

23rd ANNUAL REPORT

2015-2016



SURAJ LIMITED

Progress is Life

10 Years Overview

(₹.in Lakh)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sales & Other Income	23328.49	29223.086	23097.13	17687.13	23932.66	25031.46	26713.77	23901.15	25139.75	15405.55
Profit before Finance Cost, Depreciation & Tax	2107.68	3476.85	2193.84	2784.80	3399.21	3527.63	3702.79	2766.94	2680.72	1708.33
Depreciation	338.65	502.82	545.41	893.40	998.15	1015.26	1036.07	1073.01	731.98	705.12
Net Profit after tax for the year	833.82	1366.312	595.04	533.25	674.79	625.41	714.53	367.8	689.10	39.12
Share capital	566.97	1700.91	1700.91	1700.91	1926.41	1926.41	1926.41	1926.41	1926.41	1926.41
Reserve & surplus	2995.29	2918.82	3200.23	5243.96	5581.79	5871.36	6247.82	6277.55	6605.54	6638.63
Shareholders Funds	3562.26	4619.73	4901.14	6944.87	7508.2	7797.77	8174.23	8203.96	8531.95	8565.04
Gross Block	5676.98	6465.42	7969.30	12951.26	13977.57	14157.50	14480.96	14883.77	15087.66	15243.60
Net Block	4495.20	4780.81	5743.49	9837.65	9865.82	9061.15	8357.41	7752.59	7402.80	6876.34
Dividend	85.04	255.14	255.14	255.14	288.96	288.96	288.96	288.96	288.96	0.00
Rate of Dividend Book Value of share (in Rs.)	15%	15%	15%	15%	15%	15%	15%	15%	15%	0%
Book Value of share (in Rs.) (Face Value Rs.10/-)	62.83	27.16	28.81	40.83	38.98	40.48	42.43	42.59	44.29	44.46
Earnings per Share (in Rs.)	14.71	8.03	3.50	3.14	3.50	3.25	3.71	1.91	3.58	0.20
Yearly High & Low Share Price Rupees	250-56	421-108	222-47	147-61	97-53	69 - 47.25	61.50-40.30	64-13.85	103.80 - 40.55	72.50-34.00



**Manufacturer, Exporter of Stainless Steel, Seamless Pipes,
Tubes, 'U' Tubes, Flanges & Fittings**

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BOARD OF DIRECTORS	:	ASHOK SHAH	CHAIRMAN & CFO
		GUNVANT SHAH	VICE CHAIRMAN & WHOLE TIME DIRECTOR
		KUNAL SHAH	MANAGING DIRECTOR & CEO
		SHILPA PATEL	WHOLE TIME DIRECTOR
		DIPAK SHAH	INDEPENDENT DIRECTOR
		KETAN SHAH	INDEPENDENT DIRECTOR
		HAREN DESAI	INDEPENDENT DIRECTOR
		BHUPENDRASINH PATEL	INDEPENDENT DIRECTOR
COMPANY SECRETARY	:	VATAN BRAHMBHATT	
AUDITORS	:	PANKAJ K. SHAH ASSOCIATES (CHARTERED ACCOUNTANTS)	
BANKERS	:	PUNJAB NATIONAL BANK	
		STANDARD CHARTERED BANK	
		IDBI BANK LTD.	
PLANT LOCATION	:	SURVEY NO. 779/A, VILLAGE-THOL, KADI-SANAND HIGHWAY, TAL. -KADI, DIST, MEHSANA. (GUJARAT)	
REGISTERED OFFICE	:	"SURAJ HOUSE", OPP. USMANPURA GARDEN.	
		ASHRAM ROAD, AHMEDABAD - 380 014. PH. : 0091-79-27540720 / 21	
		E-MAIL : suraj@surajgroup.com • CIN : L27100GJ1994PLC021088	
REGISTRAR & TRANSFER AGENT	:	MCS LTD. 101, SHATDAL COMPLEX, OPP. BATA SHOW ROOM, ASHRAM ROAD, AHMEDABAD - 380 009.	

Chairman's Speech to Shareholders

Respected Shareholders,

The financial year 2015-16 also was full of challenges and crucial commitments. As the year progressed, business environment remained difficult and operation in such a critical environment found to be challenging.

Discarding the global challenges, your company continued to carry on business cautiously which resulted into turnover of Rs. 15290.11 Lakh. On the mark of report that your Company sustained its profitability due to controlling expenses and finance cost and posted a net profit of Rs. 39.12 Lakh

It will not be out of place at this juncture to say that your Company's ability deliver growth and sustain business gradually. The momentum is attributable to its ability to remain relevant to its esteemed customers' changing choice and preference, need and extensive global presence.

I would like to take this opportunity on behalf of the Board of Directors and its leadership team to thank each shareholder, Banks and Financial Institutions for their continued co-operation, support and commitment to the Company.

Success is working together and not a destination. It is with this hope and faith I look forward to your continuous confidence in your Company embarking on the next phase of its growth journey.

With best wishes,

Sincerely

Ashok Shah

Chairman & CFO

NOTICE

NOTICE IS HEREBY GIVEN THAT the 23rd Annual General Meeting of the Members of SURAJ LIMITED will be held on Tuesday, 23rd August, 2016 at 10:30 am at the Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380009 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended on March 31, 2016, including the Balance Sheet, Profit and Loss Statement as at that date together with the Report of the Board of Directors (the Board) and Auditors thereon.
2. To appoint a Director in place of Mr. Kunal T. Shah who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Ms. Shilpa Patel who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary resolution:

"RESOLVED THAT pursuant to the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, Messrs Pankaj K. Shah Associates, Chartered Accountant, Ahmedabad having Firm Registration No. 107352W, be and is hereby re-appointed as auditors of the company ,until the Conclusion of 24th Annual General Meeting of the Company(subject to ratification of the appointment by the Members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, at such remuneration as shall be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

5. **To appoint Mr. Ashok Shah (DIN: 00254255) as a Managing Director and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 as amended from time to time, Mr. Ashok Shah (DIN: 00254255), who was appointed as a Managing Director of the Company by the Board of Directors with effect from 01.08.2015, For the five years, in terms of section 161(1), 149 of the Companies Act, 2013 and the Articles of Association of the Company.

"Further Resolved that the Remuneration and terms and conditions of reappointment of Shri Ashok T. Shah may be altered and varied from time to time during his tenure of appointment in such manner as may be agreed to, between the Board of Directors and Shri Ashok T. Shah provided such terms are within and in accordance with the limits specified in Section 196 to 198 read with Schedule V of the Companies Act, 2013 or any amendment thereto".

6. To appoint Mr. Gunvant Shah (DIN: 00254292) as a Whole Time Director and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and qualification of Directors) Rules, 2014 as amended from time to time, Mr. Gunvant Shah (DIN: 00254292), who was appointed as a Whole Time Director of the Company by the Board of Directors with effect from 28.03.2016, for five years, in terms of section 161(1), 149 of the Companies Act, 2013 and the Articles of Association of the Company.

"Further Resolved that the Remuneration and terms and conditions of reappointment of Mr. Gunvant Shah may be altered and varied from time to time during his tenure of appointment in such manner as may be agreed to, between the Board of Directors and Mr. Gunvant Shah provided such terms are within and in accordance with the limits specified in Section 196 to 198 read with Schedule V of the Companies Act, 2013 or any amendment thereto".

7. To approve the remuneration of the Cost Auditor for the financial year 2016-17 and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year 2016-17 be paid the remuneration as set out in the statement annexed to the notice convening this meeting;

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

8. To approve managerial remuneration as prescribed under schedule V of the act in this regard To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Sections 197, 198 and other applicable provisions if any, of the Companies Act, 2013 ("The Act") read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory

modifications or enactments thereof from time to time and the Articles of Association of the Company, Subject to such approvals as may be necessary, the consent of the Member of the Company in general meeting, be and is hereby accorded to Increase Remunerations Limit in the Situation of no Profit or its Profit are Inadequate to the Managing Director/Whole time Director/Executive Director of the Company under the Section- II of The Schedule-V of Companies Act 2013, up to Rs. 84,00,000 P.a (Rupees Eighty Four Lakh Only) w.e.f 1st April 2016."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of remuneration of Managing Director/Whole time Director/Executive Director subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013."

Registered Office:

CIN NO: L27100GJ1994PLC021088

'Suraj House', Opp. Usmanpura Garden,

Ashram Road, Ahmedabad-380014

By Order of the Board of Directors**Place: Ahmedabad****Date: 26.05. 2016****Vatan Brahmhatt**

Company Secretary

NOTES

1. Pursuant to Clause 49 (Now, Regulation 27) of the Listing Agreement, the particulars of Directors seeking re-appointment for item no. 2 & 3, under Code of Corporate Governance and the relevant explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business for item no.5 to 8 to be transacted at the meeting, are annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of him/her and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 27 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
5. The Company has notified of closure of register of members and share transfer books from 16th August 2016 to 23rd August 2016 (Both days inclusive) for the purpose of annual general meeting.
6. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
7. Members, who hold shares in de-materialization form, are requested to bring their depository account number for identification.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, between 11:00 a.m. and 1:00 p.m. up to the date of Meeting.
10. If members want to change/correct bank account details, they should communicate the same immediately to the concerned Depository Participant. Members are also requested to furnish their MICR code of their bank to their Depository Participant. The Company or its Registrar will not entertain any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agents, M/s MCS Limited.

11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form -2B prescribed by the Government can be obtained from the Share Transfer Agent or may be downloaded from the website of the Department of Company Affairs.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to MCS Limited, for consolidation into a single folio.
13. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
14. Non-Resident Indian Members are requested to inform MCS Share Transfer Agent Limited, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
15. Members are requested to note that the dividend for the year 2008-2009 which is not encashed for a period of 7 years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investors Education and Protection Fund after 31st August 2016. The last date for claiming the dividend is 30th August 2015. Members who have not encashed their above Dividend Warrants may approach to the Company/RTA immediately for re validation as otherwise no claim thereafter shall lie against the Fund or the Company in respect of such unclaimed Dividend Amount.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / MCS Share Transfer Agent Limited.
17. To support the "Green Initiative in Corporate Governance" taken by The Ministry of Corporate Affairs by allowing paperless compliance and stating that service of notices / documents including Annual Report can be effected by sending the same through electronic mode to the registered e-mail addresses of the shareholders, notices/documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail address have been registered with the Company. Members who would like to receive such notices / documents in electronic mode in lieu of physical copy and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses:
 - In respect of electronic shareholding - through their respective Depository Participants;
 - In respect of physical shareholding - by sending a request to the Company's Share Transfer Agent, mentioning therein their folio number and e-mail address.
18. Voting for transaction of Business:

The business as set out in the Notice may be transacted and that:

- (A) The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Regulation 31 of the Listing Agreement.
- (B) The Facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through ballot paper.
- (C) The Members who have cast their vote by remote e-voting shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 20th August 2016 at 9.00 AM and ends on 22nd August 2016 at 5.00PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 16th August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB) Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.