

**ANNUAL REPORT  
2015 – 2016**



**SURAJ PRODUCTS LIMITED**

**Formerly**

**CHAMPION CEMENT INDUSTRIES LTD.**

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

## **SURAJ PRODUCTS LIMITED**

### **BOARD OF DIRECTORS**

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

### **AUDITOR**

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

### **CHIEF FINANCIAL OFFICER**

Mr. M. K. Hati

### **COMPANY SECRETARY**

Mr. A.N. Khatua

### **BANKER**

Canara Bank

### **REGISTRAR & SHARE TRANSFER AGENTS**

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

### **REGISTERED OFFICE :**

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

### **KOLKATA OFFICE :**

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

## **SURAJ PRODUCTS LIMITED**

### **NOTICE OF THE 25th ANNUAL GENERAL MEETING**

Notice is hereby given that the 25th Annual General Meeting of the members of SURAJ PRODUCTS LIMITED will be held on **Wednesday the 28th day of September, 2016 at 11:30 AM at the Registered Office of the Company** situated at Vill: Barpali, P.O. Kesramal (Rajgangpur) – 770 017 Dist: Sundergarh, Odisha, to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2016 and Profit & Loss Account of the Company for the year ended as on that date, together with the Auditor's Report and Director's Report thereon.
2. To appoint a director in place of Mrs. Sunita Dalmia (DIN- 00605973) who retires by rotation and being eligible offers herself for reappointment.
3. To ratify the re-appointment of Messrs Rustagi & Co., Statutory Auditors, who have been appointed at the AGM held on 27th September, 2014 for a period of three years up to the conclusion of 26th AGM to be held in the year 2017 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution**:-

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

#### **SPECIAL BUSINESS:**

4. To consider and if thought fit, to re-appoint Mr. Gagan Goyal (DIN- 00678938), as whole-time director and pass with or without modifications the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 197, 198 and other applicable Provisions if any of the Companies Act, 2013 (the Act), read with Schedule V of the Act and Articles of Association of the Company and all other applicable provisions of companies Act 2013 and the Companies (appointment and remuneration) Rules 2014 if any, Mr. Gagan Goyal (DIN- 00678938) be and is hereby re-appointed as whole-time Executive Director for a period of five years, with effect from August 01, 2016 on such terms and conditions, emoluments, perquisites and benefits as recommended by the Remuneration Committee are detailed herein below:

##### **a. Salary:-**

Salary of Rs. 60,000 – 5000 – 80,000 p.m. w.e.f. August 01, 2016 as may be decided by the Board/Committee of the Board.

##### **b. Allowances:-**

###### **(i) Residential Accommodation:**

Company shall provide rent free un-furnished accommodation for occupation by self and family or House Rent Allowance @ 25% of Salary.

###### **(ii) Leave Travel Allowance:**

Once in a year for self and family, as per Rules of the Company.

##### **c. Perquisites & Benefits:-**

- (i) Contribution to Superannuation Fund as per Rules of the Company:** Contribution to Superannuation Fund to the extent it is not taxable under the Income-Tax Act.

**(ii) Gratuity:**

Gratuity at the rate of one month's salary for each completed year of service.

**(iii) Medical Expenses:**

Reimbursement of medical expenses including hospitalization and surgical charges incurred in India and abroad for him and his family as per the rules of the Company or as decided by the Board.

**(iv) Personal Accident Insurance:**

Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company.

**(v) Leave and Leave Encashment:**

In accordance with the rules of the Company or as decided by the Board.

**(vi) Car:**

Company shall provide fully maintained one car with driver/reimbursement of driver's salary as per the rules of the Company or as decided by the Board.

**(vii) Communication facilities:**

Expense incurred towards mobile, telephone and other suitable communication facilities at the residence will be reimbursed as per the rules of the Company or as decided by the Board.

**(viii) Others:**

Such of the perquisites, benefits and allowances in accordance with the rules of the Company or as decided by the Board.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

**d. Minimum Remuneration:-**

In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of his service, the payment of salary commission & perquisites and other allowances shall be governed by the limits prescribed under Part-II of Schedule V of the Companies Act, 2013 as may be for the time being in force & all other applicable provisions of companies Act 2013 and the Companies (Appointment and Remuneration) Rules 2014.

**Other Terms & Conditions:-**

As long as Mr. Gagan Goyal (DIN- 00678938) functions as the Executive Director of the Company, no sitting fee will be paid to him for attending the meeting of the Board of Directors or Committee thereof.

The Executive Director shall not become interested or otherwise concerned directly or through his wife and/or minor children, in any selling agency of the Company, without the prior approval of the Central Government, wherever applicable. Mr. Gagan Goyal (DIN- 00678938) can take up directorship/ membership of any Company/ Organization/Committees set up by any Body Corporate/authorities, so long as it does not conflict with the interest of the Company.

Either party shall be entitled to terminate the appointment at anytime by giving to the other party 180 days notice in writing in that behalf or salary in lieu thereof.

"RESOLVED FURTHER THAT the Board of Directors have the liberty to vary the remuneration payable to Mr. Gagan Goyal so as not to exceed the remuneration beyond the limits specified in schedule V and all other applicable provisions of companies Act 2013 and the companies (appointment and remuneration) Rules 2014, including any statutory modification or re-enhancement thereof, for the time being in force or any amendments and / or modifications that may hereafter be made thereto or as may be agreed to between the Board of Directors and Mr. Gagan Goyal".

## **SURAJ PRODUCTS LIMITED**

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such acts, deeds and things as may be necessary to give effect to this resolution.

5. To consider and, if thought fit, to appoint Mr. C.K.Bhartia (DIN- 192694), as an independent director and pass with or without modifications the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. C.K.Bhartia (DIN- 192694), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from 01, September , 2016 and whose office shall not be liable to determination by retirement of directors by rotation.

“RESOLVED FURTHER THAT pursuant to the provisions of Section 149 and 197 of the Companies Act, 2013 read with Schedule IV of thereof (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. C.K.Bhartia (DIN- 192694), will not be paid any sitting fees for attending the meeting(s) of the Board or any Committee thereof and also for the reimbursement of any expenses for participation in the Board and other meetings”.

“RESOLVED FURTHER THAT Mr. Y.K.Dalmia, Chairman and Mr. A.N.Khatua, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things, including signing and issuing letter of appointment and to complete all other formalities as may be required in this regard”

By Order of the Board of Directors

Place: Barpali  
Dated: 6th August, 2016

A.N.Khatua  
Company Secretary

### **Notes:**

- 1. A member entitled to attend, vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf, and a proxy need not be a member of this company. Proxies in order to be effective must be received at the registered office of the company not later than 48 hours before the commencement of the meeting. A blank proxy form is enclosed.**
- 2 The Register of Members and Share Transfer Books of the company will remain closed from 25.09.2016 to 28.09.2016 (both days inclusive) for the purpose of Annual General Meeting.
- 3 As required by the Listing Agreement, details of the Director retiring by rotation and eligible for re-appointment are annexed hereto.
- 4 The Company had declared Dividend @7% i.e. ₹ 0.70 per equity shares of the Company for the Financial Year 2009-10, @ 8 % i.e. ₹ .80 for the Financial Year 2010-11, @ 9 % ₹ 0.9 for the Financial Year 2011-12 , @ 5 % i.e. ₹ 0.50 for the Financial Year 2012-13 @ 6% i.e. ₹ 0.60 for the Financial Year 2013-14 and @ 7% i.e. ₹ 0.70 for the Financial Year 2014-15. All the equity shareholders of the Company are requested to contact the Company/ Share Transfer Agent i.e. M/s MCS Share Transfer Agent Limited,12/1/5, Manoharpukur Road, Kolkata-700026, for payment of their dividend amount, if they have not been paid.

## SURAJ PRODUCTS LIMITED

The un-paid dividend for the Financial Year 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 as on 31.03.2016 are ₹ 6,01,381/-, ₹ 6,93,292/-, ₹ 8,41,029/- , ₹ 5,08,408/-, ₹ 6,31,816/- and ₹ 7,70,853/- respectively.

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

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

- 5 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.
- 6 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.
- 7 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
- 8 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 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 correctly be credited to your new account.

- 9 In compliance with the provisions of section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of Listing Agreement, the Company is pleased to provide members facility to exercise their rights to vote at the 25th Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

### **The instructions for e-voting are as under:**

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

- i) Open e-mail and PDF file viz. "SURAJ PRODUCTS LIMITED e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user id and password for e-voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii) Click on shareholder – Login.
- iv) Put user id and password as initial password in step (i) above. Click Login.

## **SURAJ PRODUCTS LIMITED**

- v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home page of e-voting opens. Click on e-voting cycles.
- vii) Select "EVEN" of Suraj Products Limited.
- viii) Now you are ready for e-voting as cast vote page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also click "Confirm" when prompted.

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

- i) Initial password is provided below the attendance slip.
- ii) If you are already registered with NSDL for e-voting then you can use your existing user id and password for casting your vote.
- iii) The e-voting period commences on Sunday, September 25, 2016 (9:00 AM) and ends on Tuesday, September 27, 2016 (5:00 PM). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- iv) The voting rights of shareholders shall be as per the number of equity shares held by members as on the cut-off date (record date) of September 21, 2016.
- v) L N Panda & Associates, Company Secretaries, Rourkela have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vi) The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- vii) The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website @ [www.surajproducts.com](http://www.surajproducts.com). Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for the year 2015-16, will be available on the Company's website.

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

Registered Office:

At- Vill: Barpali, Po- Kesramal, Rajgangpur,  
Dist- Sundargarh, Odisha- 770017  
E-mail- [info@surajproducts.com](mailto:info@surajproducts.com), [suproduct@gmail.com](mailto:suproduct@gmail.com)  
Website: [www. Surajproducts.com](http://www.Surajproducts.com)  
6th day of August, 2016

By order of the Board of Directors

A.N.Khatua  
Company Secretary

## **SURAJ PRODUCTS LIMITED**

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

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

The term of office of Mr. Gagan Goyal (DIN- 00678938) as Whole-time Executive Director was due for expiry on 30th July, 2016. Considering the valuable contribution made by him during his tenure, the Board of Directors at its meeting held on August 06, 2016 re-appointed Mr. Gagan Goyal (DIN- 00678938) as Executive Director for a further period of 5 years with effect from 1st August, 2016 on the remuneration recommended by the Remuneration Committee subject to approval of the members in the ensuing Annual General Meeting.

#### **Item No. 5**

The Board of Directors of the Company have appointed Mr. C.K.Bhartia (DIN- 192694) as an Additional Director with effect from 01, September, 2016 pursuant to provisions of Section 161 of the Companies Act, 2013, who shall hold the office till the conclusion of the ensuing Annual General Meeting and proposed to appoint him for a period of consecutive five years as an Independent Director, subject to approval of the shareholders at the ensuing Annual General Meeting and whose office shall not be liable to determination by retirement of directors by rotation.

The Company has received from Mr. C.K.Bhartia (DIN- 192694), a consent in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

Further, the provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into force with effect from April 1, 2014 which requires every Public Company fulfilling the prescribed criteria as laid down in Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 to appoint an Independent Director on its Board and the Independent Director shall not be included in the total number of directors for retirement by rotation. Accordingly, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Board of Directors of the Company had appointed (subject to the approval of the members at the ensuing General Meeting), Mr. C.K.Bhartia (DIN- 192694) as an Independent Director of the Company within the meaning of Section 2(47) read with Section 149(6) of the Companies Act, 2013 for a term of 5 consecutive years commencing from September 01, 2016.

Mr. C.K.Bhartia (DIN- 192694) is a Chartered Accountant having more than 30 years of experience in the areas of Finance, Accounts and Capital Market. He has expertise in Equity Research and Investments Advisory Services.

The Company has received a notice in writing from shareholders pursuant to Section 160 of the Act, proposing the candidature of Mr. C.K.Bhartia (DIN- 192694) for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Act.

In the opinion of the Board, Mr. C.K.Bhartia (DIN- 192694), who is proposed to be appointed as an Independent Director of the Company with effect from September 01, 2016 for a period of 5 years, fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management. Considering his vast experience, his presence on the Board will be of immense value to the Company.

A copy of the draft letter of appointment of Mr. C.K.Bhartia (DIN- 192694) as an Independent Director setting out the terms and conditions shall be placed at the meeting for inspection by the members and shall also be available for inspection at the registered office / corporate office of the Company during business hours.

Except Mr. C.K.Bhartia (DIN- 192694), the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The resolutions as set out in Item no. 5 of this Notice are accordingly recommended for your approval.



**SURAJ PRODUCTS LIMITED****ANNEXURE TO THE NOTICE****DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN THE 25TH ANNUAL GENERAL MEETING**

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

Name of Director	<b>Mrs. Sunita Dalmia</b>
DIN	00605973
Date of Birth	03.05.1964
Qualification	Graduate
Expertise in specific functional areas	She has come from business family and has possessed good business sense and administrative capabilities.
List of other Companies in which Directorship held (excluding in Foreign companies)	1. Molisati Vinimay Pvt. Ltd. 2. NIP Power Pvt. Ltd. 3. Balbhadra Infratech Pvt. Ltd. 4. Brex Technology Pvt. Ltd.
Chairman/Member of Committees of the Board of Directors of other Companies in which he is a Director (excluding in foreign Chairman of Companies)	Nil
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	7,72,400 Shares
Name of Director	<b>Mr. Gagan Goyal</b>
DIN	00678938
Date of Birth	23.03.1968
Qualification	Graduate
Expertise in specific functional areas	Expertise in the field of Accounts, Purchase, Stores and Project implementation.
List of other Companies in which Directorship held (excluding in Foreign companies)	None
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.	Nil
Name of Director	<b>Mr. C.K.Bhartia</b>
DIN	00192694
Date of Birth	26/06/1962
Qualification	B.COM, Chartered Accountant
Expertise in specific functional areas	Having experience of over 30 years in the areas of Finance, Accounts and Capital Market. He has expertise in Equity Research and Investment.
List of other Companies in which Directorship held (excluding in Foreign companies)	1. Jai Balaji Industries Ltd. 2. Utkal Polymer Ltd. 3. Monsoon Forgings (P) Ltd. 4. Utkal Forgings (P) 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)	1. Chairman, Audit Committee in Jai Balaji Industries Limited
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	Nil

**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 2016.

**FINANCIAL RESULTS:**

<b>PARTICULARS</b>	<b>Current Year (₹ In Lac)</b>	<b>Previous Year (₹ In Lac)</b>
Sales and other income	6273.38	10298.34
Profit before depreciation	274.37	641.82
Depreciation	214.31	265.07
<b>Profit for the year</b>	<b>60.06</b>	<b>376.75</b>
Provision for tax	17.11	123.92
<b>Profit after tax</b>	<b>42.95</b>	<b>252.82</b>
Profit brought forward from the previous year	1212.31	1062.02
<b>Profit available for appropriation</b>	<b>1255.63</b>	<b>1308.44</b>
Proposed Dividend	Nil	79.8
Tax on Proposed Dividend	Nil	16.33
<b>Surplus carried to Balance Sheet</b>	<b>1255.63</b>	<b>1212.31</b>

**OPERATIONS:**

During the year, the Company produced 24814 MT and sold 24328 MT of sponge iron compared to previous year's production of 28,955 MT and sales of 29,084 MT. The company produced 13689 MT and sold 13445 MT of Pig Iron as compared to last year's production of 12,151 MT and sales of 12,109 MT. The market for sponge iron remained subdued during the year due to the poor demand of steel and the increase in steel imports. The sluggish growth of real estate and infrastructure sector reduced the growth rate of demand for steel.

**DIVIDEND:**

Considering the need to conserve resources for the Company's ongoing capital expenditure programme, the Board of Directors of the Company do not recommend any dividend on the equity shares for the year ended 31st March, 2016.

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

The Register of Members and Share Transfer Books of the Company will be closed with effect from 25th September, 2016 to 28th September, 2016 (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, 2016 the paid-up share capital of the Company is ₹ 11,40,00,000 (Rupees Eleven Crores and Forty Lacs only) divided into 1,14,00,000 Equity Shares of ₹ 10/- each. During the year your Company has not issued any equity shares.

**DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as at March 31, 2016.

**DIRECTORS:**

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

The Board at its meeting held on 6th August, 2016 has re-appointed Mr. Gagan Goyal (DIN- 00678938) as the whole time Executive Director for a period of five years with effect from August 1, 2016. Necessary

## **SURAJ PRODUCTS LIMITED**

resolutions together with explanatory statement have been included in the Notice of 25th Annual General Meeting as the above re-appointment is subject to the approval of the shareholders.

The Board at its meeting held on 6th August, 2016 has accepted the resignation of Mr. R.P.Agarwal (DIN-02390381) from the Board of Directors of the Company w.e.f 6th August, 2016.

The Board at its meeting held on 6th August, 2016, has appointed Mr. C.K.Bhartia (DIN-192694) as an Additional Director till the conclusion of the forthcoming Annual General Meeting and has proposed to appoint him as an Independent Director for a period of five years w.e.f. September 01,2016. Necessary resolutions together with explanatory statement have been included in the Notice of 25th Annual General Meeting as the above appointment is subject to the approval of the shareholders.

### **BOARD EVALUATION:**

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

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

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

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

### **AUDITORS REPORT & AUDITORS' OBSERVATION:**

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

### **STATUTORY AUDIT:**

M/s Rustagi & Co., Chartered Accountants (Reg. No.301094E), the statutory auditors of the Company were appointed as Statutory Auditors for 3 years at the Twenty Third Annual General Meeting of the Company held on 27.09.2014. The Board recommends the ratification by the shareholders of their re-appointment as Statutory Auditors of the Company for the year 2016-17.

### **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:**

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

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

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

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

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

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

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

## **SURAJ PRODUCTS LIMITED**

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

### **SUBSEQUENT EVENTS:**

There are no material changes and commitments affecting the financial position of the company which have occurred between March 31, 2016 and the date of the report.

### **NUMBER OF BOARD MEETINGS DURING F.Y. 2015-16:**

During the FY 2015-16 the number of meeting of Board of Directors of the Company comes to 4 (Four). The details of the number of meetings of the Board held during the financial year forms part of the Corporate Governance Report.

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

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

### **DECLARATION OF INDEPENDENCE:**

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

### **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 2015-16.

### **RELATED PARTY TRANSACTION:**

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

### **VIGIL MECHANISM POLICY:**

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

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

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

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

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

### **WHISTLE BLOWER POLICY:**

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

### **PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate

## **SURAJ PRODUCTS LIMITED**

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 of Directors and the designated employees have confirmed compliance with the Code.

### **MANAGERIAL REMUNERATION:**

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

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

### **BUSINESS RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a Business Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards' Report.

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

### **REGARDING KEY MANAGERIAL PERSONNEL:**

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

Mr. Y.K.Dalmia, Chairman

Mr. Gagan Goyal, Executive Director

Mr. M.K.Hati, Chief Financial Officer

Mr. A.N.Khatua, Company Secretary & 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, 2016, 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 AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:**

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

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

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

### **ACKNOWLEDGEMENT AND APPRECIATION:**

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

On behalf of the Board of Directors

Place: Barpali

Date: August 06, 2016

Y. K. Dalmia

Chairman

**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 2016.

**1. CONSERVATION OF ENERGY:**

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

<b>ELECTRICITY</b>		<b>For the Year 2015-2016</b>	<b>For the Year 2014-2015</b>
(a) Purchased Units	KWH	6967350	65,55,234
Amount	₹	40041625	370,55,154
Cost per Unit	₹	5.75	5.65
(b) Through Diesel Generator	KWH	319130	3,16,627
Unit per Ltr. of Diesel		3.34	3.29
Cost per Unit *	₹	15.15	16.87

**POWER CONSUMPTION:**

Power Consumption per Unit of Production:

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

**2. TECHNOLOGY ABSORPTION:**

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

**3. INDUSTRIAL RELATIONS:**

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

**4. FOREIGN EXCHANGE OUTGO:**

	<b>Current Year (₹)</b>	<b>Previous Year (₹)</b>
Purchase of Spares & Services:	29, 71,789	NIL
Travelling Expenses:	1, 19,319	1, 88,027
Others (Advance for Capital goods)	5, 43,930	1, 04,174

On behalf of the Board of Directors

Place: Barpali  
Date: August 06, 2016

Y. K. Dalmia  
Chairman

## **SURAJ PRODUCTS LIMITED**

### **Annexure I to Boards Report SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended On 31st March, 2016**

(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

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, 2016, 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, 2016 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,

## **SURAJ PRODUCTS LIMITED**

- (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  
June 25, 2016

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

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

### **'ANNEXURE D'**

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

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

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

Place: Rourkela  
June 25, 2016

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



## SURAJ PRODUCTS LIMITED

### Annexure –III to Boards Report

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

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

#### I. REGISTRATION AND OTHER DETAILS:

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

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	SPONGE IRON	3303	65%
2	PIG IRON	3304	35%

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

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

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

##### i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	19,84,800	NIL	19,84,800	17.41	19,84,800	NIL	19,84,800	17.41	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	53,67,000	NIL	53,67,000	47.08	59,17,000	NIL	59,17,000	51.90	4.82
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (1):-</b>	<b>73,51,800</b>	<b>NIL</b>	<b>73,51,800</b>	<b>64.49</b>	<b>79,01,800</b>	<b>NIL</b>	<b>79,01,800</b>	<b>69.31</b>	<b>4.82</b>
(2) <b>Foreign</b>									
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (A) (2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>73,51,800</b>	<b>NIL</b>	<b>73,51,800</b>	<b>64.49</b>	<b>79,01,800</b>	<b>NIL</b>	<b>79,01,800</b>	<b>69.31</b>	<b>4.82</b>

## SURAJ PRODUCTS LIMITED

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(1):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	19,16,989	63,800	19,80,789	17.37	12,98,907	63,300	13,62,207	11.92	5.45
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3,60,811	16,39,600	20,00,411	17.55	3,91,737	16,22,600	20,14,337	17.70	0.15
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13,900	53,100	67,000	0.59	95,056	26,600	1,21,656	1.07	0.48
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)= (B)(1)+ (B)(2)	<b>22,91,700</b>	<b>17,56,500</b>	<b>40,48,200</b>	<b>35.51</b>	<b>17,85,700</b>	<b>17,12,500</b>	<b>34,98,200</b>	<b>30.69</b>	<b>4.82</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>96,43,500</b>	<b>17,56,500</b>	<b>1,14,00,000</b>	<b>100</b>	<b>96,87,500</b>	<b>17,12,500</b>	<b>1,14,00,000</b>	<b>100</b>	<b>NIL</b>

(ii) **Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	% change in share holding during the year
1	Nip Power Pvt. Ltd.	28,27,000	24.8	NIL	28,27,000	24.8	NIL	NIL
2	Molisati Vinimay Pvt. Ltd.	20,00,000	17.54	NIL	25,50,000	22.36	NIL	4.82
3	Y.K.Dalmia	9,91,500	8.7	NIL	9,91,500	8.7	NIL	NIL
4	Sunita Dalmia	7,72,400	6.78	NIL	7,72,400	6.78	NIL	NIL
5	Balbhadra Infratech Pvt. Ltd.	5,40,000	4.74	NIL	5,40,000	4.74	NIL	NIL
6	Nivedita Dalmia	1,10,900	0.97	NIL	1,10,900	0.97	NIL	NIL
7	Nandita Dalmia	1,10,000	0.96	NIL	1,10,000	0.96	NIL	NIL
	<b>Total</b>	<b>73,51,800</b>	<b>64.49</b>	<b>NIL</b>	<b>79,01,800</b>	<b>69.31</b>	<b>NIL</b>	<b>4.82</b>

## SURAJ PRODUCTS LIMITED

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

Sl. No.	At the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	73,51,800	64.49	73,51,800	64.49
	Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease: <b>Purchase</b>			5,50,000	4.82
	<b>At the End of the year</b>			<b>79,01,800</b>	<b>69.31</b>

Sl. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tirupati Vincom Pvt. Ltd.	17,50,000	15.35	12,00,000	10.53
2	Sykes & Ray Equities (I) Ltd.	72,675	0.6375	72,675	0.6375
3	Elan Capital Advisors Pvt. Ltd.	28,200	0.2474	28,200	0.2474
4	Rabindra Kumar Bachhawat	26,600	0.2333	26,600	0.2333
5	Bengani Securities Pvt. Ltd.	18,799	0.1649	18,799	0.1649
6	VSL Securities Pvt. Ltd.	17,100	0.1500	17,100	0.1500
7	Deepak Das	14,000	0.1228	14,000	0.1228
8	Sagar Chandulal Jain	13,900	0.1219	12,633	0.1108
9	Shikha Halder	12,500	0.1096	10,000	0.0877
10	Tara Devi Ratanlal Bafna	10,000	0.0877	10,000	0.0877

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

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

## SURAJ PRODUCTS LIMITED

### V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	19,425,095	8,112,212	-	27,537,307
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	19,425,095	8,112,212	-	27,537,307
<b>Change in Indebtness during the financial year</b>				
· Addition	-	64,250,000	-	64,250,000
· Reduction	11,642,380	5,920,000	-	17,562,380
<b>Net Change Indebtness</b>	11,642,380	-	-	11,642,380
<b>At the end of the financial year</b>				
i) Principal Amount	7,782,715	66,442,212	-	74,224,927
ii) Interest due but not paid	-	2,430,560	-	2,430,560
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>7,782,715</b>	<b>68,872,772</b>	<b>-</b>	<b>76,655,487</b>

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

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

Sl. No.	Particulars of Remuneration	Name of Chairman/WTD/ Manager		Total Amount (amount in ₹)
		Y.K.Dalmia Chairman	Gagan Goyal Executive Director	
<b>1</b>	<b>Gross salary</b>			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, C201, 1961	39,00,000	6,56,000	45,56,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total (A)</b>	<b>39,00,000</b>	<b>6,56,000</b>	<b>45,56,000</b>

#### B. Remuneration to other directors:

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
<b>1</b>	<b>Gross salary</b>			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,74,058	6,31,419	10,05,477
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	48,040	48,040	96,080
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil

## SURAJ PRODUCTS LIMITED

2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission as % of profit others, specify...	Nil	Nil	Nil
		Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
<b>Total</b>		<b>4,22,098</b>	<b>6,79,459</b>	<b>11,01,557</b>

### II. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

### REPORT ON CORPORATE GOVERNANCE:

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

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

#### 1. BOARD OF DIRECTORS:

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

As on 31st of March, 2016, the Board of Directors of Suraj Products comprises of five directors. The Board consists of the Chairman, who is Promoter & Executive Director, one Executive Director and three Non-Executive Directors, of which two are independent Directors. Details of composition of Board of Directors are given below:

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

## SURAJ PRODUCTS LIMITED

### B. NUMBER OF BOARD MEETINGS:

During the year 2015-16, the Board of the Company met four times on 22.05.2015, 08.08.2015, 14.11.2015, and on 06.02.2016. 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		Number of other Directorship and Committee Chairmanship / Membership		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Sri Y. K. Dalmia	4	Yes	5	1	1
Smt. S. Dalmia	4	Yes	4	2	1
Sri S.N. Kabra	4	Yes	6	4	2
Sri R. P. Agarwal	3	Yes	—	3	—
Sri Gagan Goyal	4	Yes	—	2	—

### 2. AUDIT COMMITTEE:

The Audit Committee consists of Sri S.N. Kabra, Sri R. P. Agarwal and Sri Gagan Goyal. Sri S. N. Kabra acts as Chairman of the Committee. During the period under review four Audit Committee meetings were held on 22.05.2015, 08.08.2015, 14.11.2015, and 06.02.2016.

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

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

#### Term of reference of the Audit Committee:

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

### 3. REMUNERATION COMMITTEE:

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

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

### 4. MANAGERIAL REMUNERATION:

The remuneration of Chairman was fixed in the AGM held on 27.09.2013 and further modified on 27.09.2014 and the remuneration of Executive Director was fixed in the AGM held on 24.09.2011.

#### (a) REMUNERATION TO DIRECTORS:

Following remuneration was paid to Directors during the Financial Year 2015-16:

Mr. Y.K.Dalmia, Chairman	- ₹ 39,00,000 (27,75,000)
Mr. Gagan Goyal, Executive Director	- ₹ 6,56,000 (6,08,000)

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

Shareholders' & Investors' Grievance Committee consists of Sri S.N. Kabra, Sri R.P. Agarwal and Smt. Sunita Dalmia. Sri S.N.Kabra acts as Chairman of the Committee. Sri A.N.Khatua, Company Secretary

## **SURAJ PRODUCTS LIMITED**

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 2015-16 the Committee held three meetings 08.08.2015, 14.11.2015, and 06.02.2016.

The committee received 41 complaints from investors during the year and all of have been resolved. There is no complaint outstanding at the end of the year.

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

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

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

### **7. CEO/ CFO CERTIFICATION:**

A certificate from the Chairman on the Financial Statements of the Company was placed before the Board at its meeting held on 30.05.2016.

### **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
29th Sept. 2012	Registered Office of the Company at Barpali	11.30 A.M.	—
27th Sept. 2013	Registered Office of the Company at Barpali	11.30 A.M.	3
27th Sept. 2014	Registered Office of the Company at Barpali	11.30 A.M.	—
28th Sept. 2015	Registered Office of the Company at Barpali	11.30 A.M.	—

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

### **10. DISCLOSURES:**

- 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 2015-16, there is no audit qualification in the Company's financial statements.

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

- a) The quarterly, half yearly and full year results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of Clause 41 of the Listing Agreement and are published in News papers.
- b) The financial results are displayed on the Company's Website viz: [www.surajproducts.com](http://www.surajproducts.com)
- c) The Management Discussion and Analysis Report is attached with Director's Report in this 25th Annual Report of the Company posted to the Share holders.

## SURAJ PRODUCTS LIMITED

### 12. GENERAL INFORMATION FOR SHARE HOLDERS:

25th Annual General Meeting:

Day : Monday

Date : 28th September, 2016

Time : 11:30 AM

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

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

Quarterly Result: Last week of succeeding month - Accounts 2016-17: May, 2017

**b. Date of Book Closure:**

The Company's Register of members & share books will remain closed from 25th Sept. to 28th Sept. 2016

**c. Listing at Stock Exchange:**

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

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

**e. Dematerialization of shares and liquidity:**

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

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

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

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

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

No. of Shares held in dematerialized and physical mode as on 31st March, 2016 is as under:

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

**f. Public Deposit:**

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

**g. Registrar & Share Transfer Agent:**

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

**h. CIN Number:**

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

**i. Share Transfer System:**

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

### 13. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2016:

**a. Details of shareholding as on 31st March, 2016.**

CATEGORY	No. of Shares	% of Share Holding
Promoters Group	79,01,800	69.31
Private Corporate Bodies	14,30,789	12.55
Indian Public	20,67,411	18.14
<b>Total</b>	<b>1,14,000,00</b>	<b>100.00</b>



## **SURAJ PRODUCTS LIMITED**

### **b. Distribution of shareholding as on 31st March, 2016:**

<b>CATEGORY No. of Shares</b>	<b>No. of Shares</b>	<b>No. of Shareholder</b>	<b>Percent Shares</b>	<b>Percent Holders</b>
1 - 500	1260108	8070	11.0536	93.8045
501 - 1000	281067	316	2.4655	3.6731
1001 - 5000	383975	183	3.3682	2.1272
5001 - 10000	148162	18	1.2997	0.2092
10001 - 50000	129832	7	1.1389	0.0814
50001 - 100000	95056	1	0.8338	0.0116
and Above	9101800	8	79.8404	0.0930
<b>Total</b>	<b>11400000</b>	<b>8603</b>	<b>100.0000</b>	<b>100.0000</b>

### **c. Shareholding pattern as on March 31, 2016:**

<b>Category</b>	<b>No of shareholders</b>	<b>Total Share</b>	<b>% of Equity</b>
Promoter & Promoter Group	<b>7</b>	<b>79,01,800</b>	<b>69.32</b>
Resident Individuals	<b>8536</b>	<b>21,35,993</b>	<b>18.76</b>
Body Corporate	<b>60</b>	<b>13,62,207</b>	<b>11.92</b>
<b>Total</b>	<b>8603</b>	<b>114,00,000</b>	<b>100%</b>

#### **14. SECRETARIAL AUDIT:**

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

#### **15. CORPORATE ETHICS:**

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

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

#### **16. COMPLIANCE CERTIFICATE OF AUDITORS:**

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

#### **17. PLANT - LOCATION:**

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

#### **18. ADDRESS FOR CORRESPONDENCE:**

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

## **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, 2016 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, 2016. During the year, initiated steps to set up various Committees and comply with the other requirements during the course of the year in stages.

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

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

19, R.N.Mukherjee Road  
Kolkata – 700001  
Dated: the 30th day of May, 2016

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

#### **DECLARATION UNDER CLAUSE 49(1)(D)**

As required under Clause 49 of the Listing Agreement(s) with Stock Exchanges relating to Corporate Governance I hereby declare that all the members of the Board of Directors and the senior Management personnel have compliance with the company's code of conduct, to the year ended 31st March, 2016.

Place: Barpali  
Dated: the 30th day of May, 2016

For Suraj Products Limited  
Y. K. Dalmia  
Chairman

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

The Board of Directors  
Suraj Products Limited

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 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.

## **SURAJ PRODUCTS LIMITED**

- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2016 which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Y.K.Dalmia  
Chairman

M.K.Hati  
Chief Financial Officer

Place: Barpali  
Date: 30th day of May, 2016

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

The Board takes pleasure in presenting your Company's 25th Annual Report for the year 2015-16 along with the Compliance Report on Corporate Governance.

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

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

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

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

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

Gross Turnover:	₹	625,142,472
Profit before Taxation	: ₹	6,005,622
Profit after Taxation	: ₹	4,294,609

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

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

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

## **SURAJ PRODUCTS LIMITED**

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

### **b) THREATS:**

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

### **RISK AND CONCERN:**

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

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

During the year, the Company produced 24,814 MT of sponge iron compared to 28,955 MT in the previous year. The production of pig iron for the year was 13,689 MT as compared to last year's production of 12,151 MT.

Sales of sponge iron during the year totaled to 24,328 MT in compared to 29,084 MT in the previous year. Pig iron sales during the year totaled to 13,445 MT in comparison to last year's sale of 12,109 MT. Company is continuously focusing on the quality consistency and better marketing strategies.

### **INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:**

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

### **HUMAN RESOURCES:**

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

### **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 40 Medical Camps with qualified and experience medical practitioners were conducted in nearby villages and about 3,000 patients availed the service.

### **CAUTIONARY STATEMENT:**

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

## **INDEPENDENT AUDITORS' REPORT**

**To**

**The Members of  
SURAJ PRODUCTS LIMITED.**

### **Reports on the Standalone Financial Statements**

We have audited the accompanying Standalone Financial Statements of “**M/s SURAJ PRODUCTS LIMITED**” (the “Company”), which comprise of the Balance Sheet as at 31st March, 2016, the related Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the said standalone financial statements together with the notes thereon and attached thereto give, in the prescribed

## **SURAJ PRODUCTS LIMITED**

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, 2016
- b) in the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

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

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

- a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the standalone financial statements dealt with by this report comply with the applicable accounting standards referred to in Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors, as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 30 to the financial statements.
  - 2) The company has not entered into any long term contracts including derivative contracts and hence it is not required to make provision for material foreseeable losses, as required under the applicable law or Accounting Standards.
  - 3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.

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

Place : Barpali  
Dated : the 30th day of may, 2016

## **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 or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and as per the information & explanations given to us, the Company has not given any loans during the year and hence, the provisions of Section 185 and 186 of the Act are not applicable to the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Hence the directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.
- (vi) In our opinion and based on the information and explanation given to us, the Central Government of India has not prescribed the maintenance of cost records under u/s 148 (1) of the Companies Act for any of the products of the company.
- (vii) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, service tax, excise duty, cess and other material statutory dues applicable to it.
  - a) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, provident fund, employee state insurance, sales tax, excise duty and other material statutory dues were in arrears, as at 31st March, 2016 for a period of more than six months from the date they became payable.
  - b) According to information and explanation given to us, there are disputed Sales Taxes, Entry Tax and Excise Duty which has not yet been paid and are pending in at forum for redressal of dispute. The particulars of dues of Excise Duty, Sales Tax, Entry Tax which has not yet been deposited on account of dispute are as follows:

## SURAJ PRODUCTS LIMITED

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

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

Place : Barpali

Dated : the 30th day of may, 2016

## **ANNEXURE - B TO THE AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls over financial reporting of Suraj Products Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls

## **SURAJ PRODUCTS LIMITED**

over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Barpali

Dated : the 30th day of may, 2016

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

**SURAJ PRODUCTS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note No.	As at 31st March-16 (₹)	As at 31st March-15 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	114,000,000	114,000,000
(b) Reserves & Surplus	2	182,216,179	177,883,595
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	3	69,131,852	15,894,931
(b) Deferred Tax Liabilities	4	8,917,677	10,304,322
(c) Other Non- Current Liabilities	5	537,568	537,568
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	6	171,745,721	151,758,894
(b) Trade Payables	7	22,295,648	30,185,998
(c) Other Current Liabilities	8	15,815,532	17,589,058
(d) Short Term Provisions	9	705,785	10,774,347
<b>TOTAL</b>		<b>585,365,962</b>	<b>528,928,713</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	200,062,120	210,272,688
(ii) Intangible Assets	10	-	260,386
(b) Non-Current Investments	11	-	250,000
(c) Long Term Loans & Advances	12	5,370,552	2,921,640
<b>(2) Current Assets</b>			
(a) Inventories	13	271,297,436	173,558,838
(b) Trade Receivables	14	36,960,290	50,490,936
(c) Cash & Cash Equivalents	15	17,967,206	28,334,524
(d) Short Term Loans & Advances	16	53,708,358	62,839,701
<b>TOTAL</b>		<b>585,365,962</b>	<b>528,928,713</b>

Significant Accounting Policies 25

See accompanying notes forming part of Financial Statements

As per our report attached of even date

For RUSTAGI &amp; CO.

Chartered Accountants

Firm Registration No. 301094E

Ashish Rustagi

Partner

Membership No.062982

Place : Barpali

Dated: the 30th day of May, 2016

For and on behalf of Board of Directors

M.K. Hati

CFO

Y. K. Dalmia

Chairman

S N Kabra

Director

A.N. Khatua

Company Secretary

S Dalmia

Director

Gagan Goyal

Executive Director

**SURAJ PRODUCTS LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2016**

Particulars	Note No.	For Year ended	For Year ended
		31.03.2016	31.03.2015
		(₹)	(₹)
<b>Revenue</b>			
I Revenue From Operations (Gross)	17	625,142,472	1,027,959,365
Less : Excise Duty		68,798,173	99,618,993
Revenue From Operations (Net)		556,344,299	928,340,372
II Other Income	18	2,195,297	1,874,567
III <b>Total Revenue ( I+II )</b>		<b>558,539,596</b>	<b>930,214,939</b>
<b>Expenses</b>			
Cost of Materials Consumed	19	451,931,626	718,137,952
Change in Inventories of Finished Goods	20	(49,991,756)	3,886,600
Manufacturing & Operating Costs	21	71,493,605	84,155,611
Employee Benefits Expense	22	22,383,189	21,360,512
Finance Costs	23	21,962,761	23,749,656
Depreciation and Amortisation Expense		21,431,588	26,507,421
Other Expenses	24	13,322,961	14,742,186
<b>Total Expenses</b>		<b>552,533,974</b>	<b>892,539,938</b>
V <b>Profit Before Tax</b>		6,005,622	37,675,001
VI <b>Less: Tax Expenses</b>			
(a) Current Tax		3,066,547	13,650,000
(b) Tax relating to prior years		31,111	38,787
(c) Deferred Tax		(1,386,645)	(1,296,342)
VII <b>Profit for the year</b>		4,294,609	25,282,556
VIII <b>Earnings per share (of ₹ 10/-each)</b>			
(a) Basic		0.38	2.22
(b) Diluted		0.38	2.22

**NOTES ON ACCOUNTS**

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

**As per our report attached of even date**

For RUSTAGI & CO.  
Chartered Accountants  
Firm Registration No. 301094E  
Ashish Rustagi  
Partner  
Membership No.062982  
Place : Barpali  
Dated: the 30th day of May, 2016

For and on behalf of Board of Directors

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

**SURAJ PRODUCTS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
	(₹)	(₹)
<b>A Cash Flow from Operating Activities</b>		
Net Profit before Tax and extra ordinary items	6,005,622	37,675,001
<b>Add/(Deduct)</b>		
Depreciation and amortisation	21,431,588	26,507,421
Profit on sale of Investment	(252,316)	-
Financial charges	21,962,761	43,142,033
	<u>43,142,033</u>	<u>23,749,656</u>
<b>Operating Cash Profit before Working Capital</b>	49,147,655	87,932,078
<b>Add/Deduct</b>		
Increase in Trade Payable	(7,805,138)	7,650,804
(Increase)/Decrease in Trade & Other receivable	13,530,646	876,195
Increase in Inventories	(97,738,598)	145,457,403
Increase in Other Current Liabilities	1,586,351	(8,674,350)
Increase/Decrease in Advances	9,476,843	(80,949,896)
	<u>(80,949,896)</u>	<u>(3,403,491)</u>
<b>Cash flow from Operation</b>	(31,802,241)	229,838,639
Direct Tax Paid	(3,620,573)	(12,722,501)
	<u>(35,422,814)</u>	<u>217,116,138</u>
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<u>(35,422,814)</u>	<u>217,116,138</u>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(10,960,634)	(16,293,228)
Preoperative Expenses	(2,811,765)	-
Sale of Investment	502,316	(13,270,083)
	<u>(13,270,083)</u>	<u>(16,293,228)</u>
<b>Net Cash Outflow from Investing Activities</b>	<u>(13,270,083)</u>	<u>(16,293,228)</u>
<b>C Cash Flow from Financing Activities</b>		
(Repayment)/Proceeds from		
Long -Term Borrowing(Net)	49,118,180	(137,406,430)
Proceeds from Short -Term Borrowing	19,986,827	(20,981,550)
Dividend Paid	(7,221,136)	(4,510,867)
Corporate Dividend Tax	(1,595,531)	(872,053)
Financial charges paid	(21,962,761)	38,325,579
	<u>38,325,579</u>	<u>(23,749,656)</u>
<b>Net Cash Flow from Financing Activities</b>	<u>38,325,579</u>	<u>(187,520,556)</u>
<b>Net Cash Flow during the Year(A+B+C)</b>	<u>(10,367,318)</u>	<u>13,302,354</u>
Cash and Cash Equivalent (Opening Balance)	28,334,524	15,032,170
Cash and Cash Equivalent (Closing Balance)	17,967,206	28,334,524
	<u>(10,367,318)</u>	<u>13,302,354</u>
<b>Reconciliation of Cash &amp; Cash equivalents with the Balance Sheet</b>		
Cash & Cash equivalents as per the Balance Sheet Note 15	17,967,206	28,334,524
<b>Less. Bank Balance not considered as cash and cash equivalent as definition in AS 3</b>		
- Deposit under lien	11,868,537	10,422,923
- Unpaid Dividend Account	4,046,779	3,287,915
	<u>15,915,316</u>	<u>13,710,838</u>
<b>Net cash &amp; cash equivalent(as defined in AS - 3)</b>	<u>2,051,890</u>	<u>14,623,686</u>

**As per our report attached of even date**

For RUSTAGI & CO.

For and on behalf of Board of Directors

Chartered Accountants  
Firm Registration No. 301094E

Ashish Rustagi  
Partner  
Membership No.062982

Place : Barpali  
Dated: the 30th day of May, 2016

M.K. Hati  
CFO

Y. K. Dalmia  
Chairman

S N Kabra  
Director

A.N. Khatua  
Company Secretary

S Dalmia  
Director

Gagan Goyal  
Executive Director

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

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

**B. Use of Estimates:**

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

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

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

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

**D. Fixed Assets & Depreciation:**

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

**Depreciation**

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

**Intangible Assets**

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

**E. Investments:**

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

**F. Inventories:**

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

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

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

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

**Defined-contribution plans**

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

## **SURAJ PRODUCTS LIMITED**

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

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

##### **Retirement and other employee benefits**

- a) Earned leave which cannot be carried forward to future periods are "short term" benefit only if the employees are entitled to either encash or utilize the benefits during the period of twelve months following the end of the accounting period (when they became entitled to the leave). In other cases the benefit is required to be treated as "long term". According to the policy of the company, no leave can be carried forward beyond the end of the financial year. Accordingly all leave granted has been accounted for in the current financial year.
- b) Contribution to Provident Fund, employee state insurance and other funds are determined under the relevant statute and charged to revenue Account.
- c) Present liability for future payment of gratuity is covered through Group Gratuity Scheme of Life Insurance Company of India and contribution thereon is charged to revenue account and the assets are funded by the LIC and the company has no obligation except to the extent of the premium determined by Life Insurance Corporation.

#### **H. Accounting For Taxation:**

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

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

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

#### **I. Borrowing Cost:**

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

#### **J. Impairment of Assets:**

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

#### **K. Earning Per Share:**

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

#### **L. Foreign Currency Transaction:**

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

#### **M. Provisions and Contingent Liabilities:**

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

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

#### **N. Cash Flow Statement**

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

## SURAJ PRODUCTS LIMITED

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

	<u>As at 31st March-16</u> (₹)	<u>As at 31st March-15</u> (₹)		
<b>1. Share Capital</b>				
<b>Authorised :</b>				
120,00,000 Equity shares of ₹ 10 each	120,000,000	120,000,000		
<b>Issued, Subscribed &amp; Fully Paid up Capital</b>				
114,00,000 Equity shares of ₹ 10 each	<u>114,000,000</u>	<u>114,000,000</u>		
<b>Total</b>	<b><u>114,000,000</u></b>	<b><u>114,000,000</u></b>		
<b>(a) Reconciliation of Number of Shares</b>				
Shares outstanding as at 1st April 2015/1st April 2014	11,400,000	11,400,000		
Add. Number of shares issued during the year	-	-		
Shares outstanding as at 31st March 2016/31st March 2015	<u>11,400,000</u>	<u>11,400,000</u>		
<b>(b) List of shareholders holding more than 5% of the total number of shares issued by the Company :</b>				
<b>Name of the share holders</b>	<b>No of shares</b>	<b>% of holding</b>	<b>No of shares</b>	<b>% of holding</b>
NIP Power Private Limited	2,827,000	24.79	2,827,000	24.79
Molisati Vinimay Private Limited	2,550,000	22.37	2,000,000	17.54
Tirupati Vinicom Private Limited	1,200,000	10.53	1,750,000	15.35
Yogesh Kumar Dalmia	991,500	8.69	991,500	8.69
Sunita Dalmia	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.				
<b>2. Reserve &amp; Surplus</b>				
<b>(a) Revaluation Reserve on Land</b>				
As per last account	<u>1,952,880</u>		<u>1,952,880</u>	
	1,952,880		1,952,880	
<b>(b) Securities Premium</b>				
Opening balance in Securities Premium	<u>54,700,000</u>		<u>54,700,000</u>	
<b>Closing Security Premium</b>	<u>54,700,000</u>		<u>54,700,000</u>	
<b>(C) Surplus in Statement of Profit and Loss</b>				
Opening balance	121,230,715		106,202,202	
Less: Additional Depreciation pursuant to enactment of Schedule II of the Companies Act 2013	-		(640,537)	
Add: Profit for the year	<u>4,294,609</u>		<u>25,282,556</u>	
	<u>125,525,324</u>		<u>130,844,221</u>	
<b>Less : Appropriations</b>				
Proposed Dividend #	-		7,980,000	
Tax on Proposed Dividend	-		1,633,506	
Dividend Distribution Tax relating to prior years	(37,975)		-	
Closing Balance	<u>125,563,299</u>		<u>121,230,715</u>	
<b>Total</b>	<b><u>182,216,179</u></b>		<b><u>177,883,595</u></b>	

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



## SURAJ PRODUCTS LIMITED

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

	As at 31st March-16 (₹)	As at 31st March-15 (₹)
<b>3. Long Term Borrowings</b>		
<b>Secured Loan</b>		
i) Term Loan From Canara Bank	-	6,277,789
ii) Vehicle Loan from HDFC	259,080	1,504,930
	259,080	7,782,719
<b>Unsecured Loan</b>		
i) From Related Parties	3,377,019	8,112,212
ii) From Bodies Corporate	65,495,753	-
	68,872,772	8,112,212
<b>Total</b>	<b>69,131,852</b>	<b>15,894,931</b>
<b>Nature of Security and terms of repayment for Long term secured borrowings</b>		
<b>Nature of Security</b>	<b>Terms of Repayment</b>	
a) Term loan amounting to ₹ 62,77,785/- (P.Y. ₹1,29,44,449/-) is secured by EMT of Land and Boundry wall built out of the term loan and collaterally secured against all fixed assets of the company and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ₹ 54 lacs.	Repayable in 20 quarterly instalment commencing from September 2013, Last installment due in March, 2017, Rate of interest 11.90 % (P.Y. 12.45%)	
b) Vehicle loans from HDFC is secured by hypothecation of respective vehicles financed.	Repayable in 35 monthly instalment commencing from the date of sanction of respective loans	
Instalments falling due in respect of all the loans upto 31.03.2017 have been grouped under "Other Current Liabilities".		
<b>4. Deferred Tax Liabilities</b>		
Depreciation on Fixed Assets	8,917,677	10,304,322
Net Deferred Tax Liabilities	<b>8,917,677</b>	<b>10,304,322</b>
<b>5. Other Non Current Liabilities</b>		
Deposit Others	537,568	537,568
	<b>537,568</b>	<b>537,568</b>
<b>6. Short Term Borrowings</b>		
Working Capital Loan	171,745,721	151,758,894
	<b>171,745,721</b>	<b>151,758,894</b>
Working capital loan is secured by hypothecation of present and future stock of raw material, stock-in-process, finished goods, stores, spares and bookdebts.		
<b>7. Trade Payables</b>		
Trade Payables	22,295,648	30,185,998
	<b>22,295,648</b>	<b>30,185,998</b>
<b>8. Other Current Liabilities</b>		
Current Maturities of Long Term Debts	6,277,785	10,318,596
Current Maturities of Vehicle loan (Refer Note 3b)	1,245,850	1,323,780
Unpaid Dividend	4,046,779	3,287,915
Statutory Dues Payable	3,936,877	625,356
Advances From Customers	308,241	2,033,411
	<b>15,815,532</b>	<b>17,589,058</b>

## SURAJ PRODUCTS LIMITED

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

	As at 31st March-16 (₹)	As at 31st March-15 (₹)
<b>9. Short Term Provisions</b>		
Provision For Taxation (Net of Advance Tax ₹ 26,50,816/-, P.Y ₹ 1,26,94,001/-)	415,731	955,999
Provision For Employee Benefits	290,054	204,842
Provision For Proposed Dividend	-	7,980,000
Tax on Proposed Dividend	-	1,633,506
	<b>705,785</b>	<b>10,774,347</b>
<b>11. Non-Current Investments</b>		
Non Trade		
<b>Investments in Mutual Funds</b>		
25000 units of HDFC Long Term Equity Growth Fund NAV as on 31.03.2016 Nil (Rs. 5,97,235/- on 31.03.2015)	-	250,000
	-	<b>250,000</b>
<b>12. Long Term Loans &amp; Advances</b>		
Capital Advances	2,811,765	-
Balance with Revenue Authorities	331,163	348,516
Deposits with Other	2,227,624	2,573,124
	<b>5,370,552</b>	<b>2,921,640</b>
<b>13. Inventories</b>		
Raw Materials	173,850,354	129,670,151
Finished Goods	76,077,345	26,085,589
Store & Spares	21,369,737	17,803,098
	<b>271,297,436</b>	<b>173,558,838</b>
<b>14. Trade Receivables</b>		
Unsecured, Considered Good*	36,960,290	50,490,936
	<b>36,960,290</b>	<b>50,490,936</b>
*Includes an amount of ₹ 59,25,911 (P.Y. ₹ 59,04,795) outstanding for a period exceeding six months from the date they are due for payment.		
<b>15. Cash &amp; Cash Equivalents</b>		
Cash on Hand	1,444,953	641,472
Balance with Banks		
Current Accounts	606,937	13,982,214
Unpaid Dividend Account	4,046,779	3,287,915
Other Bank Balances		
Fixed Deposits	10,423,537	8,960,423
Balances with Bank to the extent of margin money	1,445,000	1,462,500
	<b>17,967,206</b>	<b>28,334,524</b>
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statement is :	2,051,890	14,623,686

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

**10. Fixed Assets**

	Gross Block				Depreciation					Net Block	
	As at 31.03.2015	Additions	Sales	As at 31.03.2016	Upto 31.03.2015	For the Year	Retained Earnings	Adjust- ment	Total upto 31.3.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets (A)</b>	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land (Leasehold)	55,202,476	-	-	55,202,476	-	-	-	-	-	55,202,476	55,202,476
Land (Freehold)	5,685,530	-	-	5,685,530	-	-	-	-	-	5,685,530	5,685,530
Factory Building	75,241,814	2,575,132	-	77,816,946	41,797,348	3,151,082	-	-	44,948,430	32,868,516	33,444,466
Plant & Machinery	124,888,296	-	-	124,888,296	88,610,356	3,580,535	-	-	92,190,891	32,697,405	36,277,940
Pollution Control Equipment	74,780,611	6,571,213	-	81,351,824	42,984,059	3,358,597	-	-	46,342,656	35,009,168	31,796,552
Electric Installation	50,819,062	747,000	-	51,566,062	38,707,162	3,869,858	-	-	42,577,020	8,989,042	12,111,900
Motor Vehicles	23,821,157	130,599	-	23,951,756	19,012,377	1,470,639	-	-	20,483,016	3,468,740	4,808,780
Furniture & Fixture	2,200,944	-	-	2,200,944	1,466,157	198,403	-	-	1,664,560	536,384	734,787
Others	79,679,838	936,690	-	80,616,528	49,607,766	5,542,087	-	-	55,149,853	25,466,675	30,072,072
Refractories	6,600,738	-	-	6,600,738	6,462,553	-	-	-	6,462,553	138,185	138,185
<b>Total</b>	<b>498,920,466</b>	<b>10,960,634</b>	<b>-</b>	<b>509,881,100</b>	<b>288,647,778</b>	<b>21,171,202</b>	<b>-</b>	<b>-</b>	<b>309,818,980</b>	<b>200,062,120</b>	<b>210,272,688</b>
<b>Intangible Assets (B)</b>											
Technical knowhow	1,301,922	-	-	1,301,922	1,041,536	260,386	-	-	1,301,922	-	260,386
<b>Total ( A+B )</b>	<b>500,222,388</b>	<b>10,960,634</b>	<b>-</b>	<b>511,183,022</b>	<b>289,689,314</b>	<b>21,431,588</b>	<b>-</b>	<b>-</b>	<b>311,120,902</b>	<b>200,062,120</b>	<b>210,533,074</b>
Previous Year	483,929,160	16,293,228	-	500,222,388	262,233,722	26,507,421	948,171	-	289,689,314	210,533,074	

## SURAJ PRODUCTS LIMITED

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

	As at 31st March-16 (₹)	As at 31st March-15 (₹)
<b>16. Short Term Loans and Advances (Unsecured, Considered Good)</b>		
Balance with Revenue Authorities	11,853,227	12,223,227
Advances to suppliers	30,216,244	41,793,791
Other Advances Recoverable in cash or in kind or for value to be received	3,009,415	2,523,818
Deposit Others	8,629,472	6,298,866
	<b>53,708,358</b>	<b>62,839,701</b>
<b>17. Revenue From Operations</b>		
Manufactured Goods		
Sponge Iron	360,562,031	608,924,671
Pig Iron	251,453,108	287,706,355
Iron Ore Fines	-	118,753,340
Others	13,127,333	12,574,999
	<b>625,142,472</b>	<b>1,027,959,365</b>
<b>18. Other Income</b>		
Interest Received	1,608,875	1,608,266
Foreign Exchange Fluctuation	159,576	-
Profit on Sale of Investment	252,316	-
Miscellaneous Income	174,530	266,301
	<b>2,195,297</b>	<b>1,874,567</b>
<b>19. Cost of Materials Consumed (Indegenous)</b>		
<b>Materials Consumed Comprises of:</b>		
Iron ore	161,495,846	243,066,848
Coal	105,346,909	154,004,352
Coke	162,389,394	206,621,529
Others	22,699,477	114,445,223
	<b>451,931,626</b>	<b>718,137,952</b>
<b>20. Change in Inventories of Finished Goods</b>		
Opening Stock	26,085,589	29,972,189
Closing Stock	76,077,345	26,085,589
	<b>(49,991,756)</b>	<b>3,886,600</b>
<b>21. Manufacturing &amp; Operating Costs</b>		
Consumption of stores, spares & consumables	22,569,885	34,376,937
Power & Fuel	44,875,669	42,396,605
Repairs to Plant & Machinery	1,530,266	3,368,826
Repairs to Others	484,469	1,266,058
Insurance Charges	960,838	1,031,861
Others Manufacturing & Operating Expenses	1,072,478	1,715,324
	<b>71,493,605</b>	<b>84,155,611</b>

Entire Stores & spares consumed is Indigenous.

## SURAJ PRODUCTS LIMITED

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

	As at 31st March-16 (₹)	As at 31st March-15 (₹)
<b>22. Employee Benefits expense</b>		
Salaries, Wages & Bonus	19,275,753	19,059,774
Contribution to Provident and Other Funds	1,501,974	1,439,436
Contribution to Gratuity Fund	920,481	129,898
Staff Welfare Expenses	684,981	731,404
	<b>22,383,189</b>	<b>21,360,512</b>
<b>23. Finance Cost</b>		
Interest -Bank	18,756,513	11,975,356
Interest - Others	2,700,623	11,774,300
Other Borrowing Costs	505,625	-
	<b>21,962,761</b>	<b>23,749,656</b>
<b>24. Other Expenses</b>		
Rates & Taxes	4,220,747	3,391,720
Rent	693,900	643,440
Auditor's Remuneration		
- Statutory Audit	85,000	85,000
- Taxation Matters	35,000	35,000
- In Other Capacity	74,500	50,000
Excise Duty on Stock Differential	1,163,268	(873,338)
Periphery Development	213,000	724,160
Security Service Charges	2,476,641	2,692,026
Carriage Outward	459,272	1,039,350
Other Expenses	3,901,633	6,954,828
	<b>13,322,961</b>	<b>14,742,186</b>

**25. Excise Duty**

Excise Duty on sales for the year has been disclosed as reduction from the turnover. Excise Duty relating to the difference between the closing stock and opening stock has been included in Note 24 "Other Expenses".

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

(a) List of Related parties and description of relationship

- |   |   |
|---|---|
| (i) Parties with Significant influence :    | M/s. Molisati Vinimay Private Ltd.  |
| (ii) Key Management Personnel & Relatives : | Yogesh Kumar Dalmia, Chairman<br>Gagan Goyal, Executive Director<br>Sunita Dalmia, Non Executive Director |

(b) Transactions with related parties:

Amount in ₹

	Parties with significant influence (Direct and Indirect)	Nature of transactions			Remuneration	Total
		Loan & Advances Repaid	Interest	Outstanding		
i	Molisati Vinimay Pvt. Ltd.	53,20,000 (15,00,000)	6,49,786 (10,26,791)	33,77,019 (81,12,212)		33,77,019 (81,12,212)
ii	<b>Key Management Personnel and Relatives</b>					
	a Yogesh Kumar Dalmia				39,00,000 (27,75,000)	39,00,000 (27,75,000)
	b Gagan Goyal				6,56,000 (6,08,000)	6,56,000 (6,08,000)

Figures in the bracket indicate previous year figures.

## SURAJ PRODUCTS LIMITED

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

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

	Particulars	As at 31st March, 2016	As at 31st March, 2015
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 (₹)	42,94,609	2,52,82,556
D	Basic Earnings Per Share ( C / B) in (₹)	0.38	2.22

#### 28. Expenditure in Foreign Currency

	Current Year (₹)	Previous Year (₹)
Travelling Expenses	1,19,319	1,88,027
Purchase of spares & services	29,71,789	Nil
Others (Advance for Capital Goods)	5,43,930	1,04,174

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

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

#### 30. Contingent Liabilities and Commitments

No provision is made in respect of the following: -

	As at 31.03.2016 (₹)	As at 31.03.2015 (₹)
(i) Disputed Demand of Orissa Sales Tax	11,77,868	11,77,868
(ii) Disputed Demand of Central Sales Tax	41,21,637	41,21,637
(iii) Disputed Demand of Orissa Entry Tax	12,67,378	12,67,378

#### 31. Segment Reporting:

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

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

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

As per our report attached of even date

For RUSTAGI & CO.

Chartered Accountants

Firm Registration No. 301094E

Ashish Rustagi

Partner

Membership No.062982

Place : Barpali

Dated: the 30th day of May, 2016

For and on behalf of Board of Directors

M.K. Hati

CFO

A.N. Khatua

Company Secretary

Y. K. Dalmia

Chairman

S Dalmia

Director

S N Kabra

Director

Gagan Goyal

Executive Director

**SURAJ PRODUCTS LIMITED****SURAJ PRODUCTS LIMITED**

Regd. Office :

Vill. : Barpali, Post : Kesramal (Rajgangpur)

Dist. : Sundergarh, Orissa - 770017

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

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

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

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

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

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

Place :

Name of First Holder : .....

Date :

Signature of First Holder : .....

**Note :**

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

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