capital of the Company is ₹ 12,00,00,000/- (Rupees Twelve crores only) divided into 1,20,00,000 (One Crore Twenty Lacs) equity shares of ₹ 10/- each with power to increase or decrease the share capital in accordance with the provisions of Companies Act, 1956.

RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorized to make necessary amendments in the Memorandum of Association of the Company and do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, existing Article No. 5 of the Articles of Association of the Company be substituted by the following new clause:

“The Authorized Share Capital of the company is ₹ 12,00,00,000 (Rupees Twelve Crore) divided into 1,20,00,000(One Crore and Twenty Lakh) Equity shares of ₹ 10/- each.

“RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorized to do and perform all such acts, deeds and things as may be necessary to give effect to this Resolution”

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

“RESOLVED THAT pursuant to provisions of Section 81(1A) and other provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force) and

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subject to the provisions of the Memorandum of Association and the Articles of Association of the Company, the listing agreement entered into by the Company with the BSE Limited and The Calcutta Stock Exchange Limited ("Stock Exchanges") where the equity shares of the Company are listed and the Regulations for preferential issues issued by the Securities and Exchange Board of India ("SEBI") under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations") and other applicable rules, regulations, clarifications and/or guidelines, if any, of SEBI and such other authorities as may be applicable and as amended till date and subject to the requisite approvals or consents, if any, of the Central Government, Reserve Bank of India, Stock Exchanges, SEBI, Banks and Financial Institutions and any other appropriate authorities, institutions, bodies under any other applicable laws, statutes, rules and regulations for the time being and from time to time in force and further subject to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (herein after referred to as the "Board" which term shall be deemed to include any duly authorized committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated by the Board) be and is hereby authorized to accept and subject to such conditions and modifications as may be considered appropriate by the Board, consent of the Company be and is hereby accorded to the Board (with powers to delegate all, or any of the powers hereby conferred to any duly authorized committee thereof) to create, issue, offer and allot on preferential basis, at its sole and absolute discretion, 55,00,000 (Fifty Five Lacs) Equity Shares of ₹10/- each at a price of ₹ 20/- per equity Share (including a premium of ₹ 10/- per share) calculated as per SEBI (Issue Of Capital and Disclosure Requirements) Regulations, 2009 with 28th August, 2013, as the relevant date, of an amount aggregate ₹ 11 Crores (Rupees Eleven Crores Only) calculated as per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the following entities:-

<b>Sr. No.</b>	<b>Name of the Proposed Allottees</b>	<b>No. of Equity Shares</b>	<b>Category</b>
1	NIP Power Pvt. Ltd.	15,00,000	Promoter Group
2	Molisati Vinimay Pvt. Ltd.	20,00,000	Promoter Group
3	Tirupati Vincom Pvt. Ltd.	20,00,000	Non-Promoter Group
	<b>TOTAL</b>	<b>55,00,000</b>	

RESOLVED FURTHER THAT the Relevant Date for the purpose of pricing of the Equity Shares shall be 28th August, 2013, in accordance with SEBI ICDR Regulations.

RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted within a period of fifteen (15) days from the date of passing of this special resolution provided that where the allotment of Equity Shares is pending on account of pendency of any approvals for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the entire pre-issue shareholding of the above allottees, if any, shall be under lock-in from the relevant date up to a period of six months from the date of trading approval granted by stock exchanges for the proposed Preferential issue or such other period as may be applicable under the applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares so issued and allotted as above shall be subject to the lock-in as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

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RESOLVED FURTHER THAT the Equity Shares so issued and allotted as above, shall be listed and traded on all the Stock Exchanges on which the existing equity shares of the Company are listed.

RESOLVED FURTHER THAT the Company do make application to the National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) for admission of the new equity shares to be issued on preferential basis.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, at its discretion deem necessary or desirable for such purpose, including without limitation, appointment of consultants, solicitors, merchant bankers, or any other agencies as may be required, and entering into arrangements for listing, trading, depository services and such other arrangements and agreements as may be necessary, and also to seek listing of the equity shares so issued with any Indian stock exchanges with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard to any such issue, offer or allotment of Equity Shares and in complying with any regulations, as it may in its absolute discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authorities of this resolution.

**Note:**

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 Member and Share Transfer Books of the company will remain closed from 24.09.2013 to 27.09.2013(both days inclusive).
3. As required by the Listing Agreement, details of the Directors retiring by rotation and eligible for re-appointment are annexed hereto.
4. 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.
5. 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, furnishing of bank particulars by the shareholders has become mandatory.
6. RBI vide it's Circular No. DPSS. (CO). EPPD. No. 191.04.01.01/2009-10 dated July29, 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 Share Registrars and Transfer Agents 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.**

By order of the Board  
For **Suraj Products Limited**  
**A.N.Khatua**  
Company Secretary

Place: Barpali  
Dated: the 28th day of August, 2013

## **SURAJ PRODUCTS LIMITED**

### **Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956**

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following explanatory statements set out all material facts relating to the Special Business mentioned under item nos. 5, 6 and 7 in the accompanying Notice and should be taken as forming part of the Notice.

#### **Item No- 5**

The term of office of Mr. Y.K.Dalmia as Chairman of the Company was due for expiry on 31st day of August, 2013. Considering the valuable contribution made by him during his tenure, the Board of Directors at its meeting held on 28th August, 2013 reappointed Mr. Yogesh Kumar Dalmia as whole-time Director designated as Chairman of the of the Company (not liable to retire by rotation) for a further period of five years w.e.f. 1st September, 2013, subject the approval of shareholders in the ensuing Annual General Meeting of the Company, on the remuneration recommended by the Remuneration Committee.

#### **Item No - 6 & 7**

The Authorised share capital of your Company is presently ₹ 6,00,00,000/- (Rupees Six Crores only) divided into 60,00,000 Equity shares of ₹ 10/- each. In order to accommodate the issue of Equity shares as mentioned in Item No. 8 above, it is necessary to increase the authorized share capital of the Company in the manner mentioned in the resolution.

The Amendment in the Capital Clause of the Memorandum of Association and Articles of Association can be made by way of passing an Ordinary and a Special Resolution respectively at the General Meeting. The Resolutions as set out in the Notice convening the Meeting are to be considered and Members are requested to approve the Resolutions proposed as ordinary and Special Resolution respectively.

None of the directors of the company are concerned or interested in the above resolution.

#### **Item No – 8**

The Company is engaged in manufacture of iron & steel products. To meet the business needs of the Company in the form of long term working capital requirements, it is proposed to issue equity shares on preferential allotment basis to the promoters and strategic investors in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time. The proceeds of the issue are proposed to be utilized towards Company's long term working capital requirements. The Company requires ₹ 11 crores for long term working capital requirements. In order to raise equity, the Company has proposed a preferential issue of equity shares to certain entities belonging to the promoter and non-promoter group. In view of the confirmations received from the proposed allottees, the Board of Directors proposes to issue and allot 55,00,000 equity shares of ₹10 each at a price of ₹ 20 per equity share (including premium of ₹10 per equity share) aggregating to ₹ 11 crores on a preferential basis in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto from time to time ("SEBI (ICDR) Regulations").

As on date, the company owes ₹ 11 Crores to the proposed allottees in respect of the unsecured loans extended by them to the company, which shall be adjusted towards the share application money for the proposed issue of equity shares.

As stipulated by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Board submits the following information to the members.



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The Company has received inclination from the prospective entities to acquire shares in the Company are as under:-

Sr. No.	Name of the Proposed Allottees	No. of Equity Shares	Category
1	NIP Power Pvt. Ltd.	15,00,000	Promoter Group
2	Molisati Vinimay Pvt. Ltd.	20,00,000	Promoter Group
3	Tirupati Vincom Pvt. Ltd.	20,00,000	Non-Promoter Group
	<b>Total</b>	<b>55,00,000</b>	

Hereinafter the aforesaid persons shall be individually and collectively called as “proposed allottee/(s)”

**Information as required under Regulation 73 of the SEBI (ICDR) Regulations, 2009 is as under:**

**a. Objects of the Issue**

As mentioned above, the funds raised from the proposed issue of equity shares will be utilized for the working capital requirement of the Company.

**b. Relevant Date & Price:**

As per Chapter VII of the SEBI ICDR Regulations, issue of equity shares on a preferential basis to an investor, shall be made at a price not less than higher of the following:

The average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the twenty six weeks preceding the relevant date; or

The average of the weekly high and low of the closing prices of the equity shares quoted on the stock exchange during the two weeks preceding the relevant date.

The “Relevant Date” for determining the issue price of the preferential issue of equity shares shall be 28th August, 2013 being the date which is 30 days prior to the date on which the Annual General Meeting is to be held to consider the proposed issue under Section 81(1A) of the Companies Act, 1956.

The Stock Exchange means BSE Limited being the exchange where the highest trading volume in respect of the shares of the Company has been recorded during the preceding twenty six weeks prior to the Relevant Date.

The average price as computed on the above basis during the twenty six weeks preceding the Relevant Date is ₹ 14.34 per Equity Share where as there is no trading in the shares of the company during the two weeks preceding the Relevant Date. Hence the floor price is ₹ 14.34 per Equity Share.

The price at which the preferential issue is being made i.e. ₹ 20 per equity share is higher than the floor price computed on the basis of the SEBI (ICDR) Regulations.

**c. Intention of Promoters / Directors / Key Management Persons to subscribe to the Offer:**

The Promoter group intends to subscribe to the extent of 35,00,000 Equity shares being 30.70% of the post issue capital of the Company.

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**d. Shareholding Pattern before and after the issue:**

CATEGORY	PRE-ISSUE		POST ISSUE	
	No. of shares	% of shares	No. of shares	% of shares
<b>(A) Shareholding of Promoter and Promoter Group</b>				
<b>(1) Indian</b>				
Individuals / Hindu Undivided Family	16,84,800	28.56	16,84,800	14.78
Bodies Corporate	16,17,000	27.41	51,17,000	44.89
<b>Sub Total</b>	<b>33,01,800</b>	<b>55.96</b>	<b>68,01,800</b>	<b>59.66</b>
<b>(2) Foreign</b>	-	-		
<b>Total shareholding of Promoter and Promoter Group (A)</b>	<b>33,01,800</b>	<b>55.96</b>	<b>68,01,800</b>	<b>59.66</b>
<b>(B) Public Shareholding</b>				
<b>(1) Institutions</b>				
<b>(2) Non-Institutions</b>				
Bodies Corporate	4,05,549	6.87	24,05,549	21.10
Individuals				
Individual shareholders holding nominal share capital up to ₹ 1 lakh	20,52,151	34.78	20,52,151	18.00
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,40,500	2.38	1,40,500	1.23
<b>Sub Total</b>	<b>25,98,200</b>	<b>44.04</b>	<b>45,98,200</b>	<b>40.34</b>
<b>Total Public shareholding (B)</b>	<b>25,98,200</b>	<b>44.04</b>	<b>45,98,200</b>	<b>40.34</b>
<b>Total (A)+(B)</b>	<b>59,00,000</b>	<b>100.00</b>	<b>114,00,000</b>	<b>100.00</b>
<b>C) Shares held by Custodians and against which Depository Receipts have been issued</b>				
<b>(1) Promoter and Promoter Group</b>	-	-	-	-
<b>(2) Public</b>	-	-	-	-
<b>Sub Total</b>	-	-	-	-
<b>Total (A)+(B)+(C)</b>	<b>59,00,000</b>	<b>100.00</b>	<b>114,00,000</b>	<b>100.00</b>

**e. Proposed time within which allotment shall be completed**

The allotment of Shares pursuant to this resolution will be completed within 15 days from the passing of this resolution. Provided that if the approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission, as the case may be.

## SURAJ PRODUCTS LIMITED

**f. Identity and details of the proposed allottees :-**

Name of the Proposed Allottees	Category	Address	Name(s) of natural persons in control of the Proposed Allottee	Pre-Issue		Proposed Allotment	Post Issue	
				No. of Shares	% of Pre-Issue Capital	No. of Shares	No. of Shares	% of Post Issue Capital
NIP Power Pvt. Ltd.	Promoter Group	59, N S Road, Kolkata-700 001	Mr. Yogesh Kumar Dalmia	13,27,000	22.49	15,00,000	28,27,000	24.80
Molisati Vinimay Pvt. Ltd.	Promoter Group	59, N S Road, Kolkata-700 001	Mr. Yogesh Kumar Dalmia	-	-	20,00,000	20,00,000	17.54
Tirupati Vincom Pvt. Ltd.	Non-Promoter Group	Poddar Court, 18 Rabindra Sarani, Kolkata- 700001	Mr. Vijay Kumar Jain	-	-	20,00,000	20,00,000	17.54
Total				13,27,000	22.49	55,00,000	68,27,000	59.88

**g. Change in Control or composition of the Board:**

The allotment would not result in any change in control over the Company or the management of the affairs of the Company and the existing Promoters/Directors of the Company will continue to be in control of the Company.

**h. Auditors' Certificate:**

Rustagi & Co., Chartered Accountants, Statutory Auditors of the company have certified that the proposed preferential issue is being made in accordance with the requirements contained in SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 for Preferential Issue. A copy of the said certificate is available for inspection by the shareholders at the Corporate Office of the Company on all working days except Saturdays, Sundays and public holidays between 3 p.m. and 5 p.m. prior to the date of the Annual General Meeting and will also be available for inspection at the Meeting.

**i. Lock-in of proposed issue of shares:**

The Equity Shares proposed to be issued to above proposed allottees shall be locked in for a period from the date of trading approval granted by Stock Exchanges in terms of Regulation 78 of SEBI (ICDR) Regulations for preferential allotment contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Further the entire pre-allotment shareholding of the proposed allottees, if any, shall be locked-in from the relevant date upto a period of six months from the date of trading approval granted by the Stock Exchanges for proposed Preferential issue of shares.

**j. Undertaking:**

The Company hereby undertakes that:

The Company shall re-compute the price of the specified securities in term of the provisions of these Regulations where it is required to do so.

If the amount payable on account of the re-computation of the price is not paid within the time stipulated in the Regulations, the specified securities shall be continue to be locked-in till the time such amount is paid by the proposed allottees.

As per Section 81 of the Companies Act, 1956 and the provisions of the Listing Agreement which have been entered into by the Company with the BSE Limited and The Calcutta Stock Exchange Limited on which the shares of the Company are listed, as and when it is proposed to increase the shares of the Company by allotment of further shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down under Section 81 unless the shareholders in general meeting decide otherwise by passing a special resolution.

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Additionally, the SEBI (ICDR) Regulations require matters to be stated in the resolution which is required to be passed under Section 81 (1A) of the Companies Act, 1956 and in the explanatory statement in respect of such resolution.

Hence, the consent of the shareholders by way of special resolution is being sought for issue of the shares on preferential basis.

**The Board recommends the resolution for your approval.**

Except Mr. Y.K.Dalmia & Mrs. Sunita Dalmia being Directors & having substantial interests in NIP Power Pvt. Ltd. and Molisati Vinimay Pvt. Ltd., none of the Directors of your Company shall be concerned or deemed to be interested in the said resolution.

### **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	Mr. R.P.Agarwal
Date of Birth	04.03.1958
Date of Appointment	30.06.2006
Qualification	Chartered Accountant
Expertise in specific functional areas	Expertise in his own specified field.
List of other Companies in which Directorship held (excluding in Foreign companies)	None
Chairman/Member of Committees the Board of Directors of other Companies in which he is a Director (excluding in foreign Chairman of Companies)	1. Audit Committee. 2. Shareholders Grievance committee.
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	NIL

Name of Director	Mr. Yogesh Kumar Dalmia
Date of Birth	15.05.1958
Date of Appointment	01.09.2008
Qualification	Chartered Accountant & Company Secretary
Expertise in specific functional areas	Served various Companies during 1983-1987 in Finance department mainly for project implementation. Promoted Champion Industries Limited presently Suraj Products Limited in 1992 & managing the same.
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 Technolgy Pvt.Ltd.
Chairman/Member of Committees the Board of Directors of other Companies in which he is a Director (excluding in foreign Chairman of Companies)	1. Share transfer Committee.
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	9,81,500

**DIRECTORS' REPORT TO SHAREHOLDERS**

Dear Shareholders,

Your Directors have the 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 2013.

**FINANCIAL RESULTS:**

<u>PARTICULARS</u>	<u>Current Year</u> (₹ In Lac)	<u>Previous Year</u> (₹ In Lac)
(i) Sales and other income	8323.08	9331.48
(ii) Profit before depreciation	434.54	515.68
(iii) Depreciation	305.72	325.79
(iv) Profit for the year	128.82	189.89
(v) Provision for tax	50.10	56.56
(vi) Profit after tax	78.72	133.33
(vii) Profit brought forward from the previous year	963.16	891.54
(viii) Profit available for appropriation	1041.88	1024.87
(ix) Proposed Dividend	29.50	53.10
(x) Tax on Proposed Dividend	4.78	8.61
(xi) Surplus carried to Balance Sheet	<u>1007.60</u>	<u>963.16</u>

**OPERATIONS:**

During the year, the Company produced 24712 MT and sold 24204 MT of sponge iron compared to previous year's production of 30532 MT and sales of 29834 MT. The Company produced 9334 MT and sold 9269 MT of Pig iron as compared to last year's production of 9978 MT and sales of 10079MT. The production continues to suffer for raw material constraints due to mining problem.

**DIVIDEND:**

The Board has recommended dividend at 5 % (Five percent) per share i.e. ₹ 0.50 (Previous year ₹ 0.90) per equity share for the year ended 31st March, 2013. 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 ₹ 29.5 Lac compared to previous year figure of ₹ 53.10 Lac.

**FINANCE:**

The market for steel has remained sluggish and therefore sponge iron market was subdued. The price of sponge iron decreased in the later part of the year. Earning per share has decreased to ₹ 1.33 as compared to previous year (₹ 2.26) In order to meet the long term working capital requirements; it is proposed to make issue of equity shares on preferential allotment basis to promoters and strategic investors.

**DIRECTORS:**

Sri R.P.Agarwal who retires by rotation & being eligible offer himself for re-appointment. Sri Y.K.Dalmia has

## **SURAJ PRODUCTS LIMITED**

been reappointed as the Chairman of the Company for a period of five years with effect from September 01, 2013 subject to the approval of share holders at the ensuing Annual General Meeting.

### **LISTING:**

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

The respective listing fees for the above Stock Exchanges up to the year 2013-14 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.

### **PERSONNEL:**

The Provision of section 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules 1975 as amended are not applicable to the company as no employee has drawn remuneration in excess of the limits specified therein.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to section 217(2AA) of the Companies Act, 1956 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;
- (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.

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

The prescribed details as required under section 217(1) (e) of the Companies (Disclosure of Particulars on the report of Board of Directors) Rules 1988 are set out in annexure 'A' forming part of this report.

### **REPORT ON CORPORATE GOVERNANCE:**

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').

## **SURAJ PRODUCTS LIMITED**

### **AUDITORS:**

The members are requested to appoint the Auditors for the current year and fix their remuneration. Messrs Rustagi & Company, Chartered Accountants, Kolkata, the existing Auditors of the Company have furnished the certificate of their eligibility for reappointment under Section 224 (1) of the Companies Act, 1956.

### **COST AUDITOR:**

As per the Companies (Cost Accounting Records) Rules 2011, the Company filled the Cost Audit Report along with Cost Compliance Report for the financial year 2011-12 in XBRL format.

The Board of Directors, subject to the approval of the Central Government, appointed M/S Tanmaya S. Pradhan & Co. Cost Accountants, bearing firm registration No. 000177, as cost auditor for conducting the cost audit for the financial year 2013-14 in place of the existing Cost auditor, M/S Ray, Nayak & Associates, who have furnished No objection Certificate in regard to above appointment.

### **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 Government and State Governments and Bankers.

On behalf of the Board of Directors

Place: Barpali

Dated: the 28th day of August, 2013

Y. K. Dalmia

Chairman

**ANNEXURE TO THE DIRECTORS' REPORT**

Statement pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March 2013.

**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.

<b>ELECTRICITY</b>		<b>For the year 2012-2013</b>	<b>For the year 2011-2012</b>
(a) Purchased Units	KWH	58,53,109	53,90,828
Amount	₹	302,87,180	275,82,223
Cost per Unit	₹	5.17	5.12
(b) Own Generation Through Diesel Generator	KWH	5,43,928	5,79,184
Unit per Ltr. of Diesel		3.55	3.32
Cost per Unit *	₹	10.21	10.58

\* Operating cost has been charged with other expenses.

Power Consumption

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 continue to use to technology & process know how developed in house.

**3. FOREIGN EXCHANGE OUTGO:**

	<b>Current Year (₹)</b>	<b>Previous Year(₹)</b>
Stores & Spare parts :	28, 19,992	NIL
Foreign Travel Expenses :	55,702	92,814

On behalf of the Board of Directors

Place: Barpali

Dated: the 28th day of August, 2013

Y. K. Dalmia

Chairman



## 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.

**1. 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.

**2. BOARD OF DIRECTORS:**

**A. The composition of the Board:**

As on 31st of March, 2013, the Board of Directors of Suraj Products 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. Details are given below.

Name of the Directors	Category
Sri Y. K. Dalmia	Promoter – Executive Chairman
Smt. S. Dalmia	Non Executive & Promoter Director
Sri S. N. Kabra	Independent – Non Executive Director
Sri R. P. Agarwal	Independent – Non Executive Director
Sri Gagan Goyal	Executive Director

**B. Number of Board Meetings:**

During the year 2012-13, the Board of the Company met four times on 26.05.2012, 28.07.2012, 30.10.2012 and on 08.02.2013. 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	4	1	1
Smt. S. Dalmia	4	Yes	4	2	—
Sri S.N. Kabra	4	Yes	6	3	2
Sri R. P. Agarwal	3	No	—	2	—
Sri Gagan Goyal	4	Yes	—	2	—

**3. 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 26.05.2012, 28.07.2012, 30.10.2012 and 08.02.2013.

## **SURAJ PRODUCTS LIMITED**

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

<b>Name of the Directors</b>	<b>No. of Audit Committee Meeting Attendance</b>
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 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.

#### **4. MANAGERIAL REMUNERATION:**

There is no Remuneration Committee in the Company. The remuneration of Chairman was fixed in the AGM held on 30.09.2008 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 2012-13.

Mr. Y. K. Dalmia, Chairman	—	₹ 9, 00,000.00
Mr. G. Goyal, Executive Director	—	₹ 5, 12,000.00

No sitting fee was paid to any of the Directors during the year.

#### **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. 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 2012-13 the Committee held three meetings 24.07.2012, 29.10.2012 and on 29.01.2013.

The committee received 35 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.

#### **6. 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.

#### **7. 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 10.06.2013.

#### **8. 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.

**9. GENERAL BODY MEETING:**

**a) ANNUAL GENERAL MEETING:**

Date	Venue	Time Resolution	No. of Special
30th Sept. 2009	Registered Office of the company at Barpali	11.30 A.M.	—
30th Sept. 2010	Registered Office of the Company at Barpali	11.30 A.M.	—
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.	—

b) During the year, no resolution was passed through postal ballot in accordance with Section 192A of the Companies Act, 1956.

**10. DISCLOSURES:**

- a) **RELATED PARTY DISCLOSURE:** There are no materially significant related party transactions with 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:** The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Security Exchange Board of India or any other Statutory Authority related to the capital markets during last three years.
- 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.

**11. MEANS OF COMMUNICATION:**

- a) The Company is not sending half-yearly reports to each household of shareholders.
- b) The results are published in newspapers.
- c) Annual reports are posted to the shareholders of the Company.

**12. GENERAL INFORMATION FOR SHARE HOLDERS:**

22nd Annual General Meeting:

Day : Friday  
 Date : 27th September, 2013  
 Time : 11:30 Hrs  
 Venue : Regd. Office: Vill: Barpali  
 P. O. : Kesramal (Rajgangpur)  
 Dist. : Sundergarh, Orissa.

**a) Financial Calendar (Tentative) :**

Quarterly Results : Last week of succeeding month  
 Annual Accounts 2013-14 : May, 2014

**b) Date of Book Closure :** The Company's Register of Members and Share Transfer Books Will remain closed from 24th September to 27th September, 2013

**c) Listing at Stock Exchange :** (i) Bombay Stock Exchange.  
 (ii) The Calcutta Stock Exchange Limited.

**d) Stock Code:** **518075 at BSE and 13054 at CSE.**

## **SURAJ PRODUCTS LIMITED**

**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  
Senapati Bapat Marg,  
Lower parel, Mumbai – 400013

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

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

No. of Shares held in dematerialized and physical mode as on 31st March, 2013 is as under:

<b>Particulars</b>	<b>No. of Shares</b>	<b>% of total capital issue</b>
Held in dematerialized form in CDSL	33,39,990	56.61
Held in dematerialized form in NSDL	3,57,410	6.06
Physical	22,02,600	37.33
<b>TOTAL</b>	<b>59,00,000</b>	<b>100.00</b>

**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. Alok Mukherjee/ Mr. Partho Mukherjee

**h) 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.

### **13. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2013**

**a. Details of shareholding as on 31st March, 2013.**

<b>CATEGORY</b>	<b>No. of Shares</b>	<b>% of Share Holding</b>
Promoters Group	33,01,800	55.96
Private Corporate Bodies	3,18,700	5.40
Indian Public	22,79,500	38.64
<b>Total</b>	<b>59,00,000</b>	<b>100.00</b>

**SURAJ PRODUCTS LIMITED****b. Distribution of shareholding as on 31st March, 2013.**

CATEGORY No. of Shares	No. of Shares	No. of Share holder	% of Share holding	% of Share holders
1 - 500	1306439	8286	22.1430	93.6589
501 - 1000	293508	328	4.9747	3.7075
1001 - 5000	404751	192	6.8603	2.1701
5001 - 10000	166400	20	2.8203	0.2261
10001 - 50000	361300	13	6.1237	0.1469
50001 - 100000 and Above	128002 3239600	2 6	2.1695 54.9085	0.0226 0.0678
<b>Total</b>	<b>5900000</b>	<b>8847</b>	<b>100.0000</b>	<b>100.0000</b>

**14. STATUS OF NON-MANDATORY REQUIREMENTS:**

The non-mandatory requirements viz., Remuneration Committee, Shareholding Rights, Training of Board Members & Tenure of Independent Directors and Mechanism for performance evaluation of non-executive Board Members will be implemented by the Company when required and/or deemed necessary by the Board.

**15. SECRETARIAL AUDIT:**

As stipulated by Securities and 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 every quarter and the report thereon is submitted to Stock Exchanges and is also placed before the Board of Directors.

**16. PLANT - LOCATION:**

Village – Barpali, Post – Kesramal (Rajgangpur)  
Dist – Sundargarh, Odisha  
Pin – 770 017

**17. ADDRESS FOR CORRESPONDENCE:**

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

## **SURAJ PRODUCTS LIMITED**

### **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, 2013 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, 2013. 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 28th day of August, 2013

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,2013.

Place: Barpali  
Dated: the 28th day of August, 2013

For Suraj Products Limited  
**Y. K. Dalmia**  
Chairman

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The Board takes pleasure in presenting your Company's 22nd Annual report for the year 2012-13 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 hot metal produced in blast furnace.

The Sponge iron industry in India is divided into two types of products, those who are integrated with steel making and those in merchant sector. Merchant sector amounts to about 20% of the total capacity. Suraj Products Limited belongs to this 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	:	₹ 83, 01, 37,032
Profit before Taxation	:	₹ 1, 28, 81,983
Profit after Taxation	:	₹ 78, 72,099

**OPPORTUNITIES, THREATS & FUTURE OUTLOOK:****i) 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 9% 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 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.

## **SURAJ PRODUCTS LIMITED**

### **SEGMENT-WISE/ PRODUCT-WISE PERFORMANCE:**

During the year, the Company produced 24712 MT of sponge iron compared to 30532 MT of previous year. The production of Pig Iron for the year was 9334 MT as compared to last year's production of 9978 MT. Sales of Sponge iron during the year totaled to 24204 MT compared to 29834 MT of previous year. Pig iron sales during the year totaled to 9269 MT in comparison to last year's sale of 10079 MT. Due to higher price of Coke, the production of pig iron during the year 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.

### **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 the deficiencies are attended immediately.

### **SAFETY TRAINING:**

Training on various safety standards are imparted to all employees.

### **HEALTH CHECK UP:**

A total 21 medical camps with qualified and experience medical practitioners were conducted in nearby villages and about 1000 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.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of SURAJ PRODUCTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for 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 the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the 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 issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 circumstances. An audit also includes evaluating the appropriateness of 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss Account, 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.

## **SURAJ PRODUCTS LIMITED**

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**ASHISH RUSTAGI**  
(Partner)  
Membership No. : 062982

Place: Kolkata

Dated : 10th day of June, 2013

## **ANNEXURE**

### **Re: M/s Suraj Products Limited**

Referred to in paragraph 3 of our report of even date,

- i)
  - a) The company has maintained proper records showing details of fixed assets including quantitative details and situation of fixed assets. However comprehensive fixed asset register is being compiled.
  - b) All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion is reasonable having regards to the size of the company and the nature of its assets. On the basis of explanation given to us, no material discrepancies have been noticed on such verifications.
  - c) The Company has not disposed off any fixed assets during the year.
- ii)
  - a) According to information and explanation given to us the inventory of the company has been physically verified by the management during the year according to a phased program normally so designed that each material item is physically verified at least once in a year In our opinion, the frequency of verification is reasonable.

## SURAJ PRODUCTS LIMITED

- b) In our opinion and according to information and explanation given to us 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 no material discrepancies were noticed on physical verification between of stock as compared to the books and records.
- iii) a) The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly clauses (b), (c), (d) of the order are not applicable.  
b) The company has taken loan from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1,20,538,446/- and the year-end balance of loan taken was ₹ 11,31,60,738/- respectively.  
c) In our opinion the rate of interest and other terms and condition on which loan has been taken from party listed in the register maintained under section 301 of the companies act 1956 are not, prime facie, prejudicial to the interest of the company.  
d) During the year the company was regular in repaying principle amount as stipulated and has been regular in payment of interest.
- iv) In our opinion, there is adequate internal control procedures commensurate with the size of the company and the nature of the business with regard to purchases of inventory, fixed assets and with regard to sale of goods. Further on the basis of our examination of the books and records of the company, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- v) a) Based on the audit procedure applied by us and according to information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under 301 have been so entered.  
b) According to information and explanation given to us, we are of the opinion that no transaction of purchase of goods and materials and sale of goods and materials and servicing made in pursuance of contract or arrangement entered in has taken place which is required to be entered into the register maintained U/s.301 of the Companies Act,1956.
- vi) The company has not accepted any deposit from the public within the meaning of Section 58A and 58 AA of the Act and the rules framed there under.
- vii) In our opinion, on the basis of the internal audit reports broadly reviewed by us, the coverage of internal audit function carried on by the management is commensurate with the size of the Company and the nature of its business.
- viii) According to information provided and in our opinion, the maintenance of cost records prescribed by Central Government of 209(1)(d) of the Companies Act is not applicable to the Company.
- ix) a) The company is 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.  
b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, excise duty and cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.

## SURAJ PRODUCTS LIMITED

- c) According to information and explanation given to us, there are disputed Sales Taxes 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 which has not yet been deposited on account of dispute are as follows:

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 Sales Tax exemption set off on cement, consumption norms	31.5	1999-2000 to 2003-2004	Sales Tax Tribunal, Orissa
The Orissa Sales Tax Act 1947	Dispute regarding ITC	3.68	2005-2008	Addl. 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.
Central Sales Tax, 1956	Non- submission of C- Form Declaration	3.12	2004-2005	Dy. Commissioner Sales Tax (Appeals), North Zone, Sambalpur
Central Sales Tax, 1956	Absence of documentation of Pre-Existing contract in relation with Form- H Sales	12.72	2004-2005	Deputy Commissioner of Sales Tax (Appeals), Sundargarh, Range, Rourkela
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 Iron & Steel	23.98	2002-2008 to 2007-2008	Commissioner of Appeals, Central Excise Customs & Service Tax, Bhubaneshwar
Income Tax Act 1961	Credit for TDS	2.59	2008-2009	Deputy Commissioner Income Tax

- x) In our opinion the company do not have any accumulated losses and the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to information and explanation given to us the company has not defaulted in repayment of dues to financial institutions and banks.

## **SURAJ PRODUCTS LIMITED**

- xii) In our opinion and according to information and explanation given to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or nidhi/ mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments and hence the clause is not applicable for the Company.
- xv) In our opinion and according to information and explanation given to us the company has not given any guarantee for loan taken by others from banks or financial institutions.
- xvi) In our opinion and information and explanation given to us the company has not availed any term loan from banks and financial institution during the year and hence relevant clause is not applicable.
- xvii) According to the information and explanation given to us and on an overall examination of balance sheet of the company, we report that no funds raised on long term basis has been applied to finance short term assets. No short-term fund has been used to finance long-term investment except permanent working capital.
- xviii) According to information and explanation given to us the company has not made any preferential allotment during the period covered by our audit report. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditor Report) Order, 2003 are not applicable to the company.
- xix) According to information and explanation given to us the company has not issued any debentures during the period covered by our audit report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor Report) Order, 2003 are not applicable to the company.
- xx) According to information and explanation given to us the company has not made any public issue during the period covered by our audit report. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor Report) Order, 2003 are not applicable to the company.
- xxi) According to information and explanations given to us, no fraud on or by the company has been 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: Kolkata  
Dated : the 10th day of June, 2013

**SURAJ PRODUCTS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	As at 31st March-13 (₹)	As at 31st March-12 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>Shareholders' Funds</u></b>			
(a) Share Capital	1	59,000,000	59,000,000
(b) Reserves & Surplus	2	102,712,566	98,269,031
<b><u>Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	3	14,451,936	35,806,710
(b) Deferred Tax Liabilities	4	13,693,985	16,582,510
(c) Other Long-Term Liabilities	5	242,404,651	121,615,841
<b><u>Current Liabilities</u></b>			
(a) Short Term Borrowings	6	168,930,569	164,344,775
(b) Trade Payables	7	34,825,998	46,261,505
(c) Other Current Liabilities	8	42,735,511	49,989,686
(d) Short Term Provisions	9	5,218,267	6,354,873
<b>TOTAL</b>		<b>683,973,483</b>	<b>598,224,931</b>
<b>II. ASSETS</b>			
<b><u>Non-Current Assets</u></b>			
(a) Fixed Assets			
(i) Tangible Assets	10	182,953,413	205,266,010
(ii) Intangible Assets	10	781,154	1,041,538
(b) Non-Current Investments	11	250,000	250,000
(c) Long Term Loans & Advances	12	7,961,600	6,716,173
<b><u>Current Assets</u></b>			
(a) Inventories	13	348,459,537	228,587,094
(b) Trade Receivables	14	34,564,542	24,125,013
(c) Cash & Cash Equivalents	15	20,451,995	18,394,541
(d) Short Term Loans & Advances	16	88,551,242	113,844,562
<b>TOTAL</b>		<b>683,973,483</b>	<b>598,224,931</b>

Significant Accounting Policies 25  
See accompanying notes forming part of Financial Statements

As per our report attached of even date  
For RUSTAGI & CO.  
Chartered Accountants  
Firm Registration No. 301094E  
Ashish Rustagi  
Partner  
Membership No.062982  
Place : Kolkata  
Dated: the 10th day of June, 2013

For and on behalf of Board of Directors  
Y. K. Dalmia  
Chairman  
S N Kabra  
Director  
S Dalmia  
Director  
A.N. Khatua  
Company Secretary  
Gagan Goyal  
Executive Director

**SURAJ PRODUCTS LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2013**

Particulars	Note No.	For Year ended 31.03.2013 (₹)	For Year ended 31.03.2012 (₹)
<b>Revenue</b>			
I Revenue From Operations (Gross)	17	830,137,032	931,717,045
Less : Excise Duty		85,125,885	84,851,262
Revenue From Operations (Net)		745,011,147	846,865,783
II Other Income	18	2,171,305	1,431,126
III <b>Total Revenue ( I+II )</b>		<b>747,182,452</b>	<b>848,296,909</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	19	596,560,633	697,253,738
Change in Inventories of Finished Goods	20	(24,161,422)	(17,389,906)
Manufacturing & Operating Costs	21	62,885,601	61,835,640
Employee Benefits Expense	22	14,308,388	8,516,899
Finance Costs	23	41,313,805	31,042,307
Depreciation and Amortisation Expense		30,571,578	32,578,951
Other Expenses	24	12,821,886	15,470,176
<b>Total Expenses</b>		<b>734,300,469</b>	<b>829,307,806</b>
V <b>Profit Before Tax</b>		12,881,983	18,989,103
<b>VI Less: Tax Expenses</b>			
(a) Current Tax		7,200,000	6,750,000
(b) Tax relating to prior years		698,409	(53,583)
(c) Deferred Tax		(2,888,525)	(1,040,078)
VII <b>Profit for the year</b>		7,872,099	13,332,764
<b>VIII Earnings per share (of ₹ 10/- each)</b>			
(a) Basic		<b>1.33</b>	<b>2.26</b>
(b) Diluted		<b>1.33</b>	<b>2.26</b>

**NOTES ON ACCOUNTS**

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Notes 17 to 33 form an integral part of the Profit & Loss Account

As per our report attached of even date

For RUSTAGI & CO.

Chartered Accountants

Firm Registration No. 301094E

Ashish Rustagi

Partner

Membership No.062982

Place : Kolkata

Dated: the 10th day of June, 2013

For and on behalf of Board of Directors

Y. K. Dalmia  
Chairman

S N Kabra  
Director

S Dalmia  
Director

A.N. Khatua  
Company Secretary

Gagan Goyal  
Executive Director

**SURAJ PRODUCTS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	For the Year Ended 2013		For the Year Ended 2012	
	(₹)		(₹)	
<b>A Cash Flow from Operating Activities</b>				
Net Profit before Tax and extra ordinary items		12,881,983		18,989,103
<b>Add/(Deduct)</b>				
Depreciation and amorisation	30,571,578		32,578,951	
Financial charges	41,313,805	71,885,383	31,042,307	63,621,258
<b>Operating Cash Profit before Working Capital</b>		84,767,366		82,610,361
<b>Add/Deduct</b>				
Increase in Trade Payable	(11,427,179)		3,898,705	
(Increase)/Decrease in Trade & Other receivable	(10,439,529)		12,275,756	
Increase in Inventories	(119,872,443)		(27,481,386)	
Increase in Other Current Liabilities	(4,561,741)		15,223,474	
Increase/Decrease in Advances	23,816,744	(122,484,148)	(86,764,362)	(82,847,813)
<b>Cash flow from Operation</b>		(37,716,781)		(237,452)
Direct Tax Paid		(5,639,343)		(10,964,972)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		(43,356,124)		(11,202,424)
<b>B Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets		(8,428,596)		(17,654,030)
<b>Net Cash Outflow from Investing Activities</b>		(8,428,596)		(17,654,030)
<b>C Cash Flow from Financing Activities</b>				
(Repayment)/Proceeds from				
Long -Term Borrowing(Net)	(24,878,017)		(24,305,790)	
Proceeds from Other Long Term Liabilities	120,788,810		66,637,489	
Proceeds from Short -Term Borrowing	4,585,794		22,682,270	
Dividend Paid	(4,479,191)		(4,023,908)	
Corporate Dividend Tax	(861,415)		(765,702)	
Financial charges paid	(41,313,805)	53,842,176	(31,042,307)	29,182,052
<b>Net Cash Flow from Financing Activities</b>		53,842,176		29,182,052
<b>Net Cash Flow during the Year(A+B+C)</b>		<b>2,057,454</b>		<b>325,598</b>
Cash and Cash Equivalent (Opening Balance)		18,394,541		18,068,943
Cash and Cash Equivalent (Closing Balance)		20,451,995		18,394,541
		<b>2,057,454</b>		<b>325,598</b>

As per our report attached of even date

For RUSTAGI &amp; CO.

Chartered Accountants

Firm Registration No. 301094E

Ashish Rustagi

Partner

Membership No.062982

Place : Kolkata

Dated: the 10th day of June, 2013

For and on behalf of Board of Directors

Y. K. Dalmia

Chairman

S N Kabra

Director

S Dalmia

Director

A.N. Khatua

Company Secretary

Gagan Goyal

Executive Director



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

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with generally accepted accounting principles, accounting standards issued by the Institute of Chartered Accountants of India, as applicable and the relevant provisions of the Companies Act, 1956.

**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 recognised, 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 is provided on pro-rata basis at the rates specified in Schedule XIV to the Companies Act, 1956 as under:

Assets acquired after 01.04.02 : Written down Value Method  
Assets acquired prior to 01.04.02 : Straight Line Basis Method

- b) Refractory Assets are depreciated over the useful life of four years based on estimates approved by the management.

- c) 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

## **SURAJ PRODUCTS LIMITED**

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

#### **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 other employee benefits

- a) In view of Revised AS-15 earned leave which cannot be carried forward to future periods are "short term" benefit only 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 Company 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 recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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

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 upto 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 recognised, 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 recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised 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

	As at 31st March-13 (₹)	As at 31st March-12 (₹)		
<b>1. Share Capital</b>				
<b>Authorised :</b>				
60,00,000 Equity shares of ₹ 10 each	60,000,000	60,000,000		
<b>Issued, Subscribed &amp; Fully Paid up Capital</b>				
59,00,000 Equity shares of ₹ 10 each	59,000,000	59,000,000		
<b>Total</b>	59,000,000	59,000,000		
<b>(a) Reconciliation of Number of Shares</b>				
Shares outstanding as at 1st April 2012/1st April 2011	5,900,000	5,900,000		
Shares outstanding as at 31st March 2013/31st March 2012	5,900,000	5,900,000		
<b>(b) List of shareholders holding more than 5% of the total number of shares issued by the Company :</b>				
<b>Name of the share holders</b>	<b>No of shares</b>	<b>% of holding</b>	<b>No of shares</b>	<b>% of holding</b>
NIP Power Private Limited	1,327,000	22.49	1,327,000	22.49
Yogesh Kumar Dalmia	981,500	16.63	811,400	13.75
Sunita Dalmia	472,400	8.00	272,400	4.62
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.				
<b>2. Reserve &amp; Surplus</b>				
<b>(a) Revaluation Reserve on Land</b>				
As per last account		1,952,880		1,952,880
<b>(b) Surplus in Statement of Profit and Loss</b>				
Opening balance		96,316,151		89,154,802
Add: Profit for the year		7,872,099		13,332,764
		104,188,250		102,487,566
<b>Less : Appropriations</b>				
Proposed Dividend #		2,950,000		5,310,000
Tax on Proposed Dividend		478,564		861,415
Closing Balance		100,759,686		96,316,151
<b>Total</b>		102,712,566		98,269,031
# Dividend proposed to be distributed to Equity Shareholders is ₹ 0.50 (P.Y. ₹ 0.90) per equity share.				
<b>3. Long Term Borrowings</b>				
Term Loans From Bank.				
i) From Canara Bank		14,451,936		35,142,573
Deferred Payment Liabilities		-		664,137
		14,451,936		35,806,710

## SURAJ PRODUCTS LIMITED

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

#### Nature of Security and terms of repayment for Long term secured borrowings

<u>Nature of Security</u>	<u>Terms of Repayment</u>
a) Term loan amounting to ₹ 1,44,51,936 (P.Y. ₹ 2,46,09,165) 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 14.00 % p.a. as at year end (P.Y. 13.75%)
b) Term loan amounting to ₹ NIL (P.Y. ₹ 1,05,33,408) is secured by exclusive charge on the entire assets of pig iron plant. Plant and 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 60 monthly instalment commencing from February, 2009, Last installment due in January, 2014, Rate of interest 14.75 % (P.Y. 13.75%)
c) Deferred payment liability in respect of fixed assets acquired is secured against assets financed under the same scheme.	Repayable in 36 monthly instalment commencing from January, 2011, Last installment due in December, 2013.

*Installments falling due in respect of all the loans upto 31.03.2014 have been grouped under "Short Term Borrowings"*

	<u>As at 31st March-13 (₹)</u>	<u>As at 31st March-12 (₹)</u>
<b>4. <u>Deferred Tax Liabilities</u></b>		
Deferred Tax Liabilities		
Depreciation on Fixed Assets	13,693,985	16,582,510
Net Deffered Tax Liabilities	<b>13,693,985</b>	<b>16,582,510</b>
<b>5. <u>Other Long Term Liabilities</u></b>		
<b><u>Unsecured</u></b>		
From Related Parties	113,160,738	109,840,682
From Bodies Corporate	129,243,913	11,775,159
	<b>242,404,651</b>	<b>121,615,841</b>

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

	As at 31st March-13 (₹)	As at 31st March-12 (₹)
<b>6. Short Term Borrowings</b>		
Working Capital Loan	168,930,569	164,344,775
	<b>168,930,569</b>	<b>164,344,775</b>
<i>Working capital loan is secured by hypothecation of present and future stock of raw material, stock-in-process, finished goods, stores, spares and bookdebts.</i>		
<b>7. Trade Payables</b>		
Trade Payables	34,825,998	46,261,505
	<b>34,825,998</b>	<b>46,261,505</b>
<b>8. Other Current Liabilities</b>		
From SIDBI	-	755,309
From Canara Bank	21,341,544	23,888,099
Deferred Payment Liabilities (Refer Note 3c)	664,137	885,516
Unpaid Dividend #	2,174,832	1,344,023
Statutory Liabilities	5,842,210	3,575,074
Others	4,011,184	2,168,086
Advances From Customers	8,701,604	17,373,579
	<b>42,735,511</b>	<b>49,989,686</b>
# There are no amount due for payment to the Investors Education and Protection Fund u/s 205C of the Companies Act 1956 at the year end		
<b>9. Short Term Provisions</b>		
Provision For Taxation (Net of Advance Tax ₹ 56,02,083/-)	1,597,917	-
Provision For Employee Benefits	191,786	183,458
Provision For Proposed Dividend	2,950,000	5,310,000
Tax on Proposed Dividend	478,564	861,415
	<b>5,218,267</b>	<b>6,354,873</b>

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

**10. Fixed Assets**

	Gross Block				Depreciation				Net Block	
	As at 31.03.2012	Additions	Sales	As at 31.03.2013	Upto 31.03.2012	For the Year	Adjust- ment	Total upto 31.3.2013	As at 31.03.2013	As at 31.03.2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets (A)</b>										
Land (Freehold)	4,990,240	815,290	-	5,805,530	-	-	-	-	5,805,530	4,990,240
Factory Building	73,651,394	-	-	73,651,394	30,248,182	4,196,288	-	34,444,470	39,206,924	43,403,212
Plant & Machinery	124,888,296	-	-	124,888,296	68,750,307	8,599,842	-	77,350,149	47,538,147	56,137,989
Pollution Control Equipment	58,300,494	4,298,548	-	62,599,042	30,769,856	4,493,133	-	35,262,989	27,336,053	27,530,638
Electric Installation	48,830,249	124,486	-	48,954,735	23,953,867	3,890,779	-	27,844,646	21,110,089	24,876,382
Motor Vehicles	19,598,568	69,566	-	19,668,134	14,862,377	1,309,653	-	16,172,030	3,496,104	4,736,191
Furniture & Fixture	3,039,452	241,160	-	3,280,612	2,205,595	247,434	-	2,453,029	827,583	833,857
Others	70,385,705	2,449,546	-	72,835,251	30,660,256	5,923,880	-	36,584,136	36,251,115	39,725,447
Refractories	6,600,738	-	-	6,600,738	3,568,685	1,650,185	-	5,218,870	1,381,868	3,032,053
<b>Total</b>	<b>410,285,136</b>	<b>7,998,596</b>	<b>-</b>	<b>418,283,732</b>	<b>205,019,125</b>	<b>30,311,194</b>	<b>-</b>	<b>235,330,319</b>	<b>182,953,413</b>	<b>205,266,009</b>
<b>Intangible Assets (B)</b>										
Technical knowhow	1,301,922	-	-	1,301,922	260,384	260,384	-	520,768	781,154	1,041,538
<b>Total (A+B)</b>	<b>411,587,058</b>	<b>7,998,596</b>	<b>-</b>	<b>419,585,654</b>	<b>205,279,509</b>	<b>30,571,578</b>	<b>-</b>	<b>235,851,087</b>	<b>183,734,567</b>	<b>206,307,547</b>
Previous Year	343,553,182	68,033,876	-	411,587,058	172,700,558	32,578,951	-	205,279,511	206,307,548	

## SURAJ PRODUCTS LIMITED

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

	As at 31st March-13 (₹)	As at 31st March-12 (₹)
<b>11. <u>Non-Current Investments</u></b>		
<b><u>Non Trade</u></b>		
Investments in Mutual Funds		
25000 units of HDFC Long Term Equity Growth Fund	250,000	250,000
NAV as on 31.03.13 ₹ 4,02,200/- (₹ 3,93,475/- on 31.03.12)	250,000	250,000
<b>12. <u>Long Term Loans &amp; Advances</u></b>		
(Unsecured, considered good)		
Capital Advances	5,334,548	4,904,548
Advance Income Tax (Net of Provision For Tax ₹ 74,55,142/- P.Y ₹ 67,05,421/-)	43,993	705,142
Deposits with Other	2,583,059	1,106,483
	<b>7,961,600</b>	<b>6,716,173</b>
<b>13. <u>Inventories</u></b>		
Raw Materials	273,981,645	182,245,404
Finished Goods	56,642,704	32,481,282
Store & Spares	17,835,189	13,860,408
	<b>348,459,537</b>	<b>228,587,094</b>
<b>14. <u>Trade Receivables</u></b>		
Unsecured, Considered Good*	34,564,542	24,125,013
	<b>34,564,542</b>	<b>24,125,013</b>
*Includes an amount of ₹ 21,25,283/- (P.Y. ₹ 4,38,792/-) outstanding for a period exceeding six months from the date they are due for payment.		
<b>15. <u>Cash &amp; Cash Equivalents</u></b>		
Cash on Hand	476,671	578,232
Balance with Banks		
Current Accounts	13,552,492	11,724,286
Unpaid Dividend Account	2,174,832	1,344,023
Other Bank Balances		
Balances with Bank to the extent of margin money	4,248,000	4,748,000
	<b>20,451,995</b>	<b>18,394,541</b>
<i>Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement is :</i>		
	1,404,953	1,485,038



## SURAJ PRODUCTS LIMITED

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

	As at 31st March-13	As at 31st March-12
	(₹)	(₹)
<b>16. Short Term Loans and Advances</b>		
(Unsecured , Considered Good)		
Balance with Revenue Authorities	21,623,266	12,694,644
Advances For Raw Materials	60,131,546	92,745,376
Other Advances Recoverable in cash or in kind or for value to be received	2,508,783	2,450,256
Deposit Others	4,287,646	5,954,287
	<b>88,551,242</b>	<b>113,844,562</b>
<b>17. Revenue From Operations</b>		
Manufactured Goods		
Sponge Iron	515,001,330	626,007,734
Pig Iron	252,958,688	273,757,681
Others	62,177,014	31,951,630
	<b>830,137,032</b>	<b>931,717,045</b>
<b>18. Other Income</b>		
Interest Received	1,709,371	1,344,194
Exchange Fluctuation Gain	9,061	-
Miscellaneous Income	452,873	86,932
	<b>2,171,305</b>	<b>1,431,126</b>
<b>19. Cost of Materials Consumed</b>		
Materials Consumed Comprises of:		
Iron ore	278,045,546	364,667,491
Coal	107,958,553	121,687,831
Coke	200,630,752	194,785,351
Others	9,925,782	16,113,065
	<b>596,560,633</b>	<b>697,253,738</b>
Entire Raw Material consumed is Indigenous		
<b>20. Change in Inventories of Finished Goods</b>		
Opening Stock	32,481,282	15,091,376
Closing Stock	56,642,704	32,481,282
	<b>(24,161,422)</b>	<b>(17,389,906)</b>

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

	As at 31st March-13	As at 31st March-12
	(₹)	(₹)
<b>21. Manufacturing &amp; Operating Costs</b>		
Consumption of stores, spares & consumables	19,650,759	24,268,390
Power & Fuel	35,839,514	33,603,897
Repairs to Plant & Machinery	3,864,014	2,039,568
Repairs to Others	1,886,872	328,310
Insurance Charges	1,052,232	911,908
Others Manufacturing & Operating Expenses	592,210	683,567
	<b>62,885,601</b>	<b>61,835,640</b>
Entire Stores & spares consumed is Indigenous		
<b>22. Employee Benefits Expense</b>		
Salaries, Wages & Bonus	12,184,006	7,241,754
Contribution to E.S.I	379,611	293,010
Contribution to P.F	687,519	528,726
Contribution to Gratuity Fund	787,933	166,156
Staff Welfare Expenses	269,319	287,253
	<b>14,308,388</b>	<b>8,516,899</b>
<b>23. Finance Cost</b>		
Interest -Term Loan	7,201,344	10,012,209
Interest - Working Capital Loan	19,285,079	15,177,754
Interest - Others	14,827,382	5,852,344
	<b>41,313,805</b>	<b>31,042,307</b>
<b>24. Other Expenses</b>		
Rates & Taxes	2,145,152	1,873,371
Rent	516,170	496,420
Auditor's Remuneration		
- Statutory Audit	75,000	50,000
- Taxation Matters	25,000	10,000
Excise Duty on Stock Differential	1,130,087	1,546,087
Periphery Development	483,845	270,285
Security Service Charges	1,654,213	1,502,899
Carraige Outward	2,303,364	4,713,703
Other Expenses	4,489,055	5,007,411
	<b>12,821,886</b>	<b>15,470,176</b>

## SURAJ PRODUCTS LIMITED

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

#### 25. 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 "Others Expenses".

#### 26. 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 :	NIP Power Private Ltd Balbhadra Infratech Private Ltd. Molisati Vinimay Private Ltd.			
(ii) Key Management Personnel :	Yogesh Kumar Dalmia, Chairman Gagan Goyal, Executive Director			
(b) Transactions with related parties:				Amount in ₹
Nature of transactions	Parties with significant influence (Direct and Indirect)			Key Management Personnel and Relatives
	NIP Power Private Ltd.	Balbhadra Infratech Private Ltd.	Molisati Vinimay Private Ltd.	
<b>Expenses</b>				
i) Interest	42,60,200 (13,46,474)	4,97,516 (3,29,425)	38,87,125 (23,73,924)	
ii) Remuneration				
a) Yogesh Kumar Dalmia				9,00,000 (9,00,000)
b) Gagan Goyal				5,12,000 (4,00,000)
<b>Finance</b>				
i) Loans & Advances Recieved	5,00,00,000 (6,70,00,000)	22,00,000 (70,00,000)	2,53,50,000 (6,89,50,000)	
ii) Loans & Advances Repaid	4,93,50,000 (1,63,00,000)	16,00,000 (Nil)	3,10,60,300 (7,04,00,000)	
<b>Outstandings</b>				
iii) Loans & Advances	5,63,96,006 (5,19,11,826)	83,44,246 (72,96,482)	4,84,20,486 (5,06,32,374)	
Figures in the bracket indicate previous year figures.				

27. 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 31.03.2013	As at 31.03.2012
A	(I) No. of Shares at the Beginning of the Year	59,00,000	59,00,000
	(II) No. of Shares Issued During the Year	Nil	Nil
B)	Weighted Average Number of Equity Shares outstanding during the Year	59,00,000	59,00,000
C)	Net Profit After Tax Available for Equity Share Holders	78,72,099	1,33,32,764
D)	Basic Earning Per Share ( C / B) in (₹)	1.33	2.26

## **SURAJ PRODUCTS LIMITED**

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

#### **28. Expenditure in Foreign Currency**

	<u>Current Year (₹)</u>	<u>Previous Year (₹)</u>
Travelling Expenses	55,702	92,814
Purchase of spares & services	28,19,992	Nil

#### **29. Micro, Small and Medium Enterprises Development Act, 2006**

In accordance with the Notification No. GSR 719 ( E ) dt 16.11.2007, issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Development Act 2006. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is still not available, no disclosures have been made in the accounts.

#### **30. Contingent liabilities and Commitments**

No provision is made in respect of the following: -

	<u>As at 31.03.2013 (₹)</u>	<u>As at 31.03.2012 (₹)</u>
(i) Disputed Demand of Orissa Sales Tax	35,19,406	35,19,406
(ii) Disputed Demand of Central Sales Tax	53,93,343	53,93,343
(iii) Disputed Demand of Orissa Entry Tax	10,58,151	10,58,151
(iv) Disputed Demand of Central Excise	23,98,867	23,98,867
(v) Disputed Demand of Income Tax	2,59,460	-
(vi) Performance Guarantees	42,47,920	47,48,000

#### **31. 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.

**32.** Previous year figures have been regrouped or reclassified wherever necessary to confirm to current year classification.

**33.** 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 there are recognized in the financial statements.

As per our report attached of even date

For RUSTAGI & CO.

Chartered Accountants

Firm Registration No. 301094E

Ashish Rustagi

Partner

Membership No.062982

Place : Kolkata

Dated: the 10th day of June, 2013

For and on behalf of Board of Directors

Y. K. Dalmia

Chairman

S N Kabra

Director

S Dalmia

Director

A.N. Khatua

Company Secretary

Gagan Goyal

Executive Director

**SURAJ PRODUCTS LIMITED**

**SURAJ PRODUCTS LIMITED**

Regd. Office :  
Vill. : Barpali, Post : Kesramal (Rajgangpur)  
Dist. : Sundergarh, Orissa - 770017

**PROXY FROM**

Folio No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being a Member/Members of SURAJ PRODUCTS LIMITED

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

In the District of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ in the District of \_\_\_\_\_

as my/our proxy attend and to vote for me/us on my/our behalf at the Annual General Meeting of the

Company to be held on the 27th day of September, 2013 and at any adjournment thereof.

Signed at ..... this..... Days of.....2013

Note : The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

Affix  
Re. 1/-  
Revenue  
Stamp

**SURAJ PRODUCTS LIMITED**

Regd. Office :  
Vill. : Barpali, Post : Kesramal (Rajgangpur)  
Dist. : Sundergarh, Orissa - 770017

**ATTENDANCE SLIP**

Full Name of the Shareholders \_\_\_\_\_

Signature \_\_\_\_\_

Folio No. \_\_\_\_\_

If Proxy \_\_\_\_\_

Full Name in Block Letter

Signature

**Note** : If attending please bring this form duly completed at the time of Meeting.

**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.

# BOOK POST



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