

**ANNUAL REPORT  
2016 – 2017**



**SURAJ PRODUCTS LIMITED**

**Formerly**

**CHAMPION CEMENT INDUSTRIES LTD.**

**BARPALI, KESRAMAL, RAJGANGPUR, SUNDERGARH, ODISHA-770017**

**SURAJ PRODUCTS LIMITED**

CIN: L26942OR1991PLC002865

**BOARD OF DIRECTORS**

Mr. Y.K.Dalmia, Chairman  
Mr. C.K.Bhartia, Independent Director  
Mrs. Neha Singhania, Independent Director  
Mrs. Sunita Dalmia, Promoter Director  
Mr. Gagan Goyal, Executive Director

**AUDITOR**

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

**CHIEF FINANCIAL OFFICER**

Mr. M.K.Hati

**COMPANY SECRETARY**

Mr. A.N. Khatua

**BANKER**

Canara Bank

**REGISTRAR & SHARE TRANSFER AGENTS**

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

**REGISTERED OFFICE:**

Vill: Barpali  
P.O.: Kesarmal (Rajgangpur)  
Dist: Sundargarh  
Odisha – 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

**NOTICE OF THE 26th ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of SURAJ PRODUCTS LIMITED will be held on **Friday the 29th day of September, 2017 at 11:30 AM at its Registered Office of the Company** situated at Vill: Barpali, P.O. Kesarmal (Rajgangpur) – 770 017 Dist: Sundargarh, Odisha, to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the Financial Year ended 31st March, 2017 together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mrs. Sunita Dalmia (DIN- 00605973) who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration and in this regard 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 139, 142 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act 2013 and the Rules framed thereunder, as amended from time to time Messers Bharat D. Sarawgee & Co, Chartered Accountants (Firm Registration Number 326264E) be and is hereby appointed as the Statutory Auditors of the Company, in place of the retiring Auditors, Messers Rustagi & Co, Chartered Accountants (Firm Registration No- 301094E) to hold office from the conclusion of twenty sixth (26th) Annual General Meeting until the conclusion of thirty first (31st) Annual General Meeting of the Company, subject to ratification by the Members of the Company at every subsequent Annual General Meeting at such remuneration as may be mutually agreed by the Board of Directors of the Company and the Auditors.

“RESOLVED FURTHER THAT the Board of Directors (which term includes a duly constituted committee of the Board of Directors) be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company.”

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification (s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Neha Singhania (DIN- 06879112), who was appointed as an Independent Director of the Company by the Board of Directors of the Company in the casual vacancy caused by the resignation of Sri S.N.Kabra (DIN-00556947) w.e.f. 14th February, 2017 based on the recommendation of the Nomination and Remuneration Committee, in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member of the Company under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a period of one term of 5 years.”

“RESOLVED FURTHER THAT pursuant to the provisions of Section 149 and 197 of the Companies Act, 2013 read with Schedule IV of thereof (including any statutory modification(s) or re-enactment thereof, for the time being in force), the board of Directors be and is hereby authorized to fix the sitting fees payable to her for attending the meeting(s) of the Board or any Committee thereof and also for the reimbursement of any expenses for participation in the Board and other meetings”.

By Order of the Board of Directors  
of Suraj Products Limited  
A.N.Khatua  
Company Secretary  
Membership No- ACS21776

Place: Barpali

Dated: 14th day of August, 2017

**Notes:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under item No. 4 is annexed hereto. The relevant details of Directors seeking appointment/re-appointment under item Nos. 2 and 4 above pursuant to Regulations 26(4) and 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. **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.
3. Corporate members intending to send their authorized representative (s) to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representatives to attend and vote on their behalf at the Meeting.
4. Members/ proxies/ Authorised Representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. The Register of Members and Share Transfer Books of the company will remain closed from 25.09.2017 to 29.09.2017 (both days inclusive) for the purpose of Annual General Meeting.
6. The Company had declared Dividend @7% i.e. ₹ 0.70 per equity shares of the Company for the Financial Year 2009-10, @ 8 % i.e. ₹ .80 for the Financial Year 2010-11, @ 9 % ₹ 0.9 for the Financial Year 2011-12, @ 5% i.e. ₹ 0.50 for the Financial Year 2012-13 @ 6% i.e. ₹ 0.60 for the Financial Year 2013-14 and @ 7% i.e. ₹ 0.70 for the Financial Year 2014-15. All the equity shareholders of the Company are requested to contact the Company/ Share Transfer Agent i.e. M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata-700026, for payment of their dividend amount, if they have not been paid. The un-paid dividend for the Financial Year 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 as on 31.03.2017 are ₹ 6,01,241/-, ₹ 6,93,052/-, ₹ 8,40,849/- , ₹ 5,08,208/-, ₹ 6,30,856/- and ₹ 7,66,933/- respectively.

Members are requested to note that as per Section 124 of the Companies Act, 2013, dividends not en-cashed or claimed within seven years from the date of transfer to the Company's Un-paid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF).

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

7. **Members, who have not encashed their dividend warrants issued for the years 2009-10 to 2014-15, are requested to immediately forward the same for revalidation to our Share Registrars at their address given in the Annual Report.**
8. 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.
9. Share holders are requested to notify their Bank particulars giving the name of the Bank and the Branch and the nature of account and also any change of address to the Company's Registrar and Share Transfer Agent, M/S MCS Share Transfer Agent Limited. Share holders are hereby intimated that under instructions from the Securities and Exchange Board of India (SEBI), furnishing of Bank particulars by the shareholders has become mandatory.
10. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares for ease of portfolio management. Members can contact the Company or MCS Share Transfer Agent Limited for assistance in this regard.

## **SURAJ PRODUCTS LIMITED**

11. To support the “Green Initiative”, members who have not registered their e-mail address are requested to register the same with MCS Share Transfer Agent Limited.
12. Members are requested to send all communications relating to shares to the Company's Registrar and Share Transfer Agent. (Physical and Electronic) M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata-700026. E- mail: mcssta@rediffmail.com
13. RBI vide its Circular No. DPSS. (CO). EPPD. No. 191.04.01.01/2009-2010 dated July 29, 2009 has instructed banks to move to the NECS platform from October 1, 2009.

Consequently you are requested to provide your new account number allocated to you after implementation of Core Banking System by your Bank. NECS credit to your old account may either be rejected or returned.

14. **Please provide to the Company's Share Registrar and Share Transfer Agent (M/S MCS Share Transfer Agent Limited, Kolkata) new Bank Account particulars along with a copy of cancelled cheque 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 be credited to your new account.**

### **Voting through electronic means:**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 26th Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. The remote e-voting period commences on Tuesday, 26th September, 2017 (9:00 am) and ends on Thursday, 28th September, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- IV. The process and manner for remote e-voting are as under:
  - A. **In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :**
    - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.  
NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file “remote e-voting.pdf”
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put your user ID and password. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select “EVEN” of “SURAJ PRODUCTS LIMITED”.
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when

prompted.

- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [lnpanda2004@gmail.com](mailto:lnpanda2004@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :**

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

**EVEN (Remote e-voting Event Number)      USER ID      PASSWORD/PIN**

Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- V. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.  
NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).  
In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).  
In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2017.
- IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [suproduct@gmail.com](mailto:suproduct@gmail.com).  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- X. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Mr. L.N.Panda, Company secretary (Membership No. 23051) proprietor of L.N.Panda & Associates, Company Secretary has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast



## **SURAJ PRODUCTS LIMITED**

in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.surajproducts.com](http://www.surajproducts.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Registered Office:

At- Vill: Barpali, Po- Kesarmal, Rajgangpur,

Dist- Sundargarh, Odisha- 770017

L26942OR1991PLC002865

E-mail- [suproduct@gmail.com](mailto:suproduct@gmail.com)

Website: [www. Surajproducts.com](http://www.Surajproducts.com)

14th day of August, 2017

By order of the Board of Directors

sd/-

A.N.Khatua

Company Secretary

Membership No- ACS21776

### **Explanatory Statement Pursuant to section 102 of the Companies Act, 2013:**

#### **Item No. 4**

The Board of Directors of the Company have appointed Smt. Neha Singhania (DIN- 06879112) as an Independent Director with effect from 14, February, 2017 pursuant to provisions of Section 161 of the Companies Act, 2013, who shall hold the office till the conclusion of the ensuing Annual General Meeting and proposed to appoint her for a period of consecutive five years as an Independent Director, subject to approval of the shareholders at the ensuing Annual General Meeting and whose office shall not be liable to determination by retirement of directors by rotation.

The Company has received from Smt. Neha Singhania (DIN- 06879112), a consent in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

Further, the provisions of the Companies Act, 2013 with respect to appointment and tenure of Independent Directors have come into force with effect from April 1, 2014 which requires every Public Company fulfilling the prescribed criteria as laid down in Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 to appoint an Independent Director on its Board and the Independent Director shall not be included in the total number of directors for retirement by rotation. Accordingly, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company had appointed (subject to the approval of the members at the ensuing General Meeting), Smt. Neha Singhania (DIN- 06879112) as an Independent Director of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013.

Smt. Neha Singhania (DIN- 06879112) is a Chartered Accountant having more than 8 years of experience in the areas of Finance, Accounts and Taxation. She has expertise in the field of Accounts, Taxation and Finance.

The Company has received a notice in writing from shareholder pursuant to Section 160 of the Act, proposing the candidature of Smt. Neha Singhania (DIN- 06879112) for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

In the opinion of the Board, Smt. Neha Singhania (DIN- 06879112), who has been appointed as an Independent Director of the Company with effect from February 14 in the casual vacancy caused due to resignation of Sri S.N.Kabra (DIN-00556947), fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management. Considering her vast experience, her presence on the Board will be of immense value to the Company.

A copy of the draft letter of appointment of Smt. Neha Singhania (DIN- 06879112) as an Independent Director setting out the terms and conditions shall be placed at the meeting for inspection by the members and shall also be available for inspection at the registered office of the Company during business hours.

Except Smt. Neha Singhania (DIN- 06879112) the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The resolutions as set out in Item no. 4 of this Notice are accordingly recommended for your approval.

**ANNEXURE TO THE NOTICE****DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN  
THE 26TH ANNUAL GENERAL MEETING**

Pursuance to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements)  
Regulations, 2015

Name of Director	<b>Mrs. Sunita Dalmia</b>
DIN	00605973
Date of Birth	03.05.1964
Qualification	Graduate
Expertise in specific functional areas	She has come from business family and has possessed good business sense and administrative capabilities.
List of other Companies in which Directorship held (excluding in Foreign companies)	1. Molisati Vinimay Pvt. Ltd. 2. NIP Power Pvt. Ltd. 3. Balbhadra Infratech Pvt. Ltd. 4. Brex Technology Pvt. Ltd.
Chairman/Member of Committees of the Board of Directors of other Companies in which he is a Director (excluding in foreign Chairman of Companies)	Nil
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	7,72,400 Shares
<b>Name of Director</b>	<b>Mrs. Neha Singhania</b>
<b>DIN</b>	<b>06879112</b>
<b>Date of Birth</b>	<b>19.10.1984</b>
<b>Qualification</b>	<b>Chartered Accountant</b>
<b>Expertise in specific functional areas</b>	<b>Expertise in the field of Accounts, Finance and Taxation.</b>
<b>List of other Companies in which Directorship held (excluding in Foreign companies)</b>	<b>1. National Steel and Agro Industries Limited 2. NSIL Exports Limited 3. Eduintellect Platform Private Limited</b>
<b>Chairman/Member of Committees of the Board of Directors of other Companies in which he is a Director (excluding in foreign Chairman of Companies)</b>	<b>1. Audit Committee Member in NSIL Exports Limited 2. NRCM Committee Member of National Steel and Agro Industries Limited</b>
<b>Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.</b>	<b>Nil</b>



**DIRECTORS' REPORT TO SHAREHOLDERS**

Dear Shareholders,

Your Directors have pleasure in presenting their Report on the business and operations of your Company along with the Audited Accounts of the company for the year ended 31st March 2017.

**FINANCIAL RESULTS:**

Particulars	Current Year (₹ In Lac)	Previous Year (₹ In Lac)
Sales and other income	6711.11	6273.38
Profit before depreciation	274.47	274.37
Depreciation	180.86	214.31
Profit for the year	93.61	60.06
Provision for tax	(6.60)	17.11
Profit after tax	100.21	42.95
Profit brought forward from the previous year	1255.63	1212.31
Profit available for appropriation	1355.84	1255.63
Surplus carried to Balance Sheet	1355.84	1255.63

**OPERATIONS:**

During the year, the Company produced 32,580 MT and sold 33,256MT of sponge iron compared to previous year's production of 24,814 MT and sales of 24,328 MT. The company produced 9,137 MT and sold 9,269 MT of Pig Iron as compared to last year's production of 13,689 MT and sales of 13,445 MT. The market for Pig iron remained subdued during the year due to shortage of raw material and poor demand of steel and the increase in steel imports. The sluggish growth of real estate and infrastructure sector reduced the growth rate of demand for steel.

**DIVIDEND:**

Considering the need to conserve resources for the Company's ongoing capital expenditure programme, the Board of Directors of the Company do not recommend any dividend on the equity shares for the year ended 31st March, 2017.

**CLOSURE OF MEMBERS AND SHARE TRANSFER BOOKS:**

The Register of Members and Share Transfer Books of the Company will be closed with effect from 25th September, 2017 to 29th September, 2017 (both days inclusive) for the purpose of Annual General Meeting.

**TRANSFER TO RESERVES:**

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

**SHARE CAPITAL:**

The Authorized Share Capital of the Company is ₹ 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 Equity Shares of ₹10/- each. As on March 31, 2017 the paid-up share capital of the Company is ₹11,40,00,000 (Rupees Eleven Crores and Forty Lacs only) divided into 1,14,00,000 Equity Shares of ₹ 10/- each. During the year your Company has not issued any equity shares.

**DEPOSITS:**

During the year, the Company has not accepted any 'Deposits' as defined under the Companies Act, 2013.

**DIRECTORS:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Sunita Dalmia (DIN- 00605973), Non-Executive Promoter Director, retires by rotation at the forthcoming Annual General Meeting and Being eligible, offers herself for re-appointment.

The Board at its meeting held on 14th February, 2017, has appointed Mrs. Neha Singhania (DIN-06879112)

as an Independent Director in the casual vacancy caused due to resignation of Mr. S. N. Kabra (DIN-00556947) to hold office till the conclusion of the forthcoming Annual General Meeting and has proposed to appoint her as an Independent Director for a period of five years. Necessary resolutions together with explanatory statement have been included in the Notice of 26th Annual General Meeting as the above appointment is subject to the approval of the shareholders.

**PERFORMANCE EVALUATION:**

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

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

**DETAILS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:**

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

**AUDITORS REPORT & AUDITORS' OBSERVATION:**

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

**STATUTORY AUDIT:**

M/s Rustagi & Co., Chartered Accountants (Reg. No.301094E), retire as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting. The Audit Report given by the Auditors on the financial statements of your Company is part of the Annual Report. There has been no qualification, reservation or adverse remark given by the Auditors in their Report.

In accordance with Section 139 of the Act, listed Companies cannot appoint or reappoint the auditor for more than two terms of five consecutive years, if the Auditor is an Audit Firm. Existing Companies, which are covered under auditor rotation requirement, should comply with these requirements within three years from the date of commencement of the Act.

M/s Rustagi & Co., Chartered Accountants (Reg. No.301094E), Kolkata have been the Auditors of your Company since 1993-94 and have completed a term of 19 years (including three years of transitional period). It is now proposed to appoint Messers Bharat D. Sarawgee & Co, Chartered Accountants (Firm Registration Number-326264E) as Statutory Auditors of the Company. Further Messers Bharat D. Sarawgee & Co, Chartered Accountants (Firm Registration Number-326264E) have consented to be appointed as Statutory Auditors of the Company and have confirmed that their appointment, if made, would be in compliance with the provisions of Section 139 and 141 of the Act and Rules framed thereunder.

The Audit Committee and the Board, at their respective meetings held on August 14, 2017, recommended appointment of Messers Bharat D. Sarawgee & Co, Chartered Accountants (Firm Registration Number-326264E) as Statutory Auditors of the Company, from the conclusion of ensuing Annual General Meeting until conclusion 31st Annual General Meeting.

**SECRETARIAL AUDIT:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Messrs L.N.Panda & Associates, Rourkela a firm of company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure I". The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks for the year under review.

**AUDIT COMMITTEE RECOMMENDATION:**

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

## **SURAJ PRODUCTS LIMITED**

### **LISTING FEES:**

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

The respective listing fees for the above Stock Exchanges up to the year 2016-17 have been paid.

### **PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (prevention, prohibition and Redressal) Act, 2013 and the Rules framed thereunder.

Further, the Company has internal Complaint Committees for various locations of the Company in compliance with the above mentioned Act and Rules. During the Financial Year 2016-17, no complaint has been received.

### **SAFETY, HEALTH & ENVIRONMENT:**

The Company is committed to providing a safe and healthy working environment and achieving an injury and illness free work place. During the year under review, there was no lost time injury incident reported.

### **RECONCILIATION OF SHARE CAPITAL:**

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

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

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

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

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

During the year under review, there have been no material changes and commitments affecting the financial position of the Company.

### **NUMBER OF BOARD MEETINGS DURING F.Y. 2016-17:**

During the FY 2016-17 the number of meeting of Board of Directors of the Company comes to 4 (Four). The details of the number of meetings of the Board held during the financial year forms part of the Corporate Governance Report.

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

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

### **DECLARATION OF INDEPENDENCE:**

The Company has received Declaration of Independence from Mr. C.K.Bhartia (DIN- 00192694) and Mrs. Neha Singhania (DIN- 06879112), the Independent Directors of the Company as per sub-section (6) of Section 149 of the Companies Act, 2013.

**REMUNERATION & NOMINATION POLICY:**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The detail of the policy is explained in the Corporate Governance Report for the Year 2016-17.

**RELATED PARTY TRANSACTIONS:**

All transactions entered into with related parties (as defined under the Companies Act, 2013) during the financial year were in the ordinary course of business and on an Arm's length pricing basis, and do not attract the provisions of Section 188 of the Companies Act, 2013 and were within the ambit of clause 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant transactions with related parties during the financial year which were in conflict with interests of the Company. Suitable disclosure as required by the Accounting Standards has been made in the notes to the Financial Statements.

**VIGIL MECHANISM POLICY:**

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

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

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

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

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

**WHISTLE BLOWER POLICY:**

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

**STATEMENT PURSUANT TO LISTING AGREEMENT:**

Your Company's shares are listed with Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited. We have paid the annual listing fees and there are no arrears.

**PREVENTION OF INSIDER TRADING:**

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

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

**MANAGERIAL REMUNERATION:**

Executive Directors are paid remuneration by way of salary, commission, perquisites and retirement benefits as recommended by the Nomination and Remuneration Committee and approved by the Board and shareholders of the Company. Key Managerial Personnel and senior Management Personnel are paid remuneration by way of salary (comprising fixed components and variable component). Remuneration to Directors, Key Managerial personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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

# **SURAJ PRODUCTS LIMITED**

## **REGARDING KEY MANAGERIAL PERSONNEL:**

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

Mr. Y.K.Dalmia, Chairman

Mr. Gagan Goyal, Executive Director

Mr. M.K.Hati, Chief Financial Officer

Mr. A.N.Khatua, Company Secretary & Compliance Officer

## **EXTRACTS OF ANNUAL RETURN IN MGT- 9:**

The details forming part of the extract of the Annual Return for the year ended on 31st March, 2017, in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as Annexure- II and forms an integral part of this Report.

## **CORPORATE GOVERNANCE:**

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance, together with a certificate from the Company's Secretarial Auditors, form part of this Report.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of this Annual Report.

## **DISCLOSURES WITH RESPECT TO EMPLOYEES STOCK OPTION SCHEME:**

The Company does not have any Employee Stock Option Scheme.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

Details of loans, guarantees or investments are given in the notes to financial statements.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORY BODIES/ COURTS:**

During the financial year under review, no significant or material orders were passed by the Regulatory/ Statutory Authorities or the Courts which would impact the going concern status of the Company and its future operations.

## **ACKNOWLEDGEMENT AND APPRECIATION:**

Your Directors would like to place on record our sincere appreciation for the continued support given by the Banks, Government Authorities, customers, vendors, shareholders and depositors during the period under review. The Directors also appreciate and value the contributions made by the employees of our Company at all levels.

On behalf of the Board of Directors

Place: Barpali  
Date: 14th day of August, 2017

Y. K. Dalmia  
Chairman  
(DIN - 00605908)

**ANNEXURE TO THE DIRECTORS' REPORT:**

Statement pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended 31st March 2017.

**1. CONSERVATION OF ENERGY:**

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

ELECTRICITY		For the Year 2016-2017	For the Year 2015-2016
(a) Purchased Units	KWH	62,12,760	69,67,350
Amount	₹	3,59,73,123	40,04,16,25
Cost per Unit	₹	5.79	5.75
(b) Through Diesel Generator	KWH	1,99,223	3,19,130
Unit per Ltr. of Diesel		3.68	3.34
Cost per Unit *	₹	13.18	13.15

**POWER CONSUMPTION :**

Power Consumption per Unit of Production:

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

**2. TECHNOLOGY ABSORPTION :**

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

**3. INDUSTRIAL RELATIONS :**

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

**4. FOREIGN EXCHANGE OUTGO:**

	Current Year (₹)	Previous Year (₹)
Purchase of Store & Spares:	Nil	29,71,789
Travelling Expenses:	1,04,945	1,19,319
Purchase of Capital Goods	19,42,629	5,43,930

On behalf of the Board of Directors  
Sd/-

Place: Barpali  
Date: 14th day of August, 2017

Y.K.Dalmia  
Chairman  
(DIN-00605908)

**Form No. MR3  
SECRETARIAL AUDIT REPORT**

For The Financial Year Ended On 31st March, 2017

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of Companies (Appointment and Remuneration Personnel) Rules, 2014).

To  
The Members,  
Suraj Products Limited  
At- Barpali, Po- Kesaramal  
Rajgangpur, Odisha-770017

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Suraj Products Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.



- (vi) Other Applicable Acts,
- (a) Factories Act, 1948,
  - (b) Payment of Wages Act, 1936, and rules made there under,
  - (c) The Minimum Wages Act, 1948, and rules made there under,
  - (d) Employees' State Insurance Act, 1948, and rules made there under,
  - (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
  - (f) The Payment of Bonus Act, 1965, and rules made there under,
  - (g) Payment of Gratuity Act, 1972, and rules made there under,
  - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
  - (i) Food Safety and Standards Act, 2006, and rules made there under.

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

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

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

We further report that,

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

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

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

Place: Rourkela  
26th day of June, 2017

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

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

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Rourkela  
26th day of June, 2017

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

**Annexure –II  
Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
As on March 31, 2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	SPONGE IRON	3303	68%
2	PIG IRON	3304	27%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Company has no holding, subsidiary and associate companies.

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

- i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	% Change during the year
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	19,84,800	0	19,84,800	17.41	19,84,800	0	19,84,800	17.41	0
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0
d) Bodies Corp.	59,17,000	0	59,17,000	51.90	59,17,000	0	59,17,000	51.90	0
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-total (A) (1):-</b>	<b>79,01,800</b>	<b>0</b>	<b>79,01,800</b>	<b>69.31</b>	<b>79,01,800</b>	<b>0</b>	<b>79,01,800</b>	<b>69.31</b>	<b>0</b>

# SURAJ PRODUCTS LIMITED

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Share	% Change during the year
<b>(2) Foreign</b>									
a) NRIs -Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other -Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>79,01,800</b>	<b>0</b>	<b>79,01,800</b>	<b>69.31</b>	<b>79,01,800</b>	<b>0</b>	<b>79,01,800</b>	<b>69.31</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0
d) State Govt	0	0	0	0.00	0	0	0	0.00	0
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0
g) FIs	0	0	0	0.00	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	12,98,907	63,300	13,62,207	11.92	1106923	63,300	1170223	10.26	1.66
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,91,737	16,22,600	20,14,337	17.70	3,88,495	16,07,200	19,95,695	17.50	0.20
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	95,056	26,600	1,21,656	1.07	3,05,682	26,600	3,32,282	2.91	1.84
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>17,85,700</b>	<b>17,12,500</b>	<b>34,98,200</b>	<b>30.69</b>	<b>18,01,100</b>	<b>16,97,100</b>	<b>34,98,200</b>	<b>30.69</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>96,87,500</b>	<b>17,12,500</b>	<b>1,14,00,000</b>	<b>100</b>	<b>97,02,900</b>	<b>16,97,100</b>	<b>1,14,00,000</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters:**

SI No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Nip Power Pvt. Ltd.	28,27,000	24.8	0	28,27,000	24.8	0	0
2	Molisati Vinimay Pvt. Ltd.	25,50,000	22.36	0	25,50,000	22.36	0	0
3	Y.K.Dalmia	9,91,500	8.7	0	9,91,500	8.7	0	0
4	Sunita Dalmia	7,72,400	6.78	0	7,72,400	6.78	0	0
5	Balbhadra Infratech Pvt. Ltd.	5,40,000	4.74	0	5,40,000	4.74	0	0
6	Nivedita Dalmia	1,10,900	0.97	0	1,10,900	0.97	0	0
7	Nandita Dalmia	1,10,000	0.96	0	1,10,000	0.96	0	0
	<b>Total</b>	<b>79,01,800</b>	<b>69.31</b>	<b>0</b>	<b>79,01,800</b>	<b>69.31</b>	<b>0</b>	<b>0</b>

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

There was no change in the promoters' shareholding during the financial year ended March 31, 2017. The shareholding of promoters is same as mentioned above in the shareholding pattern.

SI No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Paramjyoti Commercial Pvt. Ltd.	0	0.0000	5,00,000	4.38
2	Superior Retail Pvt. Ltd.	0	0.0000	5,00,000	4.38
3	Meena Bhartiya	0	0.0000	1,92,000	1.68
4	Nand Lal Bhartiya	95,056	0.8338	1,13,682	0.99
5	Elan Capital Advisors Pvt. Ltd.	28,200	0.2474	28,200	0.25
6	Rabindra Kumar Bachhawat	26,600	0.2333	26,600	0.23
7	Bengani Securities Pvt. Ltd.	18,799	0.1649	18,799	0.16
8	VSL Securities Pvt. Ltd.	17,100	0.1500	17,100	0.15
9	Deepak Das	14,000	0.1228	14,000	0.12
10	Sagar Chandulal Jain	12,633	0.11	12,633	0.11

# SURAJ PRODUCTS LIMITED

## (iv) Shareholding of Directors and Key Managerial Personnel:

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Y.K.Dalmia, Chairman</b>				
	At the beginning of the year	9,91,500	8.69	9,91,500	8.69
	Increase / Decrease in Share holding during the year	--	---	--	--
	At the End of the year	--	--	9,91,500	8.69
2	<b>Sunita Dalmia, Director</b>				
	At the beginning of the year	7,72,400	6.78	7,72,400	6.78
	Increase / Decrease in Share holding during the year	--	--	--	--
	At the End of the year	--	--	7,72,400	6.78
3	<b>M.K.Hati, CFO</b>				
	At the beginning of the year	500	0.004	500	0.0044
	Increase / Decrease in Share holding during the year	--	--	--	--
	At the End of the year	--	--	500	0.0044
4	<b>A.N.Khatua, Company Secretary</b>				
	At the beginning of the year	500	0.004	500	0.0044
	Increase / Decrease in Share holding during the year	--	--	--	--
	At the End of the year	500	0.004	500	0.0044

## V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	77,82,715	6,88,72,772	-	7,66,55,487
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	77,82,715	6,88,72,772	-	7,66,55,487
Change in Indebtness during the financial year				
• Addition	14,16,04,402	8,05,00,000	-	22,21,04,402
• Reduction	1,13,47,435	2,89,86,799	-	4,03,34,234
Net Change Indebtness	13,80,39,681	12,03,85,973	-	25,84,25,654
At the end of the financial year				
i) Principal Amount	13,80,39,681	12,03,85,973	-	25,84,25,654
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	25,26,272	1,07,78,824	-	1,33,05,096
Total (i+ii+iii)	14,05,65,953	13,11,64,797	-	27,17,30,750

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

Sl. no.	Particulars of Remuneration	Name of Chairman/WTD/ Manager		Total Amount (amount in ₹)
		Y. K. Dalmia - Chairman	Gagan Goyal - Executive Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, C201, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	39,00,000	7,52,040	46,52,040
		-	48,040	48,040
		-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>39,00,000</b>	<b>8,00,080</b>	<b>47,00,080</b>

**B. Remuneration to other directors: NIL**

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	2,87,254	6,60,254	9,47,508
		48,040	48,040	96,080
		-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit others, specify...	-	-	-
		-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>3,35,294</b>	<b>7,08,294</b>	<b>10,43,588</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties/punishments/compounding of offences for the financial year ended March 31, 2017.



**REPORT ON CORPORATE GOVERNANCE 2016-17:**

[As required under Schedule V of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company believes that ethical and fair behavior is as important in Business as in personal life and that all our policies and actions must be grounded in this- that we are a member of the communities we live and work in as individuals and as a Company and have responsibility to be fair, decent and avoid causing harm.

This will help the Company achieve its goals of maximizing value to the shareholders and simultaneously fulfill its obligations to the other stakeholders such as customers, vendors, employees and to the society in general.

The Company recognizes that strong Corporate Governance is indispensable to resilient and vibrant capital markets and is therefore an important instrument of investor protection.

The Company continues to remain committed to a corporate culture of conscience and consciousness, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

**1. BOARD OF DIRECTORS:**

Your Company's Board of Directors (Board) decides the policy and strategy for the Company and has the overall superintendence and control over the management of the Company. They also ensure that good Corporate Governance policies and practices are implemented in the Company. In the course of discharging their duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

**A. Board Composition:**

As on 31st of March, 2017, 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 Directors. Details of composition of Board of Directors are given below:

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

**B. Board Meetings:**

During the year 2016-17, the Board of the Company met four times on: 30/05/2016, 06/08/2016, 14/11/2016 and on 14/02/2017.

All the meetings were held in such manner that the gap between two consecutive meetings was not more than four months.

Name of the Directors	Attendance Particulars Chairmanship / Membership		Number of other Directorship and Committee		
	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	1
Sri S.N. Kabra	3	Yes	6	4	2
Sri R. P. Agarwal	2	Yes	--	3	--
Sri Gagan Goyal	4	Yes	--	2	--
Sri C.K.Bhartia	2	Yes	4	4	--
Smt. Neha Singhania	2	--	3	4	2

**2. AUDIT COMMITTEE:**

The Audit Committee consists of Smt. Neha Singhania, Sri C.K.Bhartia and Sri Gagan Goyal. Smt. Neha Singhania acts as Chairman of the Committee. During the period under review four Audit Committee meetings were held on 30/05/2016, 06/08/2016, 14/11/2016 and on 14/02/2017. The composition of the Audit Committee and attendance of its meetings are given below:

Name of the Directors	No. of Audit Committee Meeting Attendance
Sri S.N. Kabra	3
Sri R.P.Agarwal	2
Sri C.K.Bhartia	2
Smt. Neha Singhania	2
Sri Gagan Goyal	4

**Term of reference of the Audit Committee:**

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

**3. REMUNERATION COMMITTEE:**

A Committee of Directors comprising of Smt. Sunita Dalmia, Sri C.K.Bhartia and Smt. Neha Singhania has been formed as Compensation / Remuneration Committee for the purpose of recommending of the Executive Director, Senior Executives and Key Managerial Personnel's remuneration / revision / merit increment and related matters. No sitting fees are payable for the meeting of this Committee. Smt. Sunita Dalmia acts as Chairman of the Committee.

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

**4. MANAGERIAL REMUNERATION:**

The remuneration of Chairman was fixed in the AGM held on 27.09.2014 and the remuneration of Executive Director was fixed in the AGM held on 28.09.2016.

**(a) REMUNERATION TO DIRECTORS:**

Following remuneration was paid to Directors during the Financial Year 2016-17:

Mr. Y.K.Dalmia, Chairman	- ₹ 39,00,000 (39,00,000)
Mr. Gagan Goyal, Executive Director	- ₹ 7,52,040 (7,04,040)

**5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:**

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

During the financial year 2016-17 the Committee held four meetings 30/05/2016, 06/08/2016, 14/11/2016 and on 14/02/2017.

The committee received 22 complaints from investors during the year and all of have been resolved. There is no complaint outstanding at the end of the year.

Sri A.N.Khatua acts as Compliance Officer to this Committee under the Security Exchange Board of India (SEBI) Notification.

## **SURAJ PRODUCTS LIMITED**

### **6. SHARE TRANSFER COMMITTEE:**

The Company has a Share Transfer Committee consisting of Sri Y. K. Dalmia, Sri C.K.Bhartia, 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 29.05.2017.

### **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	No. of Special Resolution
27th Sept. 2013	Registered Office of the Company at Barpali	11.30 A.M.	3
27th Sept. 2014	Registered Office of the Company at Barpali	11.30 A.M.	--
28th Sept. 2015	Registered Office of the Company at Barpali	11.30 A.M.	--
28th Sept. 2016	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 108 of the Companies Act, 2013.

### **10. DISCLOSURES:**

- RELATED PARTY DISCLOSURE: There are no materially significant related party transactions with its Promoters, the Directors or the Management and their Subsidiaries or relatives etc. which may have potential conflict with the interest of the Company at large.
- NON-COMPLIANCE PENALTIES: There were no instances of non-compliances and no penalties/ strictures have been imposed/ passed by Stock Exchange, SEBI or any other statutory authority during last three years on any matter related to the capital markets.
- 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.
- During the financial year 2016-17, there is no audit qualification in the Company's Financial Statements.

### **11. MEANS OF COMMUNICATION:**

- The quarterly and annual financial results are normally published in Business Standard (English and Hindi edition) and the Utkal Mail (Oriya daily) and also posted on the website of the Company ([www.surajproducts.com](http://www.surajproducts.com)).
- The financial results are displayed on the Company's Website viz: [www.surajproducts.com](http://www.surajproducts.com)
- The Management Discussion and Analysis Report is attached with Director's Report in this 26th Annual Report of the Company posted to the Share holders.

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

#### a. 26th Annual General Meeting:

Day	Date	Time	Venue
Friday	29th September, 2017	11:30 AM	Regd. Office: Vill: Barpali, P. O.: Kesramal (Rajgangpur), Dist.: Sundargarh, Odisha.
Date of Book Closure	The Company's Register of members & share books will remain closed from 25th Sept. to 29th Sept. 2017		

- b. Financial Calendar: Approval of quarterly results: May, August, November and February. Annual General Meeting in September each year.
- c. Listing at Stock Exchange: (i) Bombay Stock Exchange Ltd. (ii) Calcutta Stock Exchange Ltd.
- d. Stock Code: 518075 at BSE and 13054 at CSE
- e. Dematerialization of shares and liquidity:

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

- |   |  |
|---|--|
| 1. National Securities Depository Limited<br>(ISIN –INE069E01019)<br>Trade world, 4th Floor,<br>Kamala Mills Compound<br>Lower parel, Mumbai – 400013 | 2. Central Depository Services (India) Limited<br>(ISIN – INE069E01019)<br>Phiroze Jeejeebhoy Towers,<br>28th Floor, Dalal Street, Senapati Bapat Marg,<br>Mumbai – 400023 |
|---|--|

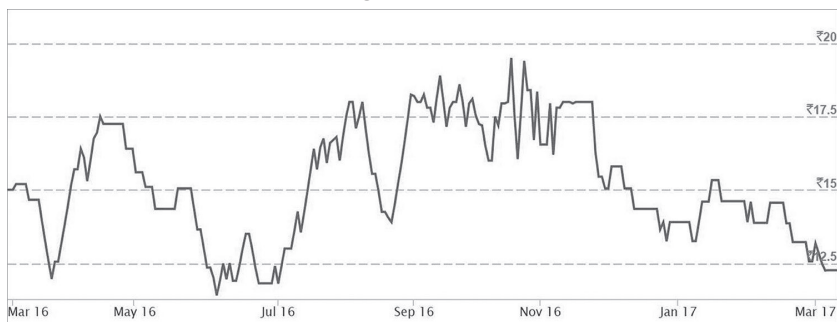
No. of Shares held in dematerialized and physical mode as on 31st March, 2017 is as under:

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in CDSL	81,90,134	71.85
Held in dematerialized form in NSDL	14,97,366	13.13
Physical	17,12,500	15.02
<b>TOTAL</b>	<b>1,14,00,000</b>	<b>100.00</b>

**f. Market price data: Monthly High/ Low price per share during 2016-17:**

Months	BSE Limited	
	High (Rs.)	Low (Rs.)
April, 2016	18.35	14.95
May, 2016	15.8	13
June, 2016	13.5	11.4
July, 2016	16.86	11.8
August, 2016	18.5	13.6
September, 2016	19.7	16.3
October, 2016	21.35	15.8
November, 2016	19.7	14.65
December, 2016	16.55	13
January, 2017	16.09	13.25
February, 2017	14.59	12.56
March, 2017	15.64	11.9

**g. Share Price performance during 2016-17:**



## SURAJ PRODUCTS LIMITED

### h. Public Deposit:

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

### i. Registrar & Share Transfer Agent:

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

### j. CIN Number: The CIN of the Company granted by Ministry of Corporate affairs is L26942OR1991PLC002865

### k. 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 2017:

### a. Details of shareholding as on 31st March, 2017

Category	No. of Shares	% of Share Holding
Promoters Group	79,01,800	69.32
Private Corporate Bodies	11,70,223	10.26
Indian Public	23,27,977	20.42
<b>Total</b>	<b>1,14,000,00</b>	<b>100.00</b>

### b. Distribution of shareholding as on 31st March, 2017:

Category	No. of Shares	No. of Shareholder	Percent Shares	Percent Holders
1 - 500	12,53,753	8,054	10.9978	93.8148
501 - 1000	2,77,693	312	2.4359	3.6342
1001 - 5000	3,80,991	182	3.342	2.1199
5001 - 10000	1,50,249	19	1.3180	0.2213
10001 - 50000	1,29,832	7	1.1389	0.0815
50001 - 100000	1,10,000	1	0.9649	0.0116
and Above	90,97,482	10	79.8025	0.1165
<b>Total</b>	<b>11400000</b>	<b>8585</b>	<b>100.0000</b>	<b>100.0000</b>

### c. Shareholding pattern as on March 31, 2017:

Category	No of shareholders	Total Share	% of Equity
Promoter & Promoter Group	7	79,01,800	69.32
Resident Individuals	8513	23,27,977	20.42
Body Corporate	65	11,70,223	10.26
<b>Total</b>	<b>8585</b>	<b>114,00,000</b>	<b>100%</b>

**14. SECRETARIAL AUDIT:**

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

**15. CORPORATE ETHICS:**

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

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

**16. COMPLIANCE CERTIFICATE OF AUDITORS:**

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

**17. PLANT - LOCATION:**

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

**18. ADDRESS FOR CORRESPONDENCE:**

SURAJ PRODUCTS LIMITED  
Village– Barpali, Post – Kesramal (Rajgangpur)  
Dist – Sundargarh, Odisha, PIN – 770 017  
EPBxNo:-9437049074,E-mail: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, 2017 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, 2017. 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 29th day of May, 2017

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, 2017.

For Suraj Products Limited

Place: Barpali  
Date: 29th day of May, 2017

Sd/-  
Y. K. Dalmia  
Chairman  
(DIN - 00605908)

### **CERTIFICATE OF CHAIRMAN AND CHIEF FINANCIAL OFFICER ON CORPORATE GOVERNANCE:**

The Board of Directors  
Suraj Products Limited

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.



- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017 which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Barpali

Date: 29th day of May, 2017

Sd/-  
Y.K.Dalmia  
Chairman  
(DIN-00605908)

Sd/-  
M.K.Hati  
Chief Financial Officer (CFO)

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## **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

### **GLOBAL ECONOMIC INSIGHT:**

The world economy is gaining its stability and moving towards a path of encouraging growth, after recovering from a sustained period of sluggishness. Supported by buoyant financial markets, along with improvement in manufacturing and trade sectors, the global economy is expected to grow from 3.1% in 2016 to 3.5% in FY 17.

The performances of advanced economies had been promising in the second half of 2016. US based firms are anticipating a growth in their future demand. Euro zone witnessed an increased domestic demand after sustaining low growth and deflationary tendencies for some time because of geopolitical uncertainties.

If these trends continue, the world economy is expected to gain back its momentum in the medium term. However the growing trend towards protectionism could prove detrimental to global trade.

Today, however, the major players of the world economy are the developing countries and their emerging markets. These countries account for 75% of global growth; almost twice than the share they had two decades ago. Though the growth patterns in these economies are varied, there is a general sense of cautious optimism all over the world.

### **INDIAN ECONOMIC REVIEW:**

In FY 17, India's GDP showed promising growth of 7.1%, which was aided by encouraging macroeconomic stability. The Country recently emerged as the sixth-largest manufacturing country in the world. While this growth is being driven by the emerging urban clusters, the rural economy is also showing improvements after almost five years. The overall environment will help India gain momentum.

### **FACTORS DRIVING GROWTH**

#### **UPLIFTING RURAL DEMAND:**

The Indian Government is endeavoring to create world class infrastructure in the Country. It is planning to

## **SURAJ PRODUCTS LIMITED**

invest Rs. 25 trillion in infrastructure over next three years; Rs. 8 trillion will be used to develop 27 industrial clusters, while Rs. 5 trillion will be used for building roads, railways and port connectivity.

### **CHANGING RURAL DEMAND:**

Indian's rural sector is slowly undergoing a transformation. Consumption patterns of people are slowly changing, facilitated by improved networking. People in villages are seeking information proactively from multiple sources, which also include social media.

Policy reforms: 2016-17 remained significant for the country because several policy reforms implemented by the Government of India. The reforms include the creation of Monetary Policy Committee (MPC), Insolvency and Bankruptcy Code (IBC), the passage of the Goods and Services Tax (GST) Act, and finally, the demonetization of high denomination notes to move towards a less- cash formal economy.

The GST is being seen as a crucial reform, as it is anticipated to bring greater transparency in the country's indirect tax structure. On the other hand, despite causing some temporary hardship, demonetization is expected to yield long-term benefits for the country. It would bring formalization and digitization of the economy.

### **OUTLOOK:**

India is expected to grow sustainably in days to come, owing to macro-economic stability, increase in domestic demand, a growing customer base comprising the youth and of course, government impetus towards reforms.

### **INDUSTRY STRUCTURE & DEVELOPMENT:**

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

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

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

### **COMPANY'S PERFORMANCE:**

Gross Turnover	:	₹	669,372,587
Profit before Taxation	:	₹	9,361,177
Profit after Taxation	:	₹	10,021,274

### **OPPORTUNIES, THREATS & FUTURE OUTLOOK:**

#### **a) OPPORTUNITIES:**

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

**c) OUTLOOK:**

The Government of India has initiated favorable measures for restricting imports. The initiative has provided necessary support for the steel industry in maintaining prices. The Government has also announced investments in infrastructure and housing projects, which will help in sustaining the steel demand.

**RISK AND CONCERN:**

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

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

In accordance with the Accounting Standard 17 issued by the Companies (Accounting Standards), Rules, 2006 including any further amendments thereof, the Company has a single business segment having two products namely Sponge iron and Pig Iron.

During the year, the Company produced 32,580 MT of sponge iron compared to 24,814 MT in the previous year. The production of pig iron for the year was 9,137 MT as compared to last year's production of 13,689 MT. Sales of sponge iron during the year totaled to 33,256 MT in compared to 24,328 MT in the previous year. Pig iron sales during the year totaled to 9,269 MT in comparison to last year's sale of 13,445 MT. 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. The Human Resources Department of the Company focuses on improving the work culture, employee engagement, effectiveness and efficiency. Various employee engagement inventions carried out in the year has resulted in better performance. On the safety front, the Company is focused on ensuring the safety of all employees. No Loss Time injury was reported during the year. The Company has maintained healthy and cordial industrial relations during the year.

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

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

**SAFETY MEASURES:**

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

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

**SAFETY TRAINING:**

Training of various Safety Standards is imparted to all employees.

**HEALTH CHECK- UP:**

About 36 Medical Camps with qualified and experience medical practitioners were conducted in nearby villages and about 2,200 patients availed the service.

**CAUTIONARY STATEMENT:**

Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results could differ materially from those stated above. Important factors that could make a difference to the Company's operation include, among others, economic condition affecting demand/supply and price conditions in the market in which the company operates, changes in Government regulations, tax laws and others statutes and incidental factors.

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**SURAJ PRODUCTS LIMITED**

**Reports on the Standalone Financial Statements**

We have audited the accompanying Standalone Financial Statements of “**M/s SURAJ PRODUCTS LIMITED**” (the “Company”), which comprise of the Balance Sheet as at 31st March, 2017, the related Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

**Management's responsibility for the Standalone Financial Statements.**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these standalone 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the said

standalone financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017
- b) in the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

As required by the Companies (Auditor's Report) Order, 2016("The Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 we give in the Annexure A, a statement on the matters specified in Paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Companies Act, 2013 we report that:

- a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the standalone financial statements dealt with by this report comply with the applicable accounting standards referred to in Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors , as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and information and according to the explanation given to us:-
  - 1) The company has disclosed the impact of pending litigation on its financial position in its financial statement as stated in Note 32 to the financial statements.
  - 2) The company has not entered into any long term contracts including derivative contracts and hence it is not required to make provision for material foreseeable losses, as required under the applicable law or Accounting Standards.
  - 3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.
  - 4) The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the specified period and the same is in accordance with the books of accounts maintained by the company.

Place: Barpali  
Date: 29th day of May, 2017

For **RUSTAGI & Co.**  
Chartered Accountants  
Firm Registration No. 301094E  
**ASHISH RUSTAGI**  
*Partner*  
Membership No. : 062982

**ADDITIONAL INFORMATION ANNEXED TO THE INDEPENDENT AUDITORS' REPORT**

As required by the Companies (Auditor's Report) Order, 2016, issued by the Company Law Board in terms of section 143(11) of the Companies Act, 2013, and on the basis of such checks as we considered appropriate and as per the information and explanations given to us during the course of audit, we further state that:

- (i) In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to information and explanation given to us the stocks have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, according to the information and explanation given to us:
  - (a) The company has not granted any secured/ unsecured loans & advances to companies, firms, Limited Liability Partnerships & other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and as per the information & explanations given to us, the Company has not given any loans during the year and hence, the provisions of Section 185 and 186 of the Act are not applicable to the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Hence the directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.
- (vi) In our opinion and based on the information and explanation given to us, the Central Government of India has not prescribed the maintenance of cost records under u/s 148 (1) of the Companies Act for any of the products of the company.
- (vii) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, service tax, excise duty, cess and other material statutory dues applicable to it.
  - (a) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, provident fund, employee state insurance, sales tax, excise duty and other material statutory dues were in arrears, as at 31st March, 2017 for a period of more than six months from the date they became payable.
  - (b) According to information and explanation given to us, there are disputed Sales Taxes, Entry Tax and Excise Duty which has not yet been paid and are pending in at forum for redressal of dispute. The particulars of dues of Excise Duty, Sales Tax, Entry Tax which has not yet been deposited on account of dispute are as follows:



Name of Statute	Nature of Dues	Amount in ₹	Period to which the amount relates to	Forum where the dispute is pending
The Orissa Sales Tax Act 1947	Dispute regarding ITC	3,68,720	2005-2006 to 2007-2008	Additional Commissioner Sales Tax (Appeals) North Zone, Sambalpur
The Orissa Sales Tax Act 1947	Dispute regarding ITC	8,09,148	01.10.2008 to 31.03.2012	Additional Commissioner Sales Tax (Appeals) North Zone, Sambalpur
The Orissa Entry Tax Rules, 1999	Entry Tax on Inter-State Purchases	9,70,000	2002-2003 to 2003-2004	Dy. Commissioner (Appeals) Sundargarh Range, Rourkela
The Orissa Entry Tax Rules, 1999	Entry Tax on Inter-State Purchases	87,000	2005-2006 to 2007-2008	Additional Commissioner of Sales Tax (Appeals). North Zone, Sambalpur.
The Orissa Entry Tax Rules, 1999	Entry Tax on Inter-State Purchases	2,10,378	01.10.2008 to 31.03.2012	Additional Commissioner Sales Tax (Appeals) North Zone, Sambalpur
Central Sales Tax, 1956	Non- submission of C- Form Declaration	3,11,693	2004-2005	Additional. Commissioner Sales Tax (Appeals), North Zone, Sambalpur
Central Sales Tax, 1956	Non- submission of H-Form Declaration	28,57,240	2006-2007 to 2007-2008	Additional Commissioner of sales tax (Appeals) North Zone, Sambalpur
Income Tax Act, 1961	Reopening Proceedings U/s 147	5,51,157	2009-2010	Commissioner of Income Tax (Appeals)

- (viii) Based on our audit procedures and on the according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and bank. The company does not have any borrowings by way of debentures.
- (ix) According to the information and explanation given to us, monies raised by way of the term loans during the year have been applied by Company for the purpose for which they were raised.
- (x) According to the information and explanations given to us, we report that no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanation given to us and based on the examination of records of the company, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act.
- (xii) In our opinion and according to the information and explanation given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 & 188 of the Companies Act and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the company has not made private placement or preferential allotment of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **RUSTAGI & Co.**

Chartered Accountants

Firm Registration No. 301094E

**ASHISH RUSTAGI**

*Partner*

Membership No. : 062982

Place: Barpali

Date: 29th day of May, 2017



**ANNEXURE - B TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Suraj Products Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Barpali

Date: 29th day of May, 2017

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

**ASHISH RUSTAGI**

*Partner*

Membership No. : 062982

**SURAJ PRODUCTS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2017**

Particulars	Note No.	As at	As at
		March 31, 2017 (₹)	March 31, 2016 (₹)
<b>I. <u>EQUITY AND LIABILITIES</u></b>			
<b>(1) <u>Shareholders' Funds</u></b>			
(a) Share Capital	3	114,000,000	114,000,000
(b) Reserves & Surplus	4	192,237,453	182,216,179
<b>(2) <u>Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	5	270,704,439	69,131,852
(b) Deferred Tax Liabilities	6	8,236,854	8,917,677
(c) Other Non- Current Liabilities	7	537,568	537,568
<b>(3) <u>Current Liabilities</u></b>			
(a) Short Term Borrowings	8	170,272,015	171,745,721
(b) Trade Payables	9	19,260,361	22,295,648
(c) Other Current Liabilities	10	8,548,953	15,815,532
(d) Short Term Provisions	11	301,093	705,785
<b>TOTAL</b>		<b>784,098,736</b>	<b>585,365,962</b>
<b>II. <u>ASSETS</u></b>			
<b>(1) <u>Non-Current Assets</u></b>			
(a) Fixed Assets			
(i) Tangible Assets	12	387,968,706	200,062,120
(b) Long Term Loans & Advances	13	11,159,768	5,370,552
<b>(2) <u>Current Assets</u></b>			
(a) Inventories	14	255,598,204	271,297,436
(b) Trade Receivables	15	34,047,855	36,960,290
(c) Cash & Bank Balances	16	40,442,176	17,967,206
(d) Short Term Loans & Advances	17	54,882,027	53,708,358
<b>TOTAL</b>		<b>784,098,736</b>	<b>585,365,962</b>

See accompanying notes 1 to 37 forming integral part of 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 : Barpali

Dated: the 29th day of May, 2017

**For and on behalf of Board of Directors**

Y. K. Dalmia

Chairman

(DIN-00605908)

A.N. Khatua  
Company Secretary

S Dalmia

Director

(DIN-00605973)

M.K. Hati

CFO

C.K. Bhatia

Director

(DIN-0192694)

Gagan Goyal  
Executive Director  
(DIN-00678938)

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2017**

Particulars	Note No	For Year ended March 31, 2017 (₹)	For Year ended March 31, 2016 (₹)
<b>Revenue</b>			
I Revenue From Operations (Gross)	18	669,372,587	625,142,472
Less : Excise Duty		71,594,139	68,798,173
Revenue From Operations (Net)		597,778,448	556,344,299
II Other Income	19	1,739,087	2,195,297
<b>III Total Revenue (I+II)</b>		<b>599,517,535</b>	<b>558,539,596</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	20	402,464,793	451,931,626
Change in Inventories of Finished Goods	21	47,439,401	(49,991,756)
Manufacturing & Operating Costs	22	64,247,007	71,493,605
Employee Benefits Expense	23	20,343,971	22,383,189
Finance Costs	24	26,639,448	21,962,761
Depreciation and Amortisation Expense	12	18,086,400	21,431,588
Other Expenses	25	10,935,338	13,322,961
<b>Total Expenses</b>		<b>590,156,358</b>	<b>552,533,974</b>
<b>V Profit Before Tax</b>		9,361,177	6,005,622
<b>VI Less: Tax Expenses</b>			
(a) Current Tax		1,783,772	3,066,547
(b) Tax relating to prior years		20,726	31,111
(c) Deferred Tax		(680,823)	(1,386,645)
(d) Mat Credit		(1,783,772)	-
<b>VII Profit for the year</b>		10,021,274	4,294,609
<b>VIII Earnings per share (of ₹ 10/-each)</b>			
(a) Basic		0.88	0.38
(b) Diluted		0.88	0.38

See accompanying notes 1 to 37 forming integral part of 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 : Barpali

Dated: the 29th day of May, 2017

**For and on behalf of Board of Directors**

Y. K. Dalmia

Chairman  
(DIN-00605908)

A.N. Khatua  
Company Secretary

S Dalmia

Director  
(DIN-00605973)

M.K. Hati  
CFO

C.K. Bhatia

Director  
(DIN-0192694)

Gagan Goyal  
Executive Director  
(DIN-00678938)

**SURAJ PRODUCTS LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
	(₹)	(₹)
<b>A Cash Flow from Operating Activities</b>		
Net Profit before Tax and extra ordinary items	9,361,177	6,005,622
<b>Add/(Deduct)</b>		
Depreciation and amortisation	18,086,400	21,431,588
Profit on sale of Investment	-	(252,316)
Financial charges	26,639,448	21,962,761
<b>Operating Cash Profit before Working Capital Add/Deduct</b>	<b>54,087,025</b>	<b>49,147,655</b>
Increase in Trade Payable	(3,024,248)	(7,805,138)
(Increase)/Decrease in Trade & Other receivable	2,912,435	13,530,646
Increase in Inventories	15,699,232	(97,738,598)
Increase in Other Current Liabilities	(763,616)	1,586,351
Increase/Decrease in Advances	232,568	9,476,843
Cash flow from Operation	69,143,396	(31,802,241)
Direct Tax Paid	(3,718,795)	(3,620,573)
Net Cash Inflow/(Outflow) from Operating Activities	65,424,601	(35,422,814)
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(205,992,986)	(10,960,634)
Capital Advances	(3,913,115)	(2,811,765)
Sale of Investment	(209,906,101)	502,316
Net Cash Outflow from Investing Activities	(209,906,101)	(13,270,083)
<b>C Cash Flow from Financing Activities</b>		
(Repayment)/Proceeds from Long -Term Borrowing(Net)	195,075,264	49,118,180
Proceeds from Short -Term Borrowing	(1,473,706)	19,986,827
Dividend Paid	(5,640)	(7,221,136)
Corporate Dividend Tax	-	(1,595,531)
Financial charges paid	(26,639,448)	(21,962,761)
<b>Net Cash Flow from Financing Activities</b>	166,956,469	38,325,579
<b>Net Cash Flow during the Year(A+B+C)</b>	<b>22,474,970</b>	<b>(10,367,318)</b>
Cash and Cash Equivalent (Opening Balance)	17,967,206	28,334,524
Cash and Cash Equivalent (Closing Balance)	40,442,176	17,967,206
<b>Reconciliation of Cash &amp; Cash equivalents with the Balance Sheet</b>		
Cash & Cash equivalents as per the Balance Sheet Note 16	40,442,176	17,967,206
<b>Less. Bank Balance not considered as cash and cash equivalent as definition in AS 3</b>		
- Deposit under lien	12,906,206	11,868,537
- Unpaid Dividend Account	4,041,139	4,046,779
<b>Net cash &amp; cash equivalent (as defined in AS - 3)</b>	<b>23,494,831</b>	<b>2,051,890</b>

See accompanying notes 1 to 37 forming integral part of 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 : Barpali

Dated: the 29th day of May, 2017

**For and on behalf of Board of Directors**

Y. K. Dalmia  
Chairman  
(DIN-00605908)

S Dalmia  
Director  
(DIN-00605973)

C.K. Bhatia  
Director  
(DIN-0192694)

A.N. Khatua  
Company Secretary

M.K. Hati  
CFO

Gagan Goyal  
Executive Director  
(DIN-00678938)

## NOTES TO FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

Suraj Products Limited which has its manufacturing facility in Sundargarh, Odisha is engaged in production of sponge iron by direct reduction of iron ore, Pig iron & generation of power from waste heat.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of Preparation of Financial Statements:

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

#### B. Use of Estimates:

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

#### C. Recognition of Income & Expenditure:

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

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

#### D. Fixed Assets & Depreciation:

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

##### Depreciation

- Depreciation has been provided on pro-rata basis on assets acquired after 01.04.2002 on a Written down Value Method and on assets acquired prior to 01.04.2002 on a straight Line Basis Method.
- Effective 1st April, 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- Depreciation, useful lives and residual values are reviewed periodically, at each financial year end.
- The carrying amount of assets whose remaining useful life is nil after retaining the residual value of five percent where available has been adjusted against retained earnings.
- 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. Inventories:

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

- 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.
- 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.

#### F. Employees Benefits:

##### (i) Short Term

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

##### Defined-contribution plans

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

employees perform the services that the payment covers.

### (ii) **Leave Encashment**

Retirement and other employee benefits

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

### **G. Accounting For Taxation:**

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

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

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

### **H. Borrowing Cost:**

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

### **I. Impairment of Assets:**

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

### **J. 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.

### **K. 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 the Statement of Profit and Loss. The exchange difference arising on the purchase of capital assets have been capitalized.

### **L. 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.

### **M. 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.



**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March-17 (₹)	As at 31st March-16 (₹)		
<b>3. Share Capital</b>				
<b>Authorised :</b>				
120,00,000 Equity shares of ₹ 10 each	120,000,000	120,000,000		
<b>Issued, Subscribed &amp; Fully Paid up Capital</b>				
114,00,000 Equity shares of ₹ 10 each	<u>114,000,000</u>	<u>114,000,000</u>		
<b>Total</b>	<b><u>114,000,000</u></b>	<b><u>114,000,000</u></b>		
<b>(a) Reconciliation of Number of Shares</b>				
Shares outstanding as at 1st April 2016/1st April 2015	11,400,000	11,400,000		
Add. Number of shares issued during the year	-	-		
Shares outstanding as at 31st March 2017/31st March 2016	11,400,000	11,400,000		
<b>(b) List of shareholders holding more than 5% of the total number of shares issued by the Company :</b>				
<b><u>Name of the share holders</u></b>	<b><u>No of shares</u></b>	<b><u>% of holding</u></b>	<b><u>No of shares</u></b>	<b><u>% of holding</u></b>
NIP Power Private Limited	2,827,000	24.79	2,827,000	24.79
Molisati Vinimay Private Limited	2,550,000	22.37	2,550,000	22.37
Tirupati Vinicom Private Limited	-		1,200,000	10.53
Yogesh Kumar Dalmia	991,500	8.69	991,500	8.69
Sunita Dalmia	772,400	6.77	772,400	6.77
<p>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 held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive their remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.</p>				
<b>4. Reserve &amp; Surplus</b>				
<b>(a) Revaluation Reserve on Land</b>				
As per last account	<u>1,952,880</u>		<u>1,952,880</u>	
	1,952,880		1,952,880	
<b>(b) Securities Premium</b>				
Opening balance in Securities Premium	<u>54,700,000</u>		<u>54,700,000</u>	
<b>Closing Security Premium</b>	<b><u>54,700,000</u></b>		<b><u>54,700,000</u></b>	
<b>(c) Surplus in Statement of Profit and Loss</b>				
Opening balance	125,563,299		121,230,715	
Add: Profit for the year	<u>10,021,274</u>		<u>4,294,609</u>	
	135,584,573		125,525,324	
<b>Less : Appropriations</b>				
Dividend Distribution Tax relating to prior years	-		(37,975)	
Closing Balance	<u>135,584,573</u>		<u>125,563,299</u>	
<b>Total</b>	<b><u>192,237,453</u></b>		<b><u>182,216,179</u></b>	



**SURAJ PRODUCTS LIMITED****NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March-17 (₹)	As at 31st March-16 (₹)
<b>5. <u>Long Term Borrowings</u></b>		
<b>Secured Loan</b>		
i) Term Loan From Canara Bank	138,260,922	-
ii) Vehicle Loan from HDFC	1,278,720	259,080
	<u>139,539,642</u>	<u>259,080</u>
<b>Unsecured Loan</b>		
i) From Related Parties	131,164,797	3,377,019
ii) From Body Corporates	-	65,495,753
	<u>131,164,797</u>	<u>68,872,772</u>
<b>Total</b>	<u><b>270,704,439</b></u>	<u><b>69,131,852</b></u>

**Nature of Security and terms of repayment for Secured borrowings****Nature of Security****Terms of Repayment**

- |  |   |
|--|---|
| a) Term loan amounting to ₹ 13,82,60,922 (P.Y. ₹ Nil) is secured by EMT of 3MW Waste heat recover boiler based power plant and induction furnace built out of the term loan and collaterally secured against all fixed assets of the company and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ₹ 54 lacs. | Repayable in 24 quarterly instalment commencing from May 2018, Last installment due in May, 2024, Rate of interest 11.90 % (P.Y. Nil) |
| b) Vehicle loans from HDFC is secured by hypothecation of respective vehicles financed.  | Repayable in 35 monthly instalment commencing from the date of sanction of respective loans.  |

Instalments falling due in respect of all the loans upto 31.03.2018 have been grouped under "Other Current Liabilities"

**6. Deferred Tax Liabilities**

Deferred Tax Liabilities		
Depreciation on Fixed Assets	8,236,854	8,917,677
<b>Net Deferred Tax Liabilities</b>	<u><b>8,236,854</b></u>	<u><b>8,917,677</b></u>

**7. Other Non Current Liabilities**

Deposit Others	537,568	537,568
	<u><b>537,568</b></u>	<u><b>537,568</b></u>

**8. Short Term Borrowings**

Working Capital Loan	170,272,015	171,745,721
	<u><b>170,272,015</b></u>	<u><b>171,745,721</b></u>

Working capital loan is secured by hypothecation of present and future stock of raw material, stock-in-process, finished goods, stores, spares and book debts.

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March-17 (₹)	As at 31st March-16 (₹)
<b>9. <u>Trade Payables</u></b>		
Trade Payables	19,260,361	22,295,648
	<b>19,260,361</b>	<b>22,295,648</b>
<b>10. <u>Other Current Liabilities</u></b>		
Current Maturities of Long Term Debts	-	6,277,785
Current Maturities of Vehicle loan (Refer Note 5b)	1,026,312	1,245,850
Unpaid Dividend	4,041,139	4,046,779
Statutory Dues Payable	3,271,241	3,936,877
Advances From Customers	210,261	308,241
	<b>8,548,953</b>	<b>15,815,532</b>
<b>11. <u>Short Term Provisions</u></b>		
Provision For Taxation (Net of Advance Tax NIL, P.Y Rs. 26,50,816/-)	-	415,731
Provision For Employee Benefits	301,093	290,054
	<b>301,093</b>	<b>705,785</b>
<b>13. <u>Long Term Loans &amp; Advances</u></b>		
(Unsecured, considered good and otherwise stated)		
Capital Advances	6,724,880	2,811,765
Balance with Revenue Authorities	439,492	331,163
Mat Credit Entitlement	1,783,772	-
Deposits with Other	2,211,624	2,227,624
	<b>11,159,768</b>	<b>5,370,552</b>
<b>14. <u>Inventories</u></b>		
(At lower of cost or net realisable value)		
Raw Materials	205,038,269	173,850,354
Finished Goods	28,637,945	76,077,345
Store & Spares	21,921,990	21,369,737
	<b>255,598,204</b>	<b>271,297,436</b>
<b>15. <u>Trade Receivables</u></b>		
Unsecured, Considered Good*	34,047,855	36,960,290
	<b>34,047,855</b>	<b>36,960,290</b>
*Includes an amount of ₹ 67,72,292 (P.Y. ₹ 59,25,911) outstanding for a period exceeding six months from the date they are due for payment.		
<b>16. <u>Cash &amp; Cash Balances</u></b>		
<b>(A) <u>Cash and Cash Equivalent</u></b>		
(a) Cash on Hand	1,234,904	1,444,953
(b) Balance with Banks		
Current Accounts	22,259,927	606,937
<b>(B) <u>Other Bank Balances</u></b>		
Fixed Deposits	10,111,357	10,423,537
Unpaid Dividend Account-Earmarked Balances	4,041,139	4,046,779
Balances with Bank to the extent of Margin Money	2,794,849	1,445,000
	<b>40,442,176</b>	<b>17,967,206</b>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement is :	23,494,831	2,051,890

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**12. Fixed Assets**

	Gross Block			Depreciation				Net Block			
	As at 31.03.2016	Additions	Sales	As at 31.03.2017	Upto 31.03.2016	For the Year	Retained Earnings	Adjust ment	Total upto 31.3.2017	As at 31.03.2017	As at 31.03.2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets (A)</b>											
Land (Leasehold)	55,202,476	1,211,370	-	56,413,846	-	-	-	-	-	56,413,846	55,202,476
Land (Freehold)	5,685,530	-	-	5,685,530	-	-	-	-	-	5,685,530	5,685,530
Factory Building	77,816,946	877,915	-	78,694,861	44,948,430	2,759,317	-	-	47,707,748	30,987,113	32,868,516
Plant & Machinery	124,888,296	-	-	124,888,296	92,190,891	3,223,266	-	-	95,414,157	29,474,139	32,697,405
Pollution Control Equipment	81,351,824	-	-	81,351,824	46,342,656	3,696,146	-	-	50,038,802	31,313,022	35,009,168
Electric Installation	51,566,062	-	-	51,566,062	42,577,020	2,667,884	-	-	45,244,904	6,321,158	8,989,042
Motor Vehicles	23,951,756	2,357,228	-	26,308,984	20,483,016	1,099,729	-	-	21,582,746	4,726,238	3,468,740
Furniture & Fixture	2,200,944	-	-	2,200,944	1,664,560	140,113	-	-	1,804,673	396,271	536,384
Others	80,616,528	6,074,994	-	86,691,522	55,149,853	4,459,827	-	-	59,609,680	27,081,842	25,466,675
Refractories	6,600,738	-	-	6,600,738	6,462,553	-	-	-	6,462,553	138,185	138,185
Power Plant	-	195,471,479	-	195,471,479	-	40,117	-	-	40,117	195,431,362	-
<b>Total</b>	<b>509,881,100</b>	<b>205,992,986</b>	<b>-</b>	<b>715,874,086</b>	<b>309,818,980</b>	<b>18,086,400</b>	<b>-</b>	<b>-</b>	<b>327,905,380</b>	<b>387,968,706</b>	<b>200,062,120</b>
<b>Intangible Assets (B)</b>											
Technical knowhow	1,301,922	-	-	1,301,922	1,301,922	-	-	-	1,301,922	-	-
<b>Total (A+B)</b>	<b>511,183,022</b>	<b>205,992,986</b>	<b>-</b>	<b>717,176,008</b>	<b>311,120,902</b>	<b>18,086,400</b>	<b>-</b>	<b>-</b>	<b>329,207,302</b>	<b>387,968,706</b>	<b>200,062,120</b>
Previous Year	500,222,388	10,960,634	-	511,183,022	289,689,314	21,431,588	948,171	-	311,120,902	200,062,120	

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March-17 (₹)	As at 31st March-16 (₹)
<b>17 <u>Short Term Loans and Advances</u></b> (Unsecured , Considered Good)		
Balance with Revenue Authorities	17,556,295	11,853,227
Income Tax Advances (Net of Provisions Rs. 17,83,772, P.Y NIL)	1,390,237	-
Advances to suppliers	24,155,736	30,216,244
Other Advances Recoverable in cash or in kind or for value to be received	3,150,287	3,009,415
Deposit Others	8,629,472	8,629,472
	<b>54,882,027</b>	<b>53,708,358</b>
<b>18 <u>Revenue From Operations</u></b>		
Manufactured Goods		
Sponge Iron	453,582,432	360,562,031
Pig Iron	181,850,930	251,453,108
Others	33,939,225	13,127,333
	<b>669,372,587</b>	<b>625,142,472</b>
<b>19 <u>Other Income</u></b>		
Interest Received	1,739,087	1,608,875
Foreign Exchange Fluctuation	-	159,576
Profit on Sale of Investment	-	252,316
Miscellaneous Income	-	174,530
	<b>1,739,087</b>	<b>2,195,297</b>
<b>20 <u>Cost of Materials Consumed (Indegenous)</u></b>		
Materials Consumed Comprises of:		
Iron ore	137,985,875	161,495,846
Coal	140,159,939	105,346,909
Coke	97,506,387	162,389,394
Others	26,812,592	22,699,477
	<b>402,464,793</b>	<b>451,931,626</b>
<b>21 <u>Change in Inventories of Finished Goods</u></b>		
Opening Stock	76,077,345	26,085,589
Closing Stock	28,637,945	76,077,345
	<b>47,439,401</b>	<b>(49,991,756)</b>
<b>22 <u>Manufacturing &amp; Operating Costs</u></b>		
Consumption of stores, spares & consumables	22,157,475	22,569,885
Power & Fuel	38,599,388	44,875,669
Repairs to Plant & Machinery	1,210,169	1,530,266
Repairs to Others	369,864	484,469
Insurance Charges	984,439	960,838
Others Manufacturing & Operating Expenses	925,672	1,072,478
	<b>64,247,007</b>	<b>71,493,605</b>

Entire Stores & spares consumed is Indigenous.

**SURAJ PRODUCTS LIMITED****NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March-17 (₹)	As at 31st March-16 (₹)
<b>23 Employee Benefits expense</b>		
Salaries, Wages & Bonus	18,065,048	19,275,753
Contribution to Provident and Other Funds	1,663,221	1,501,974
Contribution to Gratuity Fund	155,748	920,481
Staff Welfare Expenses	459,954	684,981
	<b>20,343,971</b>	<b>22,383,189</b>
<b>24 Finance Cost</b>		
Interest -Bank	19,744,253	18,756,513
Interest - Others	6,398,973	2,700,623
Other Borrowing Costs	496,222	505,625
	<b>26,639,448</b>	<b>21,962,761</b>
<b>25 Other Expenses</b>		
Rates & Taxes	3,641,656	4,220,747
Rent	685,430	693,900
Auditor's Remuneration		
- Statutory Audit	100,000	85,000
- Taxation Matters	40,000	35,000
- In Other Capacity	82,500	74,500
Excise Duty on Stock Differential	(1,240,693)	1,163,268
Periphery Development	576,450	213,000
Security Service Charges	2,571,054	2,476,641
Carriage Outward	-	459,272
Other Expenses	4,478,941	3,901,633
	<b>10,935,338</b>	<b>13,322,961</b>

**26. 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 24 "Other Expenses".

**27. Related party disclosures As identified by the management and relied upon by the Auditors**

(a) List of Related parties and description of relationship

- (i) Enterprises in which KMP or their relatives can exercise significant influence
- M/s. Kedarnath Mining Pvt. Ltd.  
M/s. Molisati Vinimay Private Ltd.
- (ii) Key Management Personnel & Relatives: Yogesh Kumar Dalmia, Chairman  
Gagan Goyal, Executive Director  
Sunita Dalmia, Non Executive Director

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

(b) Transactions with related parties:

Amount in ₹

	Parties with significant influence (Direct and Indirect)	Nature of transaction			Outstanding	Total
		Loans & Advances Accepted	Loans & Advances Repaid	Interest		
I	Molisati Vinimay Pvt. Ltd	Nil	15,00,000 (53,20,000)	2,70,716 (6,49,786)	21,20,663 (33,77,019)	21,20,663 (33,77,09)
II	Kedarnath Mining Pvt. Ltd.	8,05,00,00 (6,42,50,000)	2,74,86,799 (6,00,000)	1,17,05,756 (20,50,837)	12,90,44,134 (6,54,95,753)	12,90,44,134 (6,54,95,753)
III	<b>Key Management Personnel and Relatives</b>	Remuneration				Total
	a. Yogesh Kumar Dalmia	39,00,000 (39,00,000)				39,00,000 (39,00,000)
	b. Gagan Goyal	7,52,040 (6,56,000)				7,52,040 (6,56,000)

**Figures in the bracket indicate previous year figures.**

28. 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:-

		As at March 31st, 2017	As at March 31st, 2016
A	(I) No. of Shares at the Beginning of the Year	1,14,00,000	1,14,00,000
	(II) No. of Shares Issued During the Year	Nil	Nil
B	Weighted Average Number of Equity Shares Outstanding during the Year	1,14,00,000	1,14,00,000
C	Net Profit After Tax Available for Equity Share Holders in (₹)	1,00,21,274	42,94,609
D	Basic Earnings Per Share (C / B) in (₹)	0.88	0.38

**29. CIF value of Imports**

Particulars	Current Year (₹)	Previous Year (₹)
Capital Goods	19,23,395	-

**30. Expenditure in Foreign Currency**

Particulars	Current Year (₹)	Previous Year (₹)
Travelling Expenses	1,04,945	1,19,319
Purchase of Store & spares	Nil	29,71,789
Purchase of Capital Goods	19,42,629	5,43,930

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS****31. Micro, Small and Medium Enterprises Development Act, 2006**

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

**32. Contingent liabilities and Commitments****a) Contingent Liabilities**

- i) No provision is made in respect of the following: -

Particulars		As at March 31st, 2017 (₹)	As at March 31st, 2016 (₹)
(i)	Disputed Demand of Orissa Sales Tax	11,77,868	11,77,868
(ii)	Disputed Demand of Central Sales Tax	31,68,933	41,21,637
(iii)	Disputed Demand of Orissa Entry Tax	12,67,378	12,67,378
(iv)	Disputed Demand of Income Tax	5,51,157	-

- ii) Demand had been raised by M/s WESCO Ltd. in respect of arrear electricity charges amounting to Rs. 16,58,143/-. The company had filed suit against the claim before the pertinent Appellate Authorities and favorable verdict had been ruled in favour of the company during the year. The company had paid 50% of the amount against the same which is shown under Deposit Others under Short Term Loans and Advances as the company is claiming refund of the same. However M/s WESCO Ltd. had filed petition before Hon. High Court of Odisha. The company does not foresee any liability in this respect and hence no provision has been made for the same.

**b) Commitments**

Estimated Amount of Contracts remaining to be executed on capital account and not provided for Rs. 3,10,00,000/- P.Y Nil/-

**33. Disclosure on Specified Bank Notes:**

During the year, the company had Specified Bank Notes or other denomination notes as defined in the MCA Notification, G.S.R 308E, dated March, 2017. The details of the SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination –wise SBNs and other noted as per the notification are as follows:

Particulars	SBN*	Other Denomination notes	Total
Closing cash in hand as on November 8, 2016	13,500	2,44,253	2,57,753
Add: Permitted receipts	-	8,61,776	8,61,776
Less; Permitted payments	(13,500)	(7,34,485)	7,47,985
Add; Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30,2016	-	371,544	3,71,544

\*for the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the ministry of finance, Department of economics affairs number S.O.3407E, dated November 8,2016.

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

34. The company has commissioned captive Power Plant (CPP) during the year. The said units is eligible to claim deduction under section 80IA of the Income tax act ,1961 with respect to 100% of the profit & gains derived from this business for any Ten years in the subsequent fifteen years( referred to as Tax Holiday Period). The Company shall avail the Tax holiday in subsequent years.

In accordance with Accounting Standard Interpretation (ASI)-3 issued by Institute of Chartered Accountants of India, the deferred tax in respect of timing differences which reverse during the tax holiday period have not been recognized which reverse during the tax holiday in respect of timing difference. Deferred tax in respect of timing difference which originate during the tax holiday period but reverse after the tax holiday period, have been recognized in the year in which the timing differences have originated.

For this purpose, as a conservative measure, no deferred tax provision has been made this year as such timing difference shall be reversed during the tax holiday period in the opinion of management.

**35. 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.

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

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

As per our report attached of even date

For RUSTAGI & CO.

Chartered Accountants

Firm Registration No. 301094E

Ashish Rustagi

Partner

Membership No.062982

Place : Barpali

Dated: the 29th day of May, 2017

**For and on behalf of Board of Directors**

Y. K. Dalmia

Chairman

(DIN-00605908)

S Dalmia

Director

(DIN-00605973)

C.K. Bhatia

Director

(DIN-0192694)

A.N. Khatua

Company Secretary

M.K. Hati

CFO

Gagan Goyal

Executive Director

(DIN-00678938)



*If undelivered please return to :*

**SURAJ PRODUCTS LIMITED**

59, N.S. Road, 1st Floor

Kolkata - 700 001