

**ANNUAL REPORT
2017 – 2018**



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 B.D.S & Co.
32A, C R Avenue, "Trust House"
Kolkata – 700012

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 27th ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of SURAJ PRODUCTS LIMITED will be held on **Friday the 28th day of September, 2018 at 10:30 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, 2018 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 consider passing the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of Messrs B D S & Co, Chartered Accountants, Kolkata, having Firm Registration Number 326264E, allotted by the Institute of Chartered Accountants of India, as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 31st AGM of the Company to be held in the year 2022, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

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

To accord approval to the terms of re-appointment of Mr. Y.K.Dalmia as whole time Director designated as Chairman of the Company for a period of 5 years effective from 1st September, 2018.

“RESOLVED THAT pursuant to the provisions of Sec. 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any of the Companies Act, 2013 and subject to such other approvals, as may be necessary, approval of the members be and hereby accorded to the re-appointment of Mr. Yogesh Kumar Dalmia (DIN-00605908), as whole-time Director designated as the Chairman of the Company (not liable to retire by rotation) for a further period of five years, with effect from 1st September, 2018 at such remuneration, perquisites and benefits, as set out in the annexed explanatory statement.”

“RESOLVED FURTHER THAT pursuant to all the provisions of the Companies Act, 2013, the remuneration, as set out in the annexed statement to the Notice or any revised remuneration be paid as minimum remuneration to Mr. Y.K.Dalmia in the event of absence or inadequacy of profits in any Financial Year during the tenure of his appointment subject to such approvals if mandated by the relevant provisions of the Companies Act, 2013 as it may than exist, or under any other contractual obligation imposed upon the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be deemed necessary, proper and expedient to implement this Resolution.”

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

Place: Barpali

Dated: the 27th day of July, 2018

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 23.09.2018 to 28.09.2018 (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. ₹ 0.80 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 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 as on 31.03.2018 are ₹ 6,93,052/-, ₹8,40,849/-, ₹ 5,07,958/-, ₹ 6,28,096/- and ₹ 7,64,413/- 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 2010-11 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.
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.

SURAJ PRODUCTS 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.

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.

14. 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 27th 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, 25th September, 2018 (9:00 am) and ends on Thursday, 27th September, 2018 (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 21st September, 2018, 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 Inpanda2004@gmail.com with a copy marked to 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
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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 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.
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 21st September, 2018.
- 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. 21st September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or 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 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.

SURAJ PRODUCTS LIMITED

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 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 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

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

Date: 27th day of July, 2018

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

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice and should be taken as forming part of the Notice.

Item No- 4 of the Notice:

Mr. Y.K.Dalmia is 60 years of age and is a Chartered Accountant & Company Secretary. He served various Companies during 1983-1987 in finance department mainly for project implementation. He Promoted Champion Cement Industries Limited presently Suraj Products Limited in 1992 & managing the same.

Considering the valuable contribution made by him during his tenure, the Board of Directors at its meeting held on 27th July, 2018 have reappointed Mr. Yogesh Kumar Dalmia as whole-time Director designated as Chairman of the of the Company (not liable to retire by rotation) for a further period of five years w.e.f. 1st September, 2018, subject to the approval of shareholders in the ensuing Annual General Meeting and on the basis of recommendation of Nomination and Remuneration Committee. The main terms and conditions of his appointment are furnished below:

Terms of Appointment: Five years with effect from 1st September, 2018

Salary:- Salary of Rs. 5, 00,000 - 50,000 – 7,00,000 per month

Perquisites:

1. Reimbursement of actual Medical expenses for self and family subject to a ceiling of one month's salary in one year maximum of 3 month's salary in a block of three years.
2. Leave Travel Concession for self and family as per Rules of the Company.
3. The Company's contribution to Gratuity Fund as per Rules applicable to the senior executives.
4. Personal Accident Insurance as per the Rules of the Company.
5. Provision for car with driver for business as well as personal purposes.
6. Communication facilities.

Privilege Leave:

On full, pay and allowance as per Rules of the Company, but not more than one month leave for every eleven months of service rendered. Leave accumulated, but not availed, will not be allowed to be encashed.

Entertainment Expenses:

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

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained where, in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will continue to pay same

remuneration by way of salary and perquisites and allowances as specified above.

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

The Chairman shall not be subject to retirement by rotation.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The resolution for appointment of Sri Y.K.Dalmia as a Chairman is recommended to the members for approval. Sri Y.K.Dalmia may be concerned or interested in the resolution as Director and Smt. Sunita Dalmia as a relative of Sri Y.K.Dalmia. No other Director is concerned or interested in the resolution.

ANNEXURE TO THE NOTICE

Pursuance to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the information about the Director seeking appointment in the Annual General Meeting is as follows:

Name of Director	Mrs. Sunita Dalmia
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. 5. Excel Infra Projects. 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
Relationship with other Directors/ Key Managerial Personnel	Related to Mr. Y. K. Dalmia, Executive Chairman in capacity as wife.

Name of Director	Mr. Yogesh Kumar Dalmia
DIN	00605908
Date of Birth	15.05.1958
Qualification	Chartered Accountant & Company Secretary
Expertise in specific functional areas	Served various Companies during 1983-1987 in Finance Department mainly for project implementation. Promoted Champion Industries Limited presently Suraj Products Limited in 1992 & managing the same.
List of other Companies in which Directorship held (excluding in Foreign Companies)	1. NIP Power Pvt. Ltd. 2. Balbhadra Infratech Pvt. Ltd 3. Molisati Vinimay Pvt. Ltd. 4. Brex Technolgy Pvt.Ltd. 5. Excel Infra Projects. 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.	14,91,500 Shares
Relationship with other Directors/ Key Managerial Personnel	Related to Mrs. Sunita Dalmia, Non Executive Director in capacity as Husband.

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 2018.

FINANCIAL RESULTS:

Particulars	Current Year (₹ In Lac)	Previous Year (₹ In Lac)
Sales and other income	7123.32	6711.98
Profit before depreciation	697.37	270.20
Depreciation	361.87	180.86
Profit for the year	335.50	89.34
Provision for tax	(22.49)	(6.33)
Profit after tax	357.99	95.67
Profit brought forward from the previous year	1337.59	1248.91
Profit available for appropriation	1695.58	1344.58
Surplus carried to Balance Sheet	1695.58	1337.59

OPERATIONS:

The Company has started manufacturing of MS Ingot as a forward integration by using sponge iron & pig iron with captive power from 3 MW CPP. The production & sales achieved during the year compared to previous year is given herein.

Particulars	Sponge Iron (MT)	Pig Iron (MT)	Ms Ingot (MT)
Production	31,287 (32,580)	5,020 (9,137)	4,529 (Nil)
Captive Consumption	4,593 (Nil)	920 (Nil)	- -
Sales	26,323 (33,256)	3,976 (9,269)	4,270 -

The demand for steel has been encouraging during the second half of the year.

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, 2018.

CLOSURE OF MEMBERS AND SHARE TRANSFER BOOKS:

The Register of Members and Share Transfer Books of the Company will be closed with effect from 24th September, 2018 to 29th September, 2018 (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, 2018 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. Your Directors recommend her reappointment. Mr. Yogesh Kumar Dalmia (DIN-00605908) has been re-appointed by the Board of Directors at their meeting held on 27th July, 2018, as whole time Director designated as the Chairman of the Company w.e.f. 1st day of September, 2018 for a further period of five years, subject to approval of the members at the forthcoming Annual General Meeting. Your Directors recommend his re-appointment.

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:

Messrs BDS & Co (formerly Bharat D. Sarawgee & Co), Chartered Accountants (Firm Registration Number 326264E) was appointed as the Statutory Auditors of the Company at the 26th Annual General Meeting of the Company held on 29th day of September, 2017, to hold office from the conclusion of twenty seventh (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.

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.

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 2017-18 have been paid.

SURAJ PRODUCTS LIMITED

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 there under. It has constituted an internal Complaint Committee in compliance with the above mentioned Act and Rules. During the Financial Year 2017-18, 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.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 134 (5) 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. 2017-18:

During the FY 2017-18 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 2017-18.

RELATED PARTY TRASACTIONS:

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, 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 fixed salary. 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, 2018, 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:

The Company has been practicing the principles of good Corporate Governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate Section on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 form part of this Annual Report.

The Chairman and the Chief Financial Officer (CFO) of the Company have certified to the Board on financial statements and other matters in accordance with Regulation 17(8) of SEBI (LODR) Regulations, 2015 pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2018.

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: the 27th day of July, 2018

Sd/-

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 2018.

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 2017-2018	For the Year 2016-2017
(a) Purchased Units	KWH	22,28,835	62,12,760
Amount	₹	155,60,694	3,59,73,123
Cost per Unit	₹	6.98	5.79
(b) Through Diesel Generator	KWH	1,53,977	1,99,223
Unit per Ltr. of Diesel		3.48	3.68
Cost per Unit *	₹	13.47	13.18
(c) 11034 MW Power(net) from CPP was consumed during the year (Previous year- Nil)			

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 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 (₹)
Travelling Expenses:	Nil	1,04,945
Purchase of Capital Goods	Nil	19,42,629

On behalf of the Board of Directors

Sd/-
Y. K. Dalmia
Chairman

Place: Barpali

Date: the 27th day of July, 2018

(DIN - 00605908)

**Form No. MR3
SECRETARIAL AUDIT REPORT**

For The Financial Year Ended on 31st March, 2018

(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, 2018, 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, 2018 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

Dated: the 26th day of June, 2018

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
Dated: the 26th day of June, 2018

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

**Annexure –II
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on March 31, 2018**

[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	64.00%
2	PIG IRON	3304	14.80%
3	MS INGOT	24103	18.43%

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
A. Promoters									
(1) Indian									
a) Individual/ HUF	19,84,800	-	19,84,800	17.41	24,84,800	-	24,84,800	21.80	4.38
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	59,17,000	-	59,17,000	51.90	59,17,000	-	59,17,000	51.90	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1):-	79,01,800	-	79,01,800	69.31	84,01,800	-	84,01,800	73.70	4.38

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
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter(A) = (A)(1)+(A)(2)	79,01,800	-	79,01,800	69.31	84,01,800	-	84,01,800	73.70	4.38
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Financial Institute	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	1106923	63,300	1170223	10.27	83,917	63,300	1,47,217	1.29	1.66
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	3,88,495	16,07,200	19,95,695	17.51	4,27,201	15,91,500	20,18,701	17.71	0.20
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3,05,682	26,600	3,32,282	2.91	8,05,682	26,600	8,32,282	7.30	4.39
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	18,01,100	16,97,100	34,98,200	30.69	13,16,800	16,81,400	29,97,700	26.30	4.39
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	97,02,900	16,97,100	1,14,00,000	100.00	97,18,600	16,81,400	1,14,00,000	100.00	-

(ii) Shareholding of Promoters:

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	% change in share holding during the year
1	Nip Power Pvt. Ltd.	28,27,000	24.8	-	28,27,000	24.8	-	-
2	Molisati Vinimay Pvt. Ltd.	25,50,000	22.36	-	25,50,000	22.36	-	-
3	Y.K.Dalmia	9,91,500	8.7	-	14,91,500	13.08	-	4.38
4	Sunita Dalmia	7,72,400	6.78	-	7,72,400	6.78	-	-
5	Balbhadra Infratech Pvt. Ltd.	5,40,000	4.74	-	5,40,000	4.74	-	-
6	Nivedita Dalmia	1,10,900	0.97	-	1,10,900	0.97	-	-
7	Nandita Dalmia	1,10,000	0.96	-	1,10,000	0.96	-	-
	Total	79,01,800	69.31	-	84,01,800	73.69	-	4.38

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

The promoters' shareholding during the financial year ended March 31, 2018 has been increased from 69.31% to 73.69%.

(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	Y.K.Dalmia, Chairman				
	At the beginning of the year	9,91,500	8.69	-	-
	Increase / Decrease in Share holding during the year	-	-	5,00,000	-
	At the End of the year	-	-	14,91,500	13.08
2	Sunita Dalmia, Director				
	At the beginning of the year	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	M.K.Hati, CFO				
	At the beginning of the year	500	0.004	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	-	-	500	0.0044
4	A.N.Khatua, Company Secretary				
	At the beginning of the year	500	0.004	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the year	500	0.004	500	0.0044

SURAJ PRODUCTS LIMITED

(v) Shareholding Pattern of top ten Shareholders:

S I . 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.	5,00,000	4.38	-	-
2	Superior Retail Pvt. Ltd.	5,00,000	4.38	-	-
3	Nand Lal Bhartiya HUF	-	0.00	5,00,000	4.38
4	Meena Bhartiya	1,92,000	1.68	1,92,000	1.68
5	Nand Lal Bhartiya	1,13,682	0.99	1,13,682	0.99
6	Elan Capital Advisors Pvt. Ltd.	28,200	0.25	28,200	0.25
7	Rabindra Kumar Bachhawat	26,600	0.23	26,600	0.23
8	Bengani Securities Pvt. Ltd.	18,799	0.16	18,799	0.16
9	Sanjay Kumar Sarawagi	-	-	17,409	0.15
10	Pritty Devi Sarawagi	-	-	14,383	0.12
11	Deepak Das	14,000	0.12	14,000	0.12
12	Sagar Chandulal Jain	12,633	.11	12,633	0.11

VI. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,05,65,953	13,11,64,797	-	27,17,30,750
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14,05,65,953	13,11,64,797	-	27,17,30,750
Change in Indebtness during the financial year				
• Addition	4,57,10,825	5,45,000	-	10,02,10,825
• Reduction	2,38,65,950	3,15,98,038	-	5,54,63,988
Net Change Indebtness	16,24,10,828	15,40,66,759	-	31,64,77,587
At the end of the financial year				
i Principal Amount	16,24,10,828	15,40,66,759	-	31,64,77,587
ii) Interest due but not paid	-	-	-	-
iii Interest accrued but not due	-	12,42,9003	-	1,24,29,003
Total (i+ii+iii)	16,24,10,828	16,64,95,762	-	32,89,06,590

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Chairman/WTD/ Manager		Total
		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, 1961	39,00,000	7,60,000	46,60,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	48,040	48,040
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Others, please specify	-	-	-
	Total (A)	39,00,000	8,08,040	47,08,040

B. Remuneration to other directors: NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN CHAIRMAN/MANAGER/WTD: (Amount in ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total
		A.N.Khatua Company Secretary	M.K.Hati Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,52,000	7,20,000	11,72,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	48,040	48,040	96,080
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Others, please specify	-	-	-
	Total	5,00,040	7,68,040	12,68,080

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for the financial year ended March 31, 2018.

REPORT ON CORPORATE GOVERNANCE 2017-18:

[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, 2018, 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	14,91,500
2	Smt. S. Dalmia	Director	Promoter and Non Executive Director	7,72,400
3	Sri C.K.Bhartia	Director	Non-Executive and Independent Director	400
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 2017-18, the Board of the Company met four times on: 29/05/2017, 14/08/2017, 14/11/2017 and on 10/02/2018.

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	5	1	1
Smt. Sunita Dalmia	4	Yes	5	2	1
Sri Gagan Goyal	4	Yes	-	2	-
Sri C.K.Bhartia	4	Yes	3	4	2
Smt. Neha Singhania	4	Yes	3	4	1

2. AUDIT COMMITTEE:

The Audit Committee consists of, Sri C.K.Bhartia, Smt. Neha Singhania and Sri Gagan Goyal. Sri C.K.Bhartia acts as Chairman of the Committee. During the period under review four Audit Committee meetings were held on 29/05/2017, 14/08/2017, 14/11/2017 and on 10/02/2018. 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 C.K.Bhartia	4
Smt. Neha Singhania	4
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 2017-18:

Mr. Y.K.Dalmia, Chairman	- ₹ 39,00,000 (39,00,000)
Mr. Gagan Goyal, Executive Director	- ₹ 8,08,040 (7,52,040)

(b) REMUNERATION TO OTHER DIRECTORS:

Sitting fees of ₹ 25,000/- each paid to Non-Executive Directors for attending the Meeting of Board of Directors of the Company. (Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors		Total
1.	Independent Directors	Mr.C.K.Bhartia	Mrs. Neha Singhania	-
	Fees for attending Board Meeting	1,00,000	1,00,000	2,00,000
	Commission	-	-	-
	Others	-	-	-
	Total (1)	1,00,000	1,00,000	2,00,000
2.	Other Non-Executive Director			
	Fees for attending Board Meeting	-	-	-
	Commission	-	-	-
	Others	-	-	-
	Total (2)	-	-	-
	Total (1+2)	1,00,000	1,00,000	2,00,000

SURAJ PRODUCTS LIMITED

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 2017-18 the Committee held four meetings 29/05/2017, 14/08/2017, 14/11/2017 and on 10/02/2018.

The committee received 16 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.

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 05.06.2018.

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 AM	3
27th Sept. 2014	Registered Office of the Company at Barpali	11:30 AM	--
28th Sept. 2015	Registered Office of the Company at Barpali	11:30 AM	--
28th Sept. 2016	Registered Office of the Company at Barpali	11:30 AM	--
29th Sept. 2017	Registered Office of the Company at Barpali	11:30 AM	--

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

10. DISCLOSURES:

- a) **RELATED PARTY DISCLOSURE:** There are no materially significant related party transactions with its Promoters, the Directors or the Management and their Subsidiaries or relatives etc. which may have potential conflict with the interest of the Company at large.
- b) **NON-COMPLIANCE PENALTIES:** There were no instances of non-compliances and no penalties/ strictures have been imposed/ passed by Stock Exchange, SEBI or any other statutory authority during last three years on any matter related to the capital markets.
- c) **CODE OF CONDUCT:** The Board formulated a code of conduct for the Board Members and the Senior Management of the company. All Board Members and senior management personnel have affirmed their compliance with the code.
- d) During the financial year 2017-18, there is no audit qualification in the Company's Financial Statements.

11. MEANS OF COMMUNICATION:

- a) 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).
- b) The financial results are displayed on the Company's Website viz: www.surajproducts.com
- c) The Management Discussion and Analysis Report is attached with Director's Report in this 26th Annual Report of the Company posted to the Share holders.

12. GENERAL INFORMATION FOR SHARE HOLDERS:

- a. 27th Annual General Meeting:

Day	Date	Time	Venue
Friday	28th September, 2018	10:30 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. 2018	

- 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:

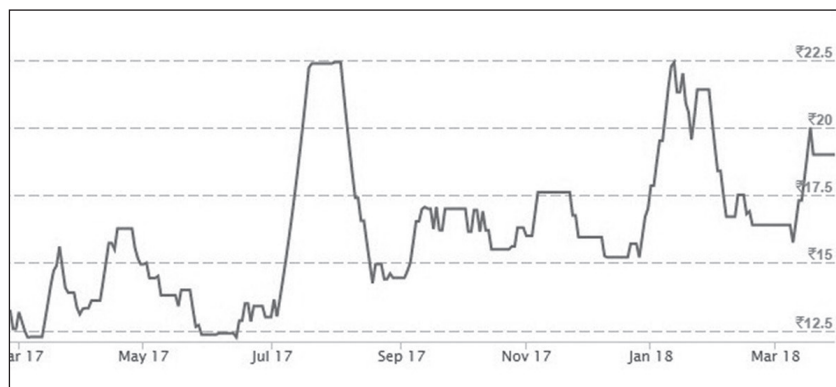
- | | |
|---|--|
| <p>1. National Securities Depository Limited (ISIN –INE069E01019)
Trade world, 4th Floor,
Kamala Mills Compound
Lower parel, Mumbai – 400013</p> | <p>2. Central Depository Services (India) Limited (ISIN – INE069E01019)
Phiroze Jeejeebhoy Towers,
28th Floor, Dalal Street, Senapati Bapat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

No. of Shares held in dematerialized and physical mode as on 31st March, 2018 is as under:

Particulars	No. of Shares	% of total capital issued
Held in dematerialized form in CDSL	94,19,953	82.63
Held in dematerialized form in NSDL	2,98,647	2.62
Physical	16,81,400	14.75
TOTAL	1,14,00,000	100.00

- f. **Market price data: Monthly High/ Low price per share during 2017-18:**

Months	BSE Limited	
	High (Rs.)	Low (Rs.)
April, 2017	16.27	13.33
May, 2017	15.69	12.35
June, 2017	13.50	12.25
July, 2017	22.36	13.01
August, 2017	22.40	14.25
September, 2017	17.82	14.70
October, 2017	17.00	15.45
November, 2017	17.60	15.95
December, 2017	17.00	15.20
January, 2018	23.35	17.00
February, 2018	18.40	16.10
March, 2018	21.00	15.45

g. Share Price performance during 2017-18:**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 2018:**a. Details of shareholding as on 31st March, 2018**

Category	No. of Shares	% of Share Holding
Promoters Group	84,01,800	73.70
Private Corporate Bodies	1,47,217	1.29
Indian Public	28,50,983	25.01
Total	1,14,000,00	100.00

b. Distribution of shareholding as on 31st March, 2018:

Category	No. of Shares	No. of Shareholder	Percent Shares	Percent Holders
1 - 500	12,39,265	7996	10.8707	93.8167
501 - 1000	2,75,628	310	2.4178	3.6372
1001 - 5000	3,77,666	180	3.3130	2.1120
5001 - 10000	1,43,342	18	1.2574	0.2112
10001 - 50000	1,56,617	9	1.3738	0.1056
50001 - 100000	1,10,000	1	0.9649	0.0117
and Above	90,97,482	9	79.8025	0.1056
Total	114,00,000	8523	100.0000	100.0000

c. Shareholding pattern as on March 31, 2018:

Category	No of shareholders	Total Share	% of Equity
Promoter & Promoter Group	7	84,01,800	73.70
Resident Individuals	8460	28,50,983	25.01
Body Corporate	56	1,47,217	1.29
Total	8523	114,00,000	100%

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, 2018 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, 2018. 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, R32A, C.R. Avenue, Trust House
Kolkata – 700012
Dated: the 5th day of June, 2018

For B D S & Co.
Chartered Accountants
(Bharat D Sarawgee)
Membership No. 061505

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, 2018.

For Suraj Products Limited

Place: Barpali
Date: the 5th day of June, 2018

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, 2018 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, 2018 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: the 5th day of June, 2018

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

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

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 3.5% in 2017 to 3.8% in FY 18.

The performances of advanced economies had been promising in the second half of 2017. 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 18, India's GDP showed promising growth of 7.8%, 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.

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.

The GST is being seen as a crucial reform, as it is anticipated to bring greater transparency in the country's indirect tax structure.

OUTLOOK:

India is expected to grow sustainability 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 is slowly graduating from a merchant plant to a steel producer.

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. With the anticipated increase in rural spending and infrastructure, the steel demand is likely to be good.

COMPANY'S PERFORMANCE:

Gross Turnover	: ₹ 712,332,080
Profit before Taxation	: ₹ 33,550,000
Profit after Taxation	: ₹ 35,799,363

OPPORTUNIES, THREATS & FUTURE OUTLOOK:

a) OPPORTUNITIES:

Sponge Iron is no longer considered as an alternative to scrap rather considered as a raw material for steel making in electric furnaces. It is being used as a principal raw material and is charged at 40-80% of the charge mix in furnaces. India has abundant reserves of iron ore and non-coking coal suitable for sponge iron making and it has been a major factor in the establishment of the Industry.

As per the National Steel Policy crafted during FY 2017-18, the core steel production target for India is set at 300 MT by 2030. Share of sponge in steel making will 80 MT, which will create huge opportunity for sponge iron industry.

Growth in the steel demand has strong correlation with growth in GDP of Nation. The Indian economy is expected to grow at a rate more than 7 % of GDP. As a result the steel demand is likely to grow at expected pace. The demand for sponge Iron in medium term shall be at healthy level due to increase

in demand for steel. 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:

Presently there are no visible threats in the short and medium term in the sponge iron industry. However availability of key raw materials and environmental concerns might pose significant challenge in the future.

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 domestic consumption story is positive as is evident in the demand pull visible in automobile and other sectors. Government is also driving the economy by investing in housing, roads and ports and in other infrastructure projects. Favorable domestic demand and remunerative prices in both domestic and international markets are likely to booster steel production further in the year to come, resulting into more demand for sponge iron.

The Government of India has initiated favorable measures for restricting imports. The initiative has provided necessary support for the steel industry in maintaining prices.

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 three products namely Sponge iron, Pig Iron and MS Ingot.

The Company has started manufacturing of MS Ingot as a forward integration by using sponge iron & pig iron with captive power from 3 MW CPP. The production & sales achieved during the year compared to previous year is given herein.

Particulars	Production MT	Sales MT	Captive Consumption MT	Total MT
Sponge Iron	31,287 (32,580)	26,323 (33,256)	4,593 (Nil)	30,916 (33,256)
Pig Iron	5,020 (9,137)	3,976 (9,269)	920 (Nil)	4,896 (9,269)
MS Ingot	4,529 (Nil)	4,270 (Nil)	(Nil)	4,270 (Nil)

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

SURAJ PRODUCTS LIMITED

Corporate policies are duly complied with Internal audit and other control are reviewed periodically by Audit Committee.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

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 initiatives 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 32 Medical Camps with qualified and experience medical practitioners were conducted in nearby villages and about 2,100 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 Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of "M/S. SURAJ PRODUCTS LIMITED" (the "Company"), which comprise of the Balance Sheet as at 31st March, 2018, the related Statement of Profit and Loss and the Cash Flow Statement for the year ended and the statement of changes in equity for the year ended, 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 Ind AS 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 of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding the assets of the Company; 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 standalone Ind AS 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 Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Standalone Ind AS 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 standalone Ind AS financial statements.

SURAJ PRODUCTS LIMITED

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said standalone Ind AS 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, 2018
- 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 and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- d) In our opinion, the standalone Ind AS 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, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 35 to the financial statements.
 - 2) The company has made provision as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts.
 - 3) There is no amount which is required to be transferred, to the investor's education and protection fund by the company and hence the question of delay does not arise.

For B D S & Co.
(Formerly Bharat D Sarawgee & Co.)
Chartered Accountants
Firm Registration No. 326264E
(Bharat D Sarawgee)

Partner

Membership No.: 061505

Place: Kolkata

Date: the 5th day of June, 2018

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 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, 2018 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 no disputed dues of Sales Taxes, Entry Tax and Excise Duty which has not been deposited. The particulars of dues of Income Tax which has not yet been deposited on account of dispute are as follows :

SURAJ PRODUCTS LIMITED

Name of Statute	Nature of Dues	Amount in ₹	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	Adtl. 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	Adtl. 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) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (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 B D S & Co.
(Formerly Bharat D Sarawgee & Co.)
Chartered Accountants
Firm Registration No. 326264E
(Bharat D Sarawgee)

Place: Kolkata

Date: the 5th day of June, 2018

Partner

Membership No.: 061505

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 M/s. Suraj Products Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS 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

SURAJ PRODUCTS LIMITED

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 2018, 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.

For B D S & Co.
(Formerly Bharat D Sarawgee & Co.)
Chartered Accountants
Firm Registration No. 326264E
(Bharat D Sarawgee)
Partner
Membership No.: 061505

Place: Kolkata

Date: the 5th day of June, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at	As at	As at
		March 31, 2018 (₹)	March 31, 2017 (₹)	March 31, 2016 (₹)
I. ASSETS				
Non- Current Assets				
a) Property, Plant & Equipment	3	413,495,216	392,488,850	205,195,654
b) Capital Work in Progress		64,208,886	-	-
c) Other Non-Current Assets	4	22,886,574	14,205,836	9,334,146
Current Assets				
a) Inventories	5	254,639,498	255,598,204	271,297,436
b) Financial Assets				
i) Trade Receivables	6	29,157,865	34,047,855	36,960,290
ii) Cash & Cash Equivalents	7	2,104,229	23,494,831	2,051,890
iii) Other Bank Balances	8	16,966,662	16,947,345	15,915,316
c) Other Current Assets	9	90,900,822	51,835,959	49,744,764
TOTAL		894,359,752	788,618,880	590,499,496
II. EQUITY & LIABILITIES				
Equity				
a) Equity Share Capital	10	114,000,000	114,000,000	114,000,000
b) Other Equity	11	224,258,688	188,459,325	179,591,362
Liabilities				
Non-Current Liabilities				
a) Financial Liabilities				
i) Borrowings	12	305,822,643	275,237,102	73,501,865
b) Deferred tax liabilities(Net)	13	7,832,569	10,374,896	11,029,141
Current Liabilities				
a) Financial Liabilities				
i) Borrowings	14	174,932,941	170,272,015	171,745,721
ii) Trade Payables	15	14,788,577	19,260,361	22,295,648
iii) Other Financial Liabilities	16	33,191,879	6,695,018	12,847,288
b) Other current liabilities	17	15,605,013	4,019,070	4,782,686
c) Provisions	18	3,927,442	301,093	705,785
TOTAL		894,359,752	788,618,880	590,499,496

See accompanying notes 1 to 38 forming integral part of the financial statements

As per our report attached of even date

For B D S & Co.

(Formerly Bharat D Sarawgee & Co.)

Chartered Accountants

Firm Registration No. 326264E

Bharat D Sarawgee

Partner

Membership No. 061505

Place : Kolkata

Dated: the 5th day of June, 2018

For and on behalf of Board of Directors

Y. K. Dalmia

S Dalmia

C.K. Bhatia

Chairman

Director

Director

(DIN-00605908)

(DIN-00605973)

(DIN-0192694)

A.N. Khatua

M.K. Hati

Gagan Goyal

Company Secretary

CFO

Executive Director

(DIN-00678938)

SURAJ PRODUCTS LIMITED**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2018**

Particulars	Note No.	For Year ended March 31, 2018 (₹)	For Year ended March 31, 2017 (₹)
Revenue			
I Revenue From Operations*	19	710,761,395	669,372,587
II Other Income	20	1,570,685	1,825,099
III Total Revenue (I+II)		712,332,080	671,197,686
IV Expenses			
Cost of Materials Consumed	21	518,971,871	402,464,793
Change in Inventories of Finished Goods	22	(47,489,132)	47,439,400
Manufacturing & Operating Costs	23	58,174,843	64,247,007
Excise Duty on Sales		12,661,091	71,594,139
Employee Benefits Expense	24	26,523,912	20,343,971
Finance Costs	25	46,938,843	27,152,792
Depreciation and Amortisation Expenses	3	36,187,251	18,086,400
Other Expenses	26	26,813,401	10,935,338
Total Expenses		678,782,080	662,263,840
V Profit Before Tax		33,550,000	8,933,846
VI Less: Tax Expenses			
(a) Current Tax		7,788,214	1,783,772
(b) Tax relating to prior years		-	20,726
(c) Deferred Tax		(2,542,327)	(654,245)
(d) Mat Credit		(7,495,250)	(1,783,772)
VII Profit for the year		35,799,363	9,567,365
VIII Other Comprehensive Income			
A (i) Items that will not be classified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be classified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
IX Total Comprehensive Income for the Period		35,799,363	9,567,365
X Earnings per share (of ₹ 10/- each)(for discontinued and continuing operations)			
(a) Basic		3.14	0.84
(b) Diluted		3.14	0.84

*Revenue from operations are not directly comparable as it includes excise duty for the whole previous year whereas it is included only for the 1st quarter in the current year.

See accompanying notes 1 to 38 forming integral part of the financial statements

As per our report attached of even date

For B D S & Co.

(Formerly Bharat D Sarawgee & Co.)

Chartered Accountants

Firm Registration No. 326264E

Bharat D Sarawgee

Partner

Membership No. 061505

Place : Kolkata

Dated: the 5th day of June, 2018

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)

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2017

Particulars	Equity Share Capital	Securities Premium Reserve	Retained Earnings	Total
Balance as of April 1, 2016	114,000,000	54,700,000	124,891,362	293,591,362
Changes in equity for the year ended March 31, 2017	-	-	-	-
Profit for the year	-	-	9,567,365	9,567,365
Amortisation of leasehold land	-	-	(699,402)	(699,402)
Balance as of March 31, 2017	114,000,000	54,700,000	133,759,325	302,459,325

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2018

Particulars	Equity Share Capital	Securities Premium Reserve	Retained Earnings	Total
Balance as of April 1, 2017	114,000,000	54,700,000	133,759,325	302,459,325
Changes in equity for the year ended March 31, 2018	-	-	-	-
Profit for the year	-	-	35,799,363	35,799,363
Balance as of March 31, 2018	114,000,000	54,700,000	169,558,689	338,258,689

*Revaluation reserve on land Rs. 19,52,880/- transferred to retained earnings on 1st April, 2016.

SURAJ PRODUCTS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

	For the Year Ended March 31, 2018 (₹)		For the Year Ended March 31, 2017 (₹)	
A Cash Flow from Operating Activities				
Net Profit before Tax and extra ordinary items		33,550,000		8,933,846
Add/(Deduct)				
Depreciation and amortisation	36,187,251		18,086,400	
Financial charges	46,938,843	83,126,094	27,152,792	45,239,192
Operating Cash Profit before Working Capital		116,676,094		54,173,038
Add/Deduct				
Increase/(Decrease) in Trade Payable	(4,471,784)		(3,035,287)	
(Increase)/Decrease in Trade & Other receivable	(34,174,871)		814,652	
(Increase)/Decrease in Inventories	958,705		15,699,232	
Increase/(Decrease) in Other Current Liabilities	11,573,505		752,577	
(Increase)/Decrease in Advances	(1,600,546)	(27,714,991)	825,197	15,056,371
Cash flow from Operation		88,961,103		69,229,409
Direct Tax Paid		(4,149,427)		(3,718,795)
Net Cash Inflow/(Outflow) from Operating Activities		84,811,676		65,510,614
B Cash Flow from Investing Activities				
Purchase of Fixed Assets	(121,402,504)		(206,078,998)	
Capital Advances	415,058		(3,913,115)	
Fixed Deposits with Bank Matured		(120,987,446)		(209,992,113)
Net Cash Outflow from Investing Activities		(120,987,446)		(209,992,113)
C Cash Flow from Financing Activities				
(Repayment)/Proceeds from Long -Term Borrowing(Net)	57,689,173		195,588,607	
Proceeds from Short -Term Borrowing	(606,771)		(5,640)	
Dividend paid	(46,938,843)		(27,152,792)	
Financial charges paid		14,804,485		166,956,469
Net Cash Flow from Financing Activities		14,804,485		166,956,469
Net Cash Flow during the Year (A+B+C)		(21,371,285)		22,474,970
Cash and Cash Equivalent (Opening Balance)		40,442,176		17,967,206
Cash and Cash Equivalent (Closing Balance)		19,070,891		40,442,176
		(21,371,285)		22,474,970

See accompanying notes 1 to 38 forming integral part of the financial statements

As per our report attached of even date

For B D S & Co.

(Formerly Bharat D Sarawgee & Co.)

Chartered Accountants

Firm Registration No. 326264E

Bharat D Sarawgee

Partner

Membership No. 061505

Place : Kolkata

Dated: the 5th day of June, 2018

For and on behalf of Board of Directors

Y. K. Dalmia

S Dalmia

C.K. Bhatia

Chairman

Director

Director

(DIN-00605908)

(DIN-00605973)

(DIN-0192694)

A.N. Khatua

M.K. Hati

Gagan Goyal

Company Secretary

CFO

Executive Director

(DIN-00678938)

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Suraj Products Limited ('SPL' or 'the company') is a public limited company incorporated in India with its registered office at Vill: Barpali, PO; Kesarmal, Rajgangpur, Dist: Sundargarh, Odisha is engaged in production of sponge iron by direct reduction of iron ore, pig iron, ingots & generation of power form waste heat. Company share are Listed & traded in Bombay stock Exchange and Calcutta Stock Exchange.

2. BASIS OF PREPARATION & PRESENTATION

A. Statement of Compliance with Ind AS:

The Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 & the provisions of the Act (to the extent notified) and guidelines issued by Securities Exchange Board of India (SEBI).

Up to the year ended 31st March, 2017, the company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the company's first Ind AS Financial Statements. The date of transition is 1st April, 2016.

The Financial statements for the year ended 31st March, 2018 were approved by the Board of Directors and authorized for issue on the 5th day of June, 2018.

B. Accounting Convention:

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

C. Use of Estimates & Judgments:

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.

Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets & liabilities within the next financial year, are in respect of useful life of property, plant & equipment, valuation of deferred tax liabilities, provisions and contingent liabilities. The accounting policies followed by the company for the same have been disclosed in subsequent notes.

D. Revenue Recognition:

Sales are recognized on the basis of the fair value of the consideration, 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 recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the asset to that asset's net carrying amount on initial recognition.

E. Leases:

Group as a Lessee

Finance Leases

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

F. Property, Plant & Equipment & Depreciation:

Property, Plant & Equipment is stated at cost net of recoverable taxes less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production are capitalized.

- a) Depreciation has been provided on pro-rata basis on assets acquired after 01.04.2002 on a Written down Value Method and on assets acquired prior to 01.04.2002 on a straight Line Basis Method. Freehold land is not depreciated.
- b) Effective 1st April, 2014, the Company depreciates its Property, plant & equipment over the useful life in the manner prescribed in Schedule II of the Act.
- c) Depreciation, useful lives and residual values are reviewed periodically, at each financial year end.
- d) No depreciation is charged on the assets disposed off / discarded during the year.

G. Intangible Assets

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

H. Inventories:

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

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

I. Employees Benefits:

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.

(i) 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 based on actuarial valuation done internally by LIC and the company has no obligation except to the extent of the premium determined by Life Insurance Corporation.

J. Accounting For Taxation:

Current Tax:

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:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

K. 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.

L. 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.

M. Earnings 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 earnings 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.

N. Provisions and Contingent Liabilities:

Provisions are recognized when the company has a legal or 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. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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.

O. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before 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.

P. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are measured at fair value except when amortised cost approach is used. Transaction costs that is directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition): the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition): the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised in profit or loss for FVTOCI debt instruments. All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3: PROPERTY, PLANT & EQUIPMENT

Gross Block	Land (Leasehold)	Land (Freehold)	Factory Building	Plant & Equipment	Pollution Control Equipment	Electric Installation	Motor Vehicles	Furniture & Fixtures	Others	Refractories	Induction Furnace	Power Plant	Total
Balance as at 1st April, 2016	60,336,010	5,685,530	77,816,946	124,888,296	81,351,824	51,566,062	23,951,756	2,200,944	80,616,527	6,600,738	-	-	515,014,633
Additions during the year	1,211,370	-	877,915	-	-	-	2,357,228	-	6,161,006	-	-	195,471,479	206,078,998
Sales during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2017	61,547,380	5,685,530	78,694,861	124,888,296	81,351,824	51,566,062	26,308,984	2,200,944	86,777,533	6,600,738	-	195,471,479	721,093,631
Additions during the year	253,537	-	-	-	534,000	625,000	1,152,133	-	151,756	-	54,477,190	-	57,193,616
Sales during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2018	61,800,917	5,685,530	78,694,861	124,888,296	81,888,824	52,191,062	27,461,117	2,200,944	86,929,289	6,600,738	54,477,190	195,471,479	778,287,248
Accumulated Depreciation													
Balance as at 1st April, 2016	-	-	44,948,430	92,190,891	46,342,656	42,577,020	20,483,016	1,664,560	55,149,653	6,462,553	-	-	309,818,979
Charge for the year	-	-	2,759,317	3,223,266	3,696,146	2,667,884	1,099,729	140,113	4,459,827	-	-	40,117	18,096,400
Retained Earnings	699,402	-	-	-	-	-	-	-	-	-	-	-	699,402
Reversal on sales during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2017	699,402	-	47,707,747	95,414,157	50,038,802	45,244,904	21,582,745	1,804,673	59,609,680	6,462,553	-	40,117	328,604,780
Charge for the year	702,351	-	2,520,302	2,901,990	3,303,835	2,707,777	1,165,272	97,617	4,437,732	-	3,710,576	14,639,799	36,187,251
Reversal on sales during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2018	1,401,753	-	50,228,049	98,316,147	53,342,637	47,952,681	22,748,017	1,902,290	64,047,412	6,462,553	3,710,576	14,679,916	364,792,030
Net Block													
Balance as at 1st April, 2016	60,336,010	5,685,530	32,868,516	32,687,405	35,009,168	8,989,042	3,465,740	536,384	25,466,674	138,185	-	-	205,195,654
Balance as at 31st March, 2017	60,847,978	5,685,530	30,987,114	29,474,139	31,313,022	6,321,158	4,726,239	396,271	27,167,853	138,185	-	195,431,362	392,488,850
Balance as at 31st March, 2018	60,399,164	5,685,530	28,466,812	26,572,149	28,543,187	4,238,381	4,713,100	298,654	22,881,877	138,185	50,766,614	180,791,563	413,495,216

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

	As at 31st March-18 (₹)	As at 31st March-17 (₹)	As at 1st April-16 (₹)
4. Other Non-current assets			
(Unsecured, considered good and otherwise stated)			
Capital Advances	6,309,822	6,724,880	2,811,765
(Capital Advances have been given for the purpose of purchase of fixed assets)			
Advances other than Capital Advances:			
Balance with Revenue Authorities	5,010,006	3,485,560	4,294,757
Mat Credit Entitlement	9,279,022	1,783,772	-
Deposits with Other	2,287,724	2,211,624	2,227,624
	22,886,574	14,205,836	9,334,146
5. Inventories			
(At lower of cost or net realisable value)			
Raw Materials	148,734,596	205,038,269	173,850,354
Finished Goods	76,127,077	28,637,945	76,077,345
Stores & Spares	29,777,825	21,921,990	21,369,737
	254,639,498	255,598,204	271,297,436
6. Trade Receivables			
Unsecured, Considered Good	32,369,379	34,047,855	36,960,290
Less: Provision for doubtful debts	3,211,514	-	-
	29,157,865	34,047,855	36,960,290
<p>The company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS-109 "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The company has used a practical expedient & adjusted for forward looking information to compute expected credit losses. Based on historical credit loss experienced for the company & considering forward looking information, there is no expected credit loss allowance on trade receivables.</p>			
7. Cash and Cash Equivalents			
(a) Cash on Hand	1,644,158	1,234,904	1,444,953
(b) Balance with Banks			
Current Accounts	460,071	22,259,927	606,937
	2,104,229	23,494,831	2,051,890
8. Other Bank Balances			
Unpaid Dividend Account-Earmarked Balances	3,434,368	4,041,139	4,046,779
Balances with Bank to the extent of Margin Money	2,025,000	2,794,849	1,445,000
Fixed Deposits	11,507,294	10,111,357	10,423,537
	16,966,662	16,947,345	15,915,316

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	<u>As at</u> <u>31st March-18</u> (₹)	<u>As at</u> <u>31st March-17</u> (₹)	<u>As at</u> <u>1st April-16</u> (₹)
9 Other Current Assets			
(Unsecured, Considered Good)			
Balance with Revenue Authorities	391,092	14,510,227	7,889,633
Income Tax Advances (Net of Provisions ₹ 80,65,772, P.Y ₹ 17,83,772)	-	1,390,237	-
Advances to suppliers	78,486,316	24,155,736	30,216,244
Other Advances Recoverable in cash or in kind or for value to be received	3,393,942	3,150,287	3,009,415
Deposit Others	8,629,472	8,629,472	8,629,472
	<u>90,900,822</u>	<u>51,835,959</u>	<u>49,744,764</u>
10 Equity Share Capital			
Authorised :			
120,00,000 Equity shares of ₹ 10 each	120,000,000	120,000,000	120,000,000
Issued, Subscribed & Fully Paid up Capital			
114,00,000 Equity shares of ₹ 10 each	114,000,000	114,000,000	114,000,000
Total	<u>114,000,000</u>	<u>114,000,000</u>	<u>114,000,000</u>
(a) Reconciliation of Number of Shares			
Shares outstanding as at 1st April 2017/1st April 2016	11,400,000	11,400,000	11,400,000
Add. Number of shares issued during the year		-	-
Shares outstanding as at 31st March 2018 / 31st March 2017	<u>11,400,000</u>	<u>11,400,000</u>	<u>11,400,000</u>

(b) List of shareholders holding more than 5% of the total number of shares issued by the Company:

Name of the share holders	No of shares	% of holding	No of shares	% of holding	No of shares	% of holding
NIP Power Private Limited	2,827,000	24.79	2,827,000	24.79	2,827,000	24.79
Molisati Vinimay Private Limited	2,550,000	22.37	2,550,000	22.37	2,550,000	22.37
Yogesh Kumar Dalmia	1,491,500	13.08	991,500	8.69	991,500	8.69
Sunita Dalmia	772,400	6.77	772,400	6.77	772,400	6.77

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 the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at 31st March-18 (₹)	As at 31st March-17 (₹)	As at 1st April-16 (₹)
11 Other Equity			
(a) Securities Premium Reserve			
As per last account	54,700,000	54,700,000	54,700,000
	<u>54,700,000</u>	<u>54,700,000</u>	<u>54,700,000</u>
(b) Retained Earnings			
Opening balance	133,759,325	124,891,362	123,183,595
Add: Profit for the year	35,799,363	9,567,365	4,294,609
	169,558,688	134,458,727	127,478,204
Less : Appropriations			
Deferred Tax Changes	-	-	(2,111,464)
Dividend Distribution Tax relating to prior years	-	-	(37,975)
Finance expenses on leasehold land as per Ind AS	-	-	(513,353)
Amortisation of leasehold land	-	(699,402)	-
Closing Balance	<u>169,558,688</u>	<u>133,759,325</u>	<u>124,891,362</u>
Total	<u>224,258,688</u>	<u>188,459,325</u>	<u>179,591,362</u>
12 Borrowings			
Secured Loan			
i) Term Loan From Canara Bank	133,333,331	138,260,922	-
ii) Vehicle Loan From Bank	1,266,366	1,278,720	259,080
	<u>134,599,697</u>	<u>139,539,642</u>	<u>259,080</u>
Unsecured Loan			
i) From Related Parties	166,495,762	131,164,797	3,377,019
ii) From Body Corporates	-	-	65,495,753
iii) Finance Lease	4,727,184	4,532,663	4,370,013
	<u>171,222,946</u>	<u>135,697,460</u>	<u>73,242,785</u>
Total	<u>305,822,643</u>	<u>275,237,102</u>	<u>73,501,865</u>

These have been recorded at amortised cost.

Nature of Security and terms of repayment for Secured borrowings

Nature of Security	Terms of Repayment
a) Term loan amounting to ₹ 16 Crores (P.Y. ₹ 13.83 Crores) 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 February, 2024, Rate of interest 10.00 % (P.Y.11.90%)

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

b) Vehicle loans from HDFC Bank is secured by hypothecation of the vehicle financed. Repayable in 36 monthly instalment commencing from the date of sanction of loan. Last instalment payable in May, 2019

Vehicle loans from Canara Bank is secured by hypothecation of the vehicle financed. Repayable in 36 monthly instalment commencing from the date of sanction of loan. Last instalment payable in March, 2021

c) Finance lease obligations represent the present value of minimum lease payments payable over the lease term of leasehold land.

Instalments falling due in respect of all the loans & lease upto 31.03.2019 have been grouped under "Other Current Liabilities".

	<u>As at</u> <u>31st March-18</u> (₹)	<u>As at</u> <u>31st March-17</u> (₹)	<u>As at</u> <u>1st April-16</u> (₹)
13 Deferred Tax Liabilities			
Deferred Tax Liabilities	7,832,569	10,374,896	11,029,141
Net Deferred Tax Liabilities	7,832,569	10,374,896	11,029,141
14 Borrowings			
Secured			
Working Capital Loan	174,932,941	170,272,015	171,745,721
	174,932,941	170,272,015	171,745,721
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.			
15 Trade Payables			
Trade Payables	14,788,577	19,260,361	22,295,648
	14,788,577	19,260,361	22,295,648
16 Other Financial Liabilities			
Current Maturities of Long Term Debts	26,666,668	-	6,277,785
Current Maturities of Vehicle loan	1,144,464	1,026,312	1,245,850
Current Maturities of Finance Lease	1,946,379	1,627,567	1,276,874
Unpaid Dividend	3,434,368	4,041,139	4,046,779
	33,191,879	6,695,018	12,847,288
17 Other Current Liabilities			
Statutory Dues Payable	14,436,237	3,271,241	3,936,877
Deposits- Customer	-	537,568	537,568
Advances From Customers	1,168,776	210,261	308,241
	15,605,013	4,019,070	4,782,686
18 Current Liabilities- Provisions			
Provision For Taxation (Net of Advance Tax ₹ 41,49,403/-, P.Y ₹ Nil)	3,638,787	-	415,731
Provision For Employee Benefits	288,655	301,093	290,054
	3,927,442	301,093	705,785

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

	<u>31st March, 2018</u> (₹)	<u>31st March, 2017</u> (₹)
19. Revenue From Operations		
Sale of Manufactured Products		
Sponge Iron	454,192,666	453,582,432
Pig Iron	105,170,970	181,850,930
Ms Ingot	130,992,868	-
Others	<u>20,404,891</u>	<u>33,939,225</u>
	<u>710,761,395</u>	<u>669,372,587</u>
20. Other Income		
Interest Received	1,570,685	1,739,087
Foreign Exchange Fluctuation	-	86,012
	<u>1,570,685</u>	<u>1,825,099</u>
21. Cost of Materials Consumed (Indegenous)		
Materials Consumed Comprises of:		
Iron ore	158,918,690	137,985,875
Coal	180,615,370	140,159,939
Coke	105,784,920	97,506,387
Others	<u>73,652,891</u>	<u>26,812,592</u>
	<u>518,971,871</u>	<u>402,464,793</u>
22. Change in Inventories of Finished Goods		
Opening Stock	28,637,945	76,077,345
Closing Stock	<u>76,127,077</u>	<u>28,637,945</u>
	<u>(47,489,132)</u>	<u>47,439,400</u>
23. Manufacturing & Operating Costs		
Consumption of stores, spares & consumables	36,852,515	22,157,475
Power & Fuel	17,709,031	38,599,388
Repairs to Plant & Machinery	1,169,474	1,210,169
Repairs to Others	486,772	369,864
Insurance Charges	1,203,700	984,439
Others Manufacturing & Operating Expenses	<u>753,351</u>	<u>925,672</u>
	<u>58,174,843</u>	<u>64,247,007</u>
Entire Stores & spares consumed is Indigenous.		
24. Employee Benefits expense		
Salaries, Wages & Bonus	23,577,283	18,065,048
Contribution to Provident and Other Funds	1,710,171	1,663,221
Contribution to Gratuity Fund	798,982	155,748
Staff Welfare Expenses	<u>437,476</u>	<u>459,954</u>
	<u>26,523,912</u>	<u>20,343,971</u>
25. Finance Costs		
Interest -Bank	33,928,874	19,744,253
Interest - Others	11,992,136	6,398,973
Lease Finance Charges	513,333	513,344
Other Borrowing Costs	<u>504,500</u>	<u>496,222</u>
	<u>46,938,843</u>	<u>27,152,792</u>

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	<u>31st March, 2018</u>	<u>31st March, 2017</u>
	(₹)	(₹)
26. Other Expenses		
Rates & Taxes	5,327,259	3,641,656
Impairment of Financial Assets	8,191,159	-
Bad debts Written off	1,686,118	-
Provision for Bad debts	3,211,514	-
Rent	686,100	685,430
Auditor's Remuneration		
- Statutory Audit	100,000	100,000
- Tax Audit	40,000	40,000
- In Other Capacity	-	82,500
Excise Duty on Stock Differential	(1,520,120)	(1,240,693)
Periphery Development	224,600	576,450
Security Service Charges	3,015,958	2,571,054
Other Expenses	5,850,813	4,478,941
	<u>26,813,401</u>	<u>10,935,338</u>

27. First Time Adoption of Ind AS:

These financial statements, for the year ended 31st March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2016, the Company's date of transition to Ind AS.

Exemptions and Exceptions Aailed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

(a) Ind AS Optional Exemptions

Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the Company has elected to measures all of its property, plant and equipment and intangible assets at their previous GAAP carrying values

(b) Ind AS Mandatory Exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

SURAJ PRODUCTS LIMITED**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS****27.1 Effect of Ind AS Adoption on the Balance Sheet as at 1st April, 2016**

Particulars	Note	As at April 1, 2016		
		As per	Effect of	As per
		Previous GAAP (₹)	Transition To Ind AS (₹)	Ind AS (₹)
I. ASSETS				
Non- Current Assets				
a) Property, Plant & Equipment	(a)	200,062,120	5,133,534	205,195,654
b) Other Non-Current Assets	(b)	5,370,552	3,963,594	9,334,146
Current Assets				
a) Inventories		271,297,436	-	271,297,436
b) Financial Assets				
i) Trade Receivables		36,960,290	-	36,960,290
ii) Cash & Cash Equivalents		2,051,890	-	2,051,890
iii) Bank Balances other than (iii) above		15,915,316	-	15,915,316
c) Other Current Assets	(b)	53,708,358	(3,963,594)	49,744,764
TOTAL		585,365,962	5,133,534	590,499,496
II. EQUITY & LIABILITIES				
Equity				
a) Equity Share Capital		114,000,000	-	114,000,000
b) Other Equity	(c)	182,216,179	(2,624,817)	179,591,362
Liabilities				
Non-Current Liabilities				
a) Financial Liabilities				
i) Borrowings	(d)	69,131,852	4,370,013	73,501,865
b) Deferred tax liabilities(Net)	(c)	8,917,677	2,111,464	11,029,141
c) Other Non-current Liabilities	(e)	537,568	(537,568)	-
Current Liabilities				
a) Financial Liabilities				
i) Borrowings		171,745,721	-	171,745,721
ii) Trade Payables		22,295,648	-	22,295,648
iii) Other Financial Liabilities	(d)	11,570,414	1,276,874	12,847,288
b) Other current liabilities	(e)	4,245,118	537,568	4,782,686
c) Provisions		705,785	-	705,785
TOTAL		585,365,962	5,133,534	590,499,496

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

27.2 Effect of Ind AS Adoption on the Balance Sheet as at 1st April, 2017

Particulars	Note 27.6	As at April 1, 2017		
		As per Previous GAAP	Effect of Transition To Ind AS	As per Ind AS
		(₹)	(₹)	(₹)
I. ASSETS				
Non- Current Assets				
a) Property, Plant & Equipment	(d), (e) & (f)	387,968,706	4,520,144	392,488,850
b) Other Non-Current Assets	(b)	11,159,768	3,046,068	14,205,836
Current Assets				
a) Inventories		255,598,204	-	255,598,204
b) Financial Assets				
i) Trade Receivables	(b)	34,047,855	-	34,047,855
ii) Cash & Cash Equivalents		23,494,831	-	23,494,831
iii) Bank Balances other than (iii) above		16,947,345	-	16,947,345
c) Other Current Assets	(a)	54,882,027	(3,046,068)	51,835,959
TOTAL		784,098,736	4,520,144	788,618,880
II. EQUITY & LIABILITIES				
Equity				
a) Equity Share Capital		114,000,000	-	114,000,000
b) Other Equity	(g)	192,237,453	(3,778,128)	188,459,325
Liabilities				
Non-Current Liabilities				
a) Financial Liabilities				
i) Borrowings	(d)	270,704,439	4,532,663	275,237,102
b) Deferred tax liabilities(Net)	(c)	8,236,854	2,138,042	10,374,896
c) Other Non-Current Liabilities	(e)	537,568	(537,568)	-
Current Liabilities				
a) Financial Liabilities				
i) Borrowings		170,272,015	-	170,272,015
ii) Trade Payables	(c)	19,260,361	-	19,260,361
iii) Other Financial Liabilities	(d)	5,067,451	1,627,567	6,695,018
b) Other current liabilities	(e)	3,481,502	537,568	4,019,070
c) Provisions		301,093	-	301,093
TOTAL		784,098,736	4,520,144	788,618,880

SURAJ PRODUCTS LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

27.3 Reconciliation of Total Equity as at 1st April, 2016 & 31st March, 2017

Particulars	As at	As at
	March 31, 2017	April 1, 2016
	(₹)	(₹)
Equity as reported under previous GAAP	306,237,453	296,216,179
Add: Effect of foreign exchange fluctuation decapitalised	86,012	-
Less: Effect of changes in deferred tax on assets	(2,138,042)	(2,111,464)
Less: Effect of finance lease of leasehold land	(1,726,099)	(513,353)
Total equity as reported under Ind AS	302,459,325	293,591,362

27.4 Effect of Ind AS Adoption on the Statement of Profit & Loss for the year ended 31st March, 2016

Particulars	Note	For the year ended March 31st, 2017		
		As per	Effect of Transition	As per
	27.6	Previous GAAP	To Ind AS	Ind AS
		(₹)	(₹)	(₹)
Revenue				
I Revenue From Operations (Gross)	(h)	597,778,448	71,594,139	669,372,587
II Other Income	(e)	1,739,087	86,012	1,825,099
III Total Revenue (I+II)		599,517,535		671,197,686
IV Expenses				
Cost of Materials Consumed		402,464,793	-	402,464,793
Change in Inventories of Finished Goods		47,439,401	-	47,439,400
Manufacturing & Operating Costs		64,247,007	-	64,247,007
Excise Duty on Sales	(h)	-	71,594,139	71,594,139
Employee Benefits Expense		20,343,971	-	20,343,971
Finance Costs	(i)	26,639,448	513,344	27,152,792
Depreciation and Amortisation Expense		18,086,400	-	18,086,400
Other Expenses		10,935,338	-	10,935,338
Total Expenses		590,156,358		662,263,840
V Profit Before Tax	(e)&(i)	9,361,177	(427,331)	8,933,846
VI Less: Tax Expenses				
(a) Current Tax		1,783,772	-	1,783,772
(b) Tax relating to prior years		20,726	-	20,726
(c) Deferred Tax	(j)	(680,823)	26,578	(654,245)
(d) Mat Credit		(1,783,772)	-	(1,783,772)
VII Profit for the year		10,021,274	(453,910)	9,567,364
VIII Other Comprehensive Income				
A (i) Items that will not be classified to profit or loss		-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
B (i) Items that will be classified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
IX Total Comprehensive Income for the Period		10,021,274	(453,910)	9,567,364

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

27.5 Cash Flow Statements

There were no significant reconciliation items between cash flow prepared under Indian GAAP and those prepared under Ind AS.

27.6 Notes to Reconciliations

Impact under Ind AS on account of	Impact	As at April 1, 2016	As at March 31, 2017	For the year ended March 31, 2017
		(₹)	(₹)	(₹)
(a) Effect of finance lease on leasehold land				
Property Plant & Equipment	Increase	5,133,534		
Borrowings- Non-current	Increase	4,747,771		
Other Current Liabilities	Increase	385,763		
(b) Reclassification of Statutory dues from current to non-current				
Balance with Revenue Authorities- Non Current	Increase	3,963,594	3,046,068	-
Balance with Revenue Authorities- Current	Decrease	3,963,594	3,046,068	-
(c) Deferred tax changes and finance lease effect on leasehold land				
Other Equity	Decrease	2,624,817	2,111,464	-
Profit before tax	Decrease	-	-	1,053,478
Borrowings- Non Current	Increase	513,353		
Deferred tax liabilities	Increase	2,111,464	2,138,042	-
(d) Effect of leasehold land finance lease				
Borrowings	Increase	4,370,013	4,532,663	-
Other Equity	Decrease	513,353	1,026,697	-
Other Current Liabilities	Increase	1,276,874	1,627,567	-
Property Plant & Equipment	Increase	5,133,534	5,133,534	-
(e) Reclassification of deposit-customers from non-current to current				
Other non-current liabilities	Decrease	537,568	537,568	-
Other current liabilities	Increase	537,568	537,568	-
(e) Effect of decapitalisation of foreign exchange capitalised under Indian GAAP				
Other Income	Increase	-	-	86,012
Property, Plant & Equipment	Increase	-	86,012	-
Profit before tax	Increase	-	-	86,012
Other Equity	Increase	-	86,012	-

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

Impact under Ind AS on account of	Impact	As at April 1,	As at March	For the year
		2016	31, 2017	ended March
		(₹)	(₹)	31, 2017
				(₹)
(f) Amortisation of land lease				
Property, Plant & Equipment	Decrease	-	699,402	-
Depreciation and Amortisation Expense	Increase	-	-	699,402
Other Equity	Decrease	-	699,402	-
Profit before tax	Decrease	-	-	699,402
(g) Change in Equity				
Deferred tax	Increase	-	2,138,042	
Finance Expenses in leasehold land	Increase	-		1,026,697
Amortisation of leasehold land	Increase	-		699,402
Property, Plant & Equipment	Increase	-	86,012	
Other Equity	Decrease	-	3,778,129	
(h) Excise duty on sale of products to be presented separately as opposed to netting it off from revenue from operations under Indian GAAP				
Revenue from Operations	Increase	-	-	71,594,139
Other Expenses	Increase	-	-	71,594,139
(i) Effect of finance cost on leasehold land				
Finance Cost	Increase	-	-	513,344
Profit before tax	Decrease	-	-	513,344
(j) Deferred tax liability				
Deferred tax	Increase	-	-	26,578
Profit after tax	Increase	-	-	26,578

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

28. Excise Duty

Excise Duty on sales for the first quarter has been included in the turnover. Excise Duty relating to revenue shown on the face of statement of Profit & Loss. Impact of Excise duty on the difference between the closing stock and opening stock has been included in Note 26 "Other Expenses".

29. 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. Molisati Vinimay Private Ltd

M/s. Kedarnath Mining Pvt. Ltd.

M/s. NIP Power Pvt. Ltd.

M/s. Tirupati Vincom Pvt. Ltd.

M/s. Excel Infra Projects Pvt. Ltd.

(ii) Key Management Personnel & Relatives:

Shri Yogesh Kumar Dalmia, Chairman

Shri Gagan Goyal, Executive Director

Smt. Sunita Dalmia, Non-Executive Director

Shri M. K. Hati, CFO

Shri A. N. Khatua, CS

(b) Transactions with related parties:

(Amount in ₹)

Parties with significant influence (Direct and Indirect)		Nature of transaction				
		Loans & Advances Accepted	Loans & Advances Repaid	Interest	Rent	Outstanding
I	Molisati Vinimay Pvt. Ltd	Nil	21,20,663	1,60,473	Nil	Nil
		(Nil)	(15,00,000)	(2,70,716)	(Nil)	(21,20,663)
II	Kedarnath Mining Pvt. Ltd.	50,00,000	1,14,77,375	1,29,10,140	Nil	13,41,85,885
		(8,05,00,000)	(2,74,86,799)	(1,17,05,756)	(Nil)	(12,90,44,134)
III	NIP Power Pvt Ltd	1,80,00,000	Nil	24,658	Nil	1,80,22,192
		(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
IV	Tirupati Vincom Pvt Ltd.	3,15,00,000	1,80,00,000	8,75,205	Nil	1,42,,87,685
		(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
V	Excel Infra Projects Pvt Ltd.	Nil	Nil	Nil	40,000	Nil
		(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
	Key Managerial Personnel & Relatives	Yogesh Kumar Dalmia	Gagan Goyal	M. K. Hati	A. N. Khatua	
	Remuneration	39,00,000	8,08,040	7,68,040	5,00,040	
		(39,00,000)	(7,52,040)	(7,08,294)	(3,35,076)	

Figures in the bracket indicate previous year figures.

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

30. In compliance with Ind AS- 33 the company has calculated EPS. There are no diluted elements involved, hence basic EPS and diluted EPS are same:-

Particulars			As at March 31st, 2018	As at March 31st, 2017
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 (₹)	3,57,99,363	95,67,365
D		Basic Earnings Per Share (C / B) in (₹)	3.14	0.84

31. CIF value of Imports

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

32. Expenditure in Foreign Currency

Particulars	Current Year (₹)	Previous Year (₹)
Travelling Expenses	Nil	1,04,945
Purchase of Capital Goods	Nil	19,42,629

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

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

34. Contingent liabilities and Commitments

a) Contingent Liabilities

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

	Particulars	As at March 31st, 2018 (₹)	As at March 31st, 2017 (₹)
(i)	Disputed Demand of Orissa Sales Tax	11,77,868	11,77,868
(ii)	Disputed Demand of Central Sales Tax	31,68,933	31,68,933
(iii)	Disputed Demand of Orissa Entry Tax	12,67,378	12,67,378
(iv)	Disputed Demand of Income Tax	5,51,157	5,51,157

- ii) Demand had been raised by M/s WESCO Ltd. in respect of arrear electricity charges amounting to ₹ 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.

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

b) Commitments

Estimated Amount of Contracts remaining to be executed on capital account and not provided for ₹ 5,50,00,000/- (P.Y ₹ 3,10,00,000/-)

35. Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(Amount in ₹)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
i) Equity Share capital	114,000,000	114,000,000	114,000,000
ii) Other Equity	224,258,688	188,459,325	179,591,362
Total equity	338,258,688	302,459,325	293,591,362
i) Long-term borrowings	305,822,643	275,237,102	73,501,865
ii) Current Maturity of long term debt	29,757,511	2,653,879	8,800,509
Total debt (b)	335,580,154	277,890,981	82,302,374
(i) Cash and cash equivalents	2,104,229	23,494,831	2,051,890
Total cash (c)	2,104,229	23,494,831	2,051,890
Net debt {d=(b-c)}	333,475,925	254,396,150	80,250,484
Total capital (equity + net debt)	671,734,613	556,855,475	373,841,846
Net debt to equity ratio	0.99	0.84	0.27

36. The company has commissioned captive Power Plant (CPP) during the FY 2016-17. 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 Ind AS 12, the deferred tax in respect of temporary differences which reverse during the tax holiday period have not been recognized. Deferred tax in respect of temporary difference which originate during the tax holiday period but reverse after the tax holiday period, have been recognized in the year in which the temporary differences have originated.

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

37. Segment Reporting:

As per Ind AS 108, the company operates predominantly only in one operating segment, i.e. finished products from Iron Ore. The company is captively consuming the whole power generated through the power plant. Hence, there is no reportable operating segment.

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**38. Financial Assets & Liabilities**

- a) **Fair Market Value Disclosure:** The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.
- b) **Financial Risk Management Objectives:**

The company's management monitors and manages the financial risks relating to the operations of the company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

(i) Market Risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market prices. Such change in value of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

Foreign Currency Risk

The company has its operations based mainly within the country. So, the company does not have any significant foreign currency risks. The foreign currency exposure only relates to advance paid of \$8200 to a foreign creditor as at 1st April, 2016.

Interest Rate Risk

The company has investments mainly in fixed interest bearing investments. Hence the company is not significantly exposed to interest rate risks. The interest rate on borrowings ranged from 9.36% to 11.9% in the previous year & 8.9% to 10% in the current year.

(ii) Credit Risk

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to credit risk is on account of trade receivables amounting to Rs. 3.40 crores as at 31st March, 2017 and Rs. 2.92 crores as at 31st March, 2018. Trade receivables are typically unsecured and derived from revenue earned from customers. Credit risk is managed by establishing credit limits and reviewing the credit approvals provided to various customers. The company has 1 customer having outstanding due exceeding 10% of the total receivables as at 31st March, 2017 & 3 customers having outstanding due exceeding 10% of the total receivables as at 31st March, 2018. For details of expected credit loss on the reporting year refer Note 4.

(iii) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset.

The company's principal sources of liquidity are cash and cash equivalents, bank fixed deposits and the cash that is generated from operations.

The company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows. The company generates sufficient cash flows from current operations which together with the available cash and cash equivalents provide liquidity both in the short-term as well as in the long-term.

The following tables detail the company's remaining contractual maturity for its financial liabilities with the agreed repayment and realization periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay & realize.

As per our report attached of even date

For B D S & Co.

(Formerly Bharat D Sarawgee & Co.)

Chartered Accountants

Firm Registration No. 326264E

Bharat D Sarawgee

Partner

Membership No. 061505

Place : Kolkata

Dated: the 5th day of June, 2018

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 :

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Kolkata - 700 001