

# SURAJ PRODUCTS LIMITED

CIN-L26942OR1991PLC002865

Regd. Office: Vill: Barpali, Po- Kesramal, Rajgangpur, Dist- Sundargarh, Odisha- 770017

Email- suproduct@gmail.com, Website: www.surajproducts.com

Phone- 09437049074 (EPBX)

## REPORT ON CORPORATE GOVERNANCE 2018-19:

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

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

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

### 1. BOARD OF DIRECTORS:

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

#### A. Board Composition:

As on 31<sup>st</sup> of March, 2019, the Board of Directors of Suraj Products comprises of five Directors. The Board consists of the Chairman, who is Promoter & Executive Director, one Executive Director and three Non-Executive Directors, of which two are independent Directors. Details of composition of Board of Directors are given below:

Sl.No.	Name of the Directors	Status	Category	Shareholding in the Company
1	Sri Y. K. Dalmia	Chairman	Promoter and Executive Director	14,91,500
2	Smt. S. Dalmia	Director	Promoter and Non Executive Director	7,72,400
3	Sri C.K.Bhartia	Director	Non-Executive and Independent Director	400
4	Smt. Neha Singhania	Director	Non Executive and Independent Director	NIL
5	Sri Gagan Goyal	Director	Executive Director	NIL

#### B. Board Meetings:

During the year 2018-19, the Board of the Company met four times on: 06/05/2018, 27/07/2018, 13/11/2018 and on 11/02/2019.

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	12	1	1
Smt. Sunita Dalmia	4	Yes	11	2	-
Sri Gagan Goyal	4	Yes	-	1	-
Sri C.K.Bhartia	4	Yes	3	4	2
Smt. Neha Singhania	4	Yes	3	4	1

### 2. AUDIT COMMITTEE:

The Audit Committee consists of, Sri C.K.Bhartia, Smt. Neha Singhania and Sri Gagan Goyal. Sri C.K.Bhartia acts as Chairman of the Committee. During the period under review four Audit Committee meetings were held on 06/05/2018, 27/07/2018, 13/11/2018 and on 11/02/2019. The composition of the Audit Committee and attendance of its meetings are given below:

Name of the Directors	No. of Audit Committee Meeting Attendance
Sri C.K.Bhartia	4
Smt. Neha Singhania	4
Sri Gagan Goyal	4

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

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

### 3. REMUNERATION AND NOMINATION COMMITTEE:

A Committee of Directors comprising of, Sri C.K.Bhartia, Smt. Sunita Dalmia and Smt. Neha Singhania has been formed as Compensation / Remuneration Committee for the purpose of recommending of the Executive Director, Senior Executives and Key

Managerial Personnel's remuneration / revision / merit increment and related matters. No sitting fees are payable for the meeting of this Committee. Smt. Neha Singhania 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 Managing Director was fixed in the AGM held on 28.09.2018 and the remuneration of Executive Director was fixed in the AGM held on 28.09.2016.

(a) **REMUNERATION TO DIRECTORS:**

Following remuneration was paid to Directors during the Financial Year 2018-19:

Mr. Y.K.Dalmia, Chairman	- ₹ 51,25,000 (39,00,000)
Mr. Gagan Goyal, Executive Director	- ₹ 8,68,040 (8,08,040)

(b) **REMUNERATION TO OTHER DIRECTORS:**

Sitting fees of Rs. 25,000/- each paid to Non-Executive Directors for attending the Meeting of Board of Directors of the Company.

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

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

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

During the financial year 2018-19 the Committee held four meetings 06/05/2018, 27/07/2018, 13/11/2018 and on 11/02/2019.

The committee received 9 complaints from investors during the year and all of have been resolved. There is no complaint outstanding at the end of the year.

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

6. **SHARE TRANSFER COMMITTEE:**

The Company has a Share Transfer Committee consisting of Sri Y. K. Dalmia, Sri C.K.Bhartia, and Smt. Neha Singhania. 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 18.05.2019.

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
27 <sup>th</sup> Sept. 2014	Registered Office of the Company at Barpali	11:30 AM	--
28 <sup>th</sup> Sept. 2015	Registered Office of the Company at Barpali	11:30 AM	--
28 <sup>th</sup> Sept. 2016	Registered Office of the Company at Barpali	11:30 AM	--
29 <sup>th</sup> Sept. 2017	Registered Office of the Company at Barpali	11:30 AM	--
28 <sup>th</sup> Sept. 2018	Registered Office of the Company at Barpali	11:30 AM	--

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

10. **DISCLOSURES:**

a) **RELATED PARTY DISCLOSURE:** There are no materially significant related party transactions with its Promoters, the Directors or the Management and their Subsidiaries or relatives etc. which may have potential conflict with the interest of the Company at large.

b) **NON-COMPLIANCE PENALTIES:** During the Financial year, Bombay Stock Exchange (BSE) has imposed penalty on the Company for non-compliance of Regulation 17(1) of SEBI (LODR), 2015 regarding composition of Board of Directors. Subsequently the composition of the Board was corrected and requisite fine imposed under Regulation 17(1) of SEBI (LODR), 2015 had been paid by the Company.

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 2018-19, there is no audit qualification in the Company's Financial Statements.

11. **MEANS OF COMMUNICATION:**

- The quarterly and annual financial results are normally published in Business Standard (English and Hindi edition) and the Utkal Mail (Oriya daily) and also posted on the website of the Company (www.surajproducts.com).
- The financial results are displayed on the Company's Website viz: www.surajproducts.com
- The Management Discussion and Analysis Report is attached with Director's Report in this 28th Annual Report of the Company posted to the Share holders.

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

a. 28 <sup>th</sup> Annual General Meeting:			
Day	Date	Time	Venue
Monday	30 <sup>th</sup> September, 2019	11:30 AM	Regd. Office: Vill: Barpali, P. O.: Kesramal (Rajgangpur), Dist.: Sundargarh, Odisha.
Date of Book Closure		The Company's Register of members & share books will remain closed from 23 <sup>rd</sup> Sept. to 30 <sup>th</sup> Sept. 2019	

b. **Financial Calendar:** Approval of quarterly results: May, August, November and February. Annual General Meeting in September each year.

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

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

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

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

**1. National Securities Depository Limited**

(ISIN –INE069E01019)  
Trade world, 4<sup>th</sup> Floor,  
Kamala Mills Compound  
Lower parel, Mumbai – 400013

**2. Central Depository Services (India) Limited**

(ISIN – INE069E01019)  
Phiroze Jeejeebhoy Towers,  
28<sup>th</sup> Floor, Dalal Street, Senapati Bapat Marg,  
Mumbai – 400023

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

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in CDSL	94,50,294	82.90
Held in dematerialized form in NSDL	3,62,706	3.18
Physical	15,87,000	13.92
<b>TOTAL</b>	<b>1,14,00,000</b>	<b>100.00</b>

f. **Market price data: Monthly High/ Low price per share during 2018-19:**

Months	BSE Limited	
	High (Rs.)	Low (Rs.)
April, 2018	20.05	16.35
May, 2018	15.65	14.10
June, 2018	21.40	14.85
July, 2018	21.20	18.30
August, 2018	41.45	21.20
September, 2018	45.95	41.80
October, 2018	43.35	31.35
November, 2018	40.95	32.30
December, 2018	34.50	28.00
January, 2019	30.75	24.30
February, 2019	24.50	18.50
March, 2019	20.00	16.80

g. **Share Price performance during 2018-19:**



h. **Public Deposit:**

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

- i. **Registrar & Share Transfer Agent:**  
M/s MCS Share Transfer Agent Limited,  
12/1/5, Manoharpukur Road, Ground Floor, Kolkata – 700026 Telephone: 033-40724052 E-mail:  
mcssta@rediffmail.com  
Contact Person: Mr. Partho Mukherjee
- j. **CIN Number:** The CIN of the Company granted by Ministry of Corporate affairs is **L26942OR1991PLC002865**
- k. **Share Transfer System:**  
Share transfer system is entrusted to the Registrar and Share Transfer Agent. Transfer Committee is empowered to approve the share transfers. Transfer committee Meeting is held as and when required. The share transfers, issue of duplicate certificate etc are endorsed by Directors / Executives / Officers as may be authorised by the Transfer Committee. Grievances received from members and miscellaneous correspondences are processed by the Registrar within 15 days.

**13. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2019:**

a. **Details of shareholding as on 31<sup>st</sup> March, 2019**

Category	No. of Shares	% of Share Holding
Promoters Group	84,01,800	73.70
Private Corporate Bodies	1,39,445	1.22
Indian Public	28,58,755	25.08
<b>Total</b>	<b>1,14,000,00</b>	<b>100.00</b>

b.

c. **Distribution of shareholding as on 31<sup>st</sup> March, 2019:**

Category	No. of Shares	No. of Shareholder	Percent Shares	Percent Holders
1 - 500	12,41,200	8023	10.8877	94.0122
501 - 1000	2,65,176	298	2.3261	3.4919
1001 - 5000	3,59,347	173	3.1522	2.0272
5001 - 10000	1,66,980	22	1.4647	.2578
10001 - 50000	1,64,991	8	1.4473	.0937
50001 - 100000	1,08,506	1	.9518	.0117
and Above	90,93,800	9	79.7702	.1055
<b>Total</b>	<b>11400000</b>	<b>8534</b>	<b>100.0000</b>	<b>100.0000</b>

d. **Shareholding pattern as on March 31, 2019:**

Category	No of shareholders	Total Share	% of Equity
Promoter & Promoter Group	7	84,01,800	73.70
Resident Individuals	8466	28,62,261	25.11
Body Corporate	60	1,35,589	1.19
NRI with repeat	1	350	.0031
<b>Total</b>	<b>8534</b>	<b>114,00,000</b>	<b>100%</b>

**14. SECRETARIAL AUDIT:**

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

**15. CORPORATE ETHICS:**

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

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

**16. COMPLIANCE CERTIFICATE OF AUDITORS:**

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

**17. PLANT - LOCATION:**

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

**18. ADDRESS FOR CORRESPONDENCE:**

SURAJ PRODUCTS LIMITED  
Village– Barpali, Post – Kesramal (Rajgangpur)  
Dist – Sundargarh, Odisha. PIN – 770 017  
EPBxNo:-9437049074,E-mail:supproduct@gmail.com,  
Web Site: www.surajproducts.com

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 31<sup>st</sup> March, 2019 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, 2019. 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.

32A, C.R. Avenue, Trust House  
Kolkata – 700012  
Dated: the 18<sup>th</sup> day of May, 2019

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

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

As required under Clause 49 of the Listing Agreement(s) with Stock Exchanges relating to Corporate Governance I hereby declare that all the members of the Board of Directors and the senior Management personnel have compliance with the company's code of conduct, to the year ended 31<sup>st</sup> March, 2019.

For Suraj Products Limited

Place: Kolkata  
Date: the 18<sup>th</sup> day of May, 2019

Sd/-  
Y. K. Dalmia  
Managing Director  
(DIN-00605908)

**CERTIFICATE OF MANAGING DIRECTOR 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 31<sup>st</sup> March, 2019 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2019 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.

Sd/-  
Y.K.Dalmia  
Managing Director  
(DIN-00605908)  
Place: Kolkata  
Date: the 18<sup>th</sup> day of May, 2019

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