

25th ANNUAL REPORT

2017-18



SURAaj LIMITED

Progress is Life



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

25th ANNUAL REPORT 2017-2018

KEY MANAGERIAL PERSONNEL & 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 : MAUNISH S. GANDHI

STATUTORY AUDITORS : RINKESH SHAH & CO. (CHARTERED ACCOUNTANTS)

BANKERS : PUNJAB NATIONAL BANK
STANDARD CHARTERED BANK
IDBI BANK LTD.

REGISTRAR & SHARE TRANSFER AGENT :

MCS SHARE TRANSFER AGENT LTD.
102, SHATDAL COMPLEX, OPP. BATA SHOW ROOM,
ASHRAM ROAD, AHMEDABAD - 380 009.

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

25th ANNUAL GENERAL MEETING

Date : Thursday, 21st June, 2018
Venue : Conference Hall of
"The Ahmedabad Textile Mills Association", Near "Gurjari",
Ashram Road, Ahmedabad - 380009
Time : 10:30 A.M.

10 Years Overview

(₹.in Lakh)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sales & Other Income	23097.13	17687.13	23932.66	25031.46	26713.77	23901.15	25139.75	15405.55	19659.46	20704.25
Profit before Finance Cost, Depreciation & Tax	2193.84	2784.80	3399.21	3527.63	3702.79	2766.94	2680.72	1708.33	2115.19	1683.95
Depreciation	545.41	893.40	998.15	1015.26	1036.07	1073.01	731.98	705.12	628.26	639.33
Total Comprehensive Income	595.04	533.25	674.79	625.41	714.53	367.8	689.10	39.12	42.91	33.15
Share capital	1700.91	1700.91	1926.41	1926.41	1926.41	1926.41	1926.41	1926.41	1926.41	1926.41
Reserve & surplus	3200.23	5243.96	5581.79	5871.36	6247.82	6277.55	6605.54	6638.63	6681.55	6622.80
Shareholders Funds	4901.14	6944.87	7508.2	7797.77	8174.23	8203.96	8531.95	8565.04	8607.96	8549.21
Gross Block	7969.30	12951.26	13977.57	14157.50	14480.96	14883.77	15087.66	15243.60	15530.85	15699.31
Net Block	5743.49	9837.65	9865.82	9061.15	8357.41	7752.59	7402.80	6876.34	6545.62	6074.67
Dividend	255.14	255.14	288.96	288.96	288.96	288.96	288.96	0.00	0.00	0.00
Rate of Dividend Book Value of share (in Rs.)	15%	15%	15%	15%	15%	15%	15%	0%	0%	0%
Book Value of share (in Rs.) (Face Value Rs.10/-)	28.81	40.83	38.98	40.48	42.43	42.59	44.29	44.46	44.68	44.39
Earnings per Share (in Rs.)	3.50	3.14	3.50	3.25	3.71	1.91	3.58	0.20	0.22	0.17
Yearly High & Low Share Price Rupees	147-57.20	97.95-55	71.95-47.25	61.50-40.30	64-13.85	103.80-27	86-34	65-33.50	54.45-34.75	73.65-41

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Chairman's Speech to Shareholders

Respected Shareholders,

Good Morning. On my behalf and on behalf of the Board of Directors, I welcome you all to this 25th Annual General Meeting of Company.

I feel honoured and privileged once again to present you with the Annual Report F.Y. 2017-18. It gives me an opportunity to share my thoughts and the Company's progress during the year as well as the way forward. The financial year 2017-18 also was full of challenges and crucial commitments.

Discarding the global challenges, your company continued to carry on business cautiously which resulted into turnover of ₹ 20,648.76 Lakh. On the mark of report that your Company sustained its profitability due to controlling expenses and finance cost and posted a total Comprehensive Income of ₹ 36.82 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 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 25th Annual General Meeting of the Members of **SURAJ LIMITED** will be held on **Thursday, 21st June, 2018** 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
 - a) The Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon and
 - b) The Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2018 and the reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Kunal Tarachand Shah (DIN:00254205) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Ms. Shilpa Mangaldas Patel (DIN: 07014883) who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the appointment of M/s. Rinkesh Shah & Co. (FRN: 129690W) Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

5. **To approve the remuneration of the Cost Auditor for the financial year 2018-19:**

"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), **M/s. Kiran J Mehta & Associates.**, Cost Accountant, Ahmedabad (FRN:00025) appointed as a Cost Auditor by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year 2018-19 be paid the remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus GST for the year 2018-19 the Board has also approved the same.

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."

6. **To re appointment of Mr. Kunal Tarachand Shah (DIN:00254205) as a Managing Director & Chief Executive Officer of the Company who shall be liable to retire by rotation:**

"RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereof, the recommendations of Nomination & Remuneration Committee and the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of Mr. Kunal Tarachand Shah (DIN:00254205) as Managing Director & Chief Executive officer of the Company for the period of five(5) years w.e.f. 28th September, 2017 on the terms and conditions as set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be applicable to Mr. Kunal Tarachand Shah (DIN:00254205) to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013 and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To re appointment of Ms. Shilpa Mangaldas Patel (DIN: 07014883) as a Whole time Director of the company who shall be liable to retire by rotation:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 all others Provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V and all other applicable provisions of the Companies Act, 2013 and pursuant to Articles of Association of the Company, approval of the Company be and is hereby accorded to re-appoint of Ms. Shilpa Mangaldas Patel (DIN 07014883) as whole time Director of the company, for a period of 5 (Five) years w.e.f. 12th November, 2017, on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be applicable to Ms. Shilpa Mangaldas Patel (DIN 07014883) to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013 and 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 material related party transactions:-

RESOLVED THAT pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the prevailing provisions of the Companies Act, 2013 read with rules made there under, consent of the members of the Company be and is hereby accorded to Material Related Party Transactions with TBS Metal Private Limited for a period of three years from 2018 and such approval is further accorded to an increase of up to 15% over and above the consolidated value of transactions in the previous financial year.

RESOLVED FURTHER THAT the Key Managerial Personnel of the Company be and are hereby severally authorised to take necessary actions and complete all the legal formalities related thereto.

Date: 26.04. 2018

Place: Ahmedabad

Registered Office:

'Suraj House', Opp. Usmanpura Garden,

Ashram Road, Ahmedabad-380014

CIN NO: L27100GJ1994PLC021088

By Order of the Board of Directors

SURAJ LIMITED

Maunish Gandhi

Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective, must be received by the Company, duly filled, stamped and signed, at its Registered Office not less than 48 hours before the Meeting.

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable, issued on behalf of the nominating organization.

2. A person can act as 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. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.
3. Details under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, form integral part of the notice. The Directors have furnished the requisite declarations for their appointment/reappointment.
4. 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.
5. Brief profile 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.
6. The Company has notified of closure of register of members and share transfer books from 13th June 2018 to 21st June 2018 (Both days inclusive) for the purpose of annual general meeting.
7. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
8. Members, who hold shares in de-materialization form, are requested to bring their depository account number for identification.
9. 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.
10. 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.
11. 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 share transfer agent Limited.

12. 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 -SH 13 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.
13. 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 share transfer agent Limited, for consolidation into a single folio.
14. 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.
15. 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.
16. Members are requested to note that the dividend for the year 2010-2011 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 26th October, 2018. The last date for claiming the dividend is 25th October, 2018. 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.
17. 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.
18. 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.
19. The route map showing directions to reach the venue of the Twenty fifth AGM is annexed.