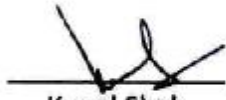

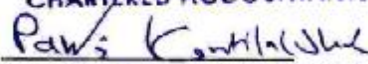
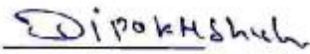


**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1	Name of the Company:	<b>SURAJ LIMITED</b>
2	Annual financial statements for the year ended	March 31, 2014
3	Type of Audit observation	<b>Un-qualified / Matter of Emphasis</b>
4	Frequency of observation	<b>None</b>
5	To be signed by-	
	Managing Director and CEO	 Kunal Shah
	Chairman and CFO	 Ashok Shah
	Auditor of the company	<p>For PANKAJ K. SHAH ASSOCIATES CHARTERED ACCOUNTANTS  Pankaj K. Shah <b>PROPRIETOR</b> Pankaj K. Shah (Proprietor) Membership No. : 34603</p>
	Audit Committee Chairman	 Dipak Shah



Regd. Office : "Suraj House" Opp. Usmanpura Garden, Ashram Road, Ahmedabad – 380 014. Gujarat Tel: 0091-79-27540720/  
21 , Fax: 0091-79-27540722, Emailld:[secretary@surajgroup.com](mailto:secretary@surajgroup.com) ,CIN:L27100GJ1994PLC021088Web site:- [www.surajgroup.com](http://www.surajgroup.com)

**Corrigendum to the  
21<sup>ST</sup> (TWENTY FIRST) ANNUAL REPORT OF THE  
SURAJ LIMITED (CIN: L27100GJ1994PLC021088)**

Dear Shareholder,

The Annual Report for the current financial year 2013-14 has already been printed. After printing the Annual Report we discovered an inadvertent/corrections at certain points which are given in below mentioned table for your reference. Members are requested to read the 21<sup>st</sup> Annual Report with this corrigendum.

1.	On page No. 3 – Note No. 1, Line – 2: Please read “item no. 3” in place of “item no. 3 & 4”
2.	On page No. 4 – Note No. 19 point (i), Last Line: Please read “NSDL” in place of “CDSL”
3.	On page No. 4 – Note No. 19 point (ii): Please read “ <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> ” in place of “ <a href="http://www.evotingindia.com">www.evotingindia.com</a> ”.
4.	On page No. 4 – Note No. 19 point (vii): Please read “ <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> ” in place of “ <a href="http://www.evotingindia.com">www.evotingindia.com</a> ”
5.	On page No. 5 – Note No. 19 point (x), sixth line: Please read “NSDL Platform” in place of “CDSL Platform”
6.	On page No. 5 – Note No. 19 point (xii): Please read “EVSN (100619)” in place of “EVSN”
7.	On page No. 5 – Note No. 19 point (xix), first bullet point: Please read “ <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> ” in place of “ <a href="http://www.evotingindia.com">www.evotingindia.com</a> ”
8.	On page No. 5 – Note No. 19 point (xix), second bullet point: Please read “ <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> ” in place of “ <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> ”
9.	On page No. 5 – Note No. 19 point (xix), fourth bullet point: Please read “ <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> ” in place of “ <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> ”
10.	On page No. 5 – Note No. 19 point (xx), second line and last line: Please read “ <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> ” in place of “ <a href="http://www.evotingindia.com">www.evotingindia.com</a> ” and Please read “ <a href="mailto:Helpdesk@nsdl.co.in">Helpdesk@nsdl.co.in</a> ” in place of “ <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> ”
11.	On page No. 5 – Other Instructions point no. e): Please read “NSDL <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> ” in place of “CDSL <a href="http://www.evoting.cdsl.com">www.evoting.cdsl.com</a> ”

We sincerely apologize for the inadvertent error despite making all possible efforts to ensure error free Annual Reports. Kindly bear with us

Thanking you,  
Yours sincerely,  
For, SURAJ LIMITED

Sd/-  
(Saurabh Shah)  
Company Secretary

# 21<sup>st</sup> ANNUAL REPORT

2013-2014



**SURAJ** LIMITED

*Progress is Life*

# **SURAJ** LIMITED

**Manufacturer, Exporter of Stainless Steel Seamless & Welded Pipes, Tubes and 'U' Tubes**

## **21<sup>st</sup> Annual Report 2013-2014**

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

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## **CHAIRMAN'S LETTER TO SHAREHOLDERS**

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### **Respected Share-holders,**

The Financial Year 2013-2014 also was full of challenges and crucial commitments. The global economical market witnessed slower growth and Euro zone was full of uncertainty. As the year proceed, industrial environment still remained unchanged, as previous year, proved to be challenging.

Discarding the global grievances, your company continued to carry on business cautiously which resulted into turnover of Rs. 23800.75 Lakhs, a slight fall of 10.41% which was also due to foreign exchange rate fluctuation resulting into dropping down of sales. It is my pleasure that with the diligence, integrity and efforts, we were able to control expenses and finance cost to a sizeable extent.

We take to continue the opportunity to reward our share holders by way of paying similar rate and amount of dividend on regular basis. This year dividend payment of Rs. 1.50 per share (15%) has been recommended by Board of directors of your company.

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

This is the apt and proper time on behalf of Board of Directors and Management team to thank each and every Shareholder, Bankers and last but not the least, staff and workers for their over whelming cooperation, support and confirmed commitment to the company.

Let me quote and conclude:

"If your actions inspire others to dream more, learn more, do more and become more, you are a leader."

"Coming together is beginning, keeping together is progress and working together is success"

It is with this hope and faith I look forward to your continuous confidence in your company as your company awesomely embarked on the next phase of its growth engineering hub.

With Best wishes,  
Sincerely,  
(Ashok Shah)  
Chairman & CFO

## 10 YEARS OVERVIEW

(Rs. In Lakhs)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Sales &amp; Other Income</b>	10034.56	11693.12	23328.49	29223.086	23097.13	17687.13	23932.66	25031.46	26713.77	23901.15
<b>Profit before Interest, Depreciation &amp; Tax</b>	568.58	795.23	2107.68	3476.85	2193.84	2784.80	3399.21	3527.63	3702.79	2766.94
<b>Depreciation</b>	127.64	138.68	338.65	502.82	545.41	893.40	998.15	1015.26	1036.07	1073.01
<b>Net Profit after tax for the year</b>	192.31	295.89	833.82	1366.312	595.04	533.25	674.79	625.41	714.53	367.8
<b>Share capital</b>	515.47	515.47	566.97	1700.91	1700.91	1700.91	1926.41	1926.41	1926.41	1926.41
<b>Reserve &amp; surplus</b>	726.49	942.45	2995.29	2918.82	3200.23	5243.96	5581.79	5871.36	6247.82	6277.55
<b>Shareholders Funds</b>	1241.96	1457.92	3562.26	4619.73	4901.14	6944.87	7508.2	7797.77	8174.23	8203.96
<b>Gross Block</b>	1673.53	4031.95	5676.98	6465.42	7969.30	12951.26	13977.57	14157.50	14480.96	14883.77
<b>Net Block</b>	966.47	3186.49	4495.20	4780.81	5743.49	9837.65	9865.82	9061.15	8357.41	7752.59
<b>Dividend</b>	51.54	61.85	85.04	255.14	255.14	255.14	288.96	288.96	288.96	288.96
<b>Rate of Dividend</b>	10 %	12 %	15 %	15 %	15 %	15 %	15 %	15 %	15 %	15 %
<b>Book Value of share (in Rs.) (Face Value Rs. 10/-)</b>	24.09	28.28	62.83	27.16	28.81	40.83	38.98	40.48	42.43	42.59
<b>Earnings per Share (in Rs.)</b>	3.73	5.74	14.71	8.03	3.50	3.14	3.50	3.25	3.71	1.91
<b>Yearly High &amp; Low Share Price Rupees</b>	49-13	80-27	250-56	421-108	222-47	147-61	97-53	69-47.25	61.50-40.30	64-13.85

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**NOTICE**

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NOTICE IS HEREBY GIVEN THAT the 21st Annual General Meeting of the Members of SURAJ LIMITED will be held on Thursday, 21st August, 2014 at 10:30 am at the Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009 to transact the following businesses:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Financial Statements for the year ended March 31, 2014, 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 Declare Dividend on equity shares for the financial year ended March 31, 2014.
3. To appoint a Director in place of Mr. Bipinbhai Prajapati who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory 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 thereunder, as amended from time to time, Messrs Pankaj K. Shah Associates, Chartered Accountant, Ahmedabad having Firm Registration No. 107352W, be and is hereby appointed as Statutory auditors of the company, to hold office from the conclusion of this Annual General Meeting (AGM) till the Conclusion of Third 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 Statutory Auditors, at such remuneration as shall be fixed by the Board of Directors of the Company."

**SPECIAL BUSINESS :**

5. **To re-appoint Mr. Kunal T. Shah as a Managing Director (DIN: 00254205) of the Company and 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** in accordance with the provisions of Section 196, 197, 198 and section 203, read with Schedule V and any other applicable provisions of the Companies Act, 2013, if any, (including any statutory modifications or re-enactment thereof, for the time being in force), read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any other statutory approvals, if any, the Company hereby approves re-appointment of Mr. Kunal T. Shah, as Managing Director of the Company for a period of 3 (Three) years commencing from 29th September, 2014, as recommended by the Remuneration Committee and approved by the Board of Directors of the Company with such powers and duties as set out in the agreement as placed before the members and duly initialed by the Chairman for the purpose of identification and further assented, approved and sanctioned with liberty to the Board of Director to vary the terms and conditions of the said re-appointment, as may be agreed to between the Board Members of the Company and Mr. Kunal T Shah;  
**"RESOLVED FURTHER** that the remuneration and perquisites set out in the aforesaid agreement be paid to Mr. Kunal T Shah as minimum remuneration during the tenure of his re-appointment notwithstanding that in any financial year of the company during the aforesaid period, the Company has made no profits or the profits made are inadequate.  
**RESOLVED FURTHER** that the remuneration and perquisites including the monetary value thereof as specified in the agreement may be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 2013 and rules made there under or any amendments thereof or re-enactments thereof and that the aforesaid agreement between the Company and Mr. Kunal T. Shah be suitably amended to give effect to the same in such manner as may be agreed to between the Board and Mr. Kunal T. Shah.  
**"RESOLVED FURTHER THAT** Mr. Haren R. Desai, Director of the Company be and is hereby authorized to enter into an agreement on behalf of the Company with Mr. Kunal T. Shah in terms of the aforesaid draft agreement with modifications if any, and that the common seal of the Company be affixed thereto in the presence of Mr. Haren R. Desai, Director of the Company."
6. **To appoint Mr. Bhupendrasinh Babulal Patel (DIN: 05155901) as an independent 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. Bhupendrasinh Babulal Patel (DIN: 05155901), a non-executive director of the Company, 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, be and is hereby appointed as an Independent Director of the Company with effect from 21st August, 2014 upto 20th August, 2019, not liable to retire by rotation."
7. **To appoint Mr. Dipakbhai Himatbhai Shah (DIN: 00565892) as an independent 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. Dipakbhai Himatbhai Shah (DIN: 00565892), a non-executive director of the Company, 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, be and is hereby appointed as an Independent Director of the Company with effect from 21st August, 2014 upto 20th August, 2019, not liable to retire by rotation."

8. **To appoint Mr. Ketan Ratilal Shah (DIN: 00583064) as an independent 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. Ketan Ratilal Shah (DIN: 00583064), a non-executive director of the Company, 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, be and is hereby appointed as an Independent Director of the Company with effect from 21st August, 2014 upto 20th August, 2019, not liable to retire by rotation."

9. **To appoint Mr. Haren Rameshchandra Desai (DIN: 02285175) as an independent 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. Haren Rameshchandra Desai (DIN: 02285175), a non-executive director of the Company, 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, be and is hereby appointed as an Independent Director of the Company with effect from 21st August, 2014 upto 20th August, 2019, not liable to retire by rotation."

10. **To approve the remuneration of the Cost Auditor for the financial year ending 31st March, 2015 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 ending March, 2015, 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."

11. **To ratify the Borrowing limits and if thought fit, to pass, with or without modification (s), the following resolution as Special Resolution:**

"RESOLVED THAT in partial modification of earlier resolution passed by the members of the company for the borrowing powers delegated to the Board of the Directors of the Company at the 14th Annual General Meeting held on 13th August, 2007 which has the effect of increasing borrowing limits from Rs. 20.00 Crores (Rupees Twenty Crores only) to Rs. 200.00 Crores (Two Hundred Crores only), be and is hereby ratified pursuant to provisions of Section 180 (1) (c) and other applicable provisions of the Companies Act, 2013 read with Rules made there under, if any,".

12. **To ratify the power to create charges on the asset of the company and if thought fit, to pass, with or without modification (s), the following resolution as Special Resolution:**

"RESOLVED THAT in partial modification of earlier resolution passed by the members of the company delegating powers to the Board of Directors of the Company at the 14th Annual General Meeting held on 13th August, 2007 which has the effect to create charge and/or to hypothecate/mortgage all the movable and/or immovable properties of the Company, where so ever situate, whether present and/or future, the whole of the undertaking of the company on such terms and conditions as may be determined by the Board of Directors of the company, be and is hereby ratified by the members of the company pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013 read with Companies (Meetings of Board and Its Powers) Rules, 2014, any other provisions of the Companies Act, 2013 and Rules made there under."

**Registered Office:**

'Suraj House', Opp. Usmanpura Garden,  
Ashram Road, Ahmedabad-380014.

**CIN NO:** L27100GJ1994PLC021088

**For and on behalf of the Board**

Date: 21st May, 2014  
Place: Ahmedabad

**Saurabh Shah**  
Company Secretary

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**NOTES :**

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1. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking re-appointment for item no. 3 & 4, 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 12 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 Clause 49 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 closure of Register of Members and Share Transfer Books from 14th August, 2014 to 21st August, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the 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 dematerialization 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. Dividend on Equity Shares as recommended by the Directors for the financial year ended March 31, 2014 when declared at the meeting will be paid on or after 27th August, 2014.
  - (i) to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company's Registrar & Share Transfer Agent on or before , 14th August 2014 or
  - (ii) in respect of shares held in electronic form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the end of business hours on 13th August 2014
11. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of Dividend. However, 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 Ltd.
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 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.
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 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 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 2006-2007 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 20th September, 2014. The last date for claiming the dividend is 19th September, 2014. Members who have not encashed their above Dividend Warrants may approach to the Company/RTA immediately for revalidation 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 Limited.
18. To support the "Green Initiative in Corporate Governance" taken by The Ministry of Corporate Affairs by allowing paperless compliances 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 instructions for shareholders voting electronically are as under:
- (i) The voting period begins on 14-08-2014 (9:00 AM) and ends on 16-08-2014 (6:00 PM) 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 11-07-2014, 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](http://www.evotingindia.com) during the voting period
  - (iii) Click on "Shareholders" tab.
  - (iv) Now, select the "SURAJ LIMITED" from the drop down menu and click on "SUBMIT"
  - (v) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (vi) Next enter the Image Verification as displayed and Click on Login.
  - (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank	Enter the Dividend Bank Details as recorded in your demat account or in the company records\for the said demat account or folio.
Details	<ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If 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 (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Suraj Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (iii) Other Instructions:
- a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 11.07-2014.
- b) Mr. Sandip Sheth, Practicing Company Secretary (Membership No. FCS 5467), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- c) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- d) Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Sandip Sheth, Practicing Company Secretary, (Membership No. FCS 5467), at the Registered Office of the Company not later than 16-08-2014 (6.00 p.m. IST). Members have the option to request for physical copy of the Ballot Form by sending an e-mail to [secretary@surajgroup.com](mailto:secretary@surajgroup.com) by mentioning their Folio / DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registered Office of the Company not later than 16-08-2014 (6.00 p.m. IST).
- Ballot Form received after this date will be treated as invalid.**
- A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- e) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.surajgroup.com](http://www.surajgroup.com) and on the website of CDSL [www.evoting.cdsl.com](http://www.evoting.cdsl.com) within two days of the passing of the resolutions at the Twenty First AGM of the Company on 21-08-2014 and communicated to the BSE Limited, where the shares of the Company are listed. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

**Item No. 3:**

Mr. Bipin Prajapati retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for reappointment.

Mr. Bipin Prajapati is possessing graduate degree having experience of 21 years in the field of production. He is with company since last 21 years more particularly as Whole time Director of the Company since 2007. He has vast experience in the field of production and effective policy formulations for efficient and smooth running of the company. It will be in the interest of the Company to reappoint Mr. Bipin Prajapati with his more than 20 years of experience in the industry.

Resolution placed at item no. 3 of the notice is recommended for approval of the Shareholders.

Except Mr. Bipin Prajapati, none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No.3 of the Notice.

**Item No. 5:**

Mr. Kunal T. Shah was re-appointed as Managing Director of the Company on 29th September, 2011 for a period of 3 (Three) years, and whose term will be expired on 28th September, 2014. The Board Members re-appointed Mr. Kunal T. Shah as Managing Director of the Company on 21st May, 2014 for a period of three years w.e.f. 29th September, 2014 on the terms & conditions recommended by the Remuneration Committee. The Remuneration Committee has considered the matter and recommended the terms of the Remuneration to the Board, subject to the approval of members under various Sections of the Act read with Schedule- V of the Companies Act, 2013. He is possessing graduate degree having experience of 19 years in the field of marketing. He is with Company since last 19 years more particularly as Managing Director of the Company since 2005. He has vast experience in the field of marketing department, commercial department and effective policy formulations for efficient and smooth running of the Company. In view of the manifold increase in role and his responsibility, the Board approved the re-appointment of Mr. Kunal T. Shah as Managing Director of the Company for a period of three years w.e.f. 29th September, 2014. The details of the remuneration payable to Mr. Kunal T Shah, as Managing Director as contained in the agreement signed between the Company and Mr. Kunal T Shah are set out below:

- a) Salary at the rate of 3,65,000/- (Rupees Three Lacs Sixty Five Thousand only) per month. So long as he functions as such, he shall not be paid any sitting fees for attending meeting of the Board of Directors or committees thereof,
- b) The Managing Director shall be entitled to the following perquisites and facilities:
  - i. Telephone and Internet: Free telephone and Internet facility at his residence, Personal long distance calls will be billed to the Managing Director subject to a maximum of Rs. 2,000/- per month
  - ii. Credit Card Reimbursement: Credit Card expenses incurred by the appointee on behalf of the Company will be reimbursed to him subject to a maximum of Rs. 2,000/- per month
  - iii. The Appointee shall avail Bonus of Rs. 3,500/- per annum.

The Company shall reimburse actual entertainment and travelling expense incurred by the Managing Director in connection with the Company's business.

Note: For the purpose of perquisites stated herein above, family means the spouse, the dependent children and the dependent parents of the appointee.

The other terms contained in the agreement are the various powers delegated to Mr. Kunal T. Shah as Managing Director of the Company by virtue of his re-appointment.

This statement containing following information is given as per Clause-A of Section II of part II of Schedule V of the Companies Act, 2013:

I.	GENERAL INFORMATION:	
(1)	Nature of Industry	Manufacturing of all kinds of ferrous and non-ferrous stainless steel & seamless Pipes and tubes for industrial and non industrial use.
(2)	Date or expected date of commencement of commercial production.	Existing Company and hence not applicable.
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Existing Company and hence not applicable.

(4) Financial Performance based on given indicators. (As at 31st March 2011)	<b>Particulars</b>	<b>Rs. in Lacs</b>
	Turnover (Net Sales)	23800.76
	Operating Profit	1647.62
	Net Profit Before Tax	574.61
	Debt Equity Ratio	1.35: 1
	Current Ratio	1.09:1
(5) Export Performance	Net Worth 8202.71	
(6) Foreign Investments or collaborators, if any.	The Company has achieved export Turnover FOB value of Rs. 13441.71 Lacs for the financial year ended on 31.03.2014	
(6) Foreign Investments or collaborators, if any.	None	
<b>II. INFORMATION ABOUT THE APPOINTEE:</b>		
(1) Background Details	Mr. Kunal T Shah possesses a graduate degree. He is with company since last 19 years more particularly as Managing Director of the Company since 2005.	
(2) Past Remuneration	Remuneration paid for the Financial year 2013-14 was Rs. 42.50 Lacs per annum plus perquisites of Rs. 0.03500 Lacs per annum.	
(3) Recognition or Awards	As such no awards being received by Mr. Kunal T Shah in his personal capacity however he ensured and strived his best to achieve numbers of awards and recognitions for the company which made history to enter into global market with ease.	
(4) Job Profile and his suitability	Mr. Kunal T Shah has vast experience in marketing, administration and effective policy formulations for efficient and smooth running of the company. He has wide knowledge of the industry and markets that the company operates in and has been instrumental in growth story of the company over the last few years.	
(5) Remuneration Proposed	As mentioned in the abstract of remuneration given in the preceding paras.	
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	The proposed remuneration is commensurate with level skills, experience of the appointee. Mr. Kunal T. Shah has been re appointed as Managing Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company.	
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He is directly related with Promoters of the Company and being one of the promoters of the company holding directly 5.35% shares and 74.70% jointly with promoters group in the company.	
<b>III. OTHER INFORMATION:</b>		
(1) Reasons of loss or inadequate profits.	Though, the company has made reasonable profit during the recently completed financial year as per the industry norms, however as per calculation of profit u/s. 198 such profits are inadequate to remunerate such managerial personnel.	
(2) Steps taken or proposed to be taken for improvement	Efforts taken for cost cutting to improve margins. Search for improved quality and value added products.	
(3) Expected increase in productivity and profits in measurable terms.	Strict steps will be taken to control fixed costs and inventory costs, which will enable Company to improve its turnover and profits in years to come with normative numbers calculated with reference to good returns from the Stainless Steel Industry.	
<b>IV. DISCLOSURES:</b>		
(1)	The remuneration package of Mr. Kunal T. Shah has been enumerated above. A copy of the agreement entered with the Managing Director is available for inspection by the members of the Company at the Registered office of the Company between 11.00 a.m. to 1.00 p.m. on any working day except Saturdays and Sundays.	
(2)	The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company for the Financial Year 2013-14, wherever applicable.	

The re-appointment of Mr. Kunal T. Shah as Managing Director of the company requires special majority of the members under Section 196, 197, 198 & 203 read with provisions of sub-clause (A) of section II of part II of Schedule V of the Companies Act, 2013, for payment of remuneration. The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in terms of the proviso of sub clause (ii) of Section II of Part II of Schedule V of the Companies Act, 2013.

Consequently the said resolution for re-appointment of Mr. Kunal T. Shah as Managing Director for a period of three years on the remuneration as set out in the Agreement, requires approval of Members in General Meeting with special majority. Hence, your directors recommend the resolution for your approval.

As the resolution for re-appointment has been proposed for three years with remuneration within the limits prescribed under Sub-Clause-A of section II of part II of Schedule XIII of the Act, and hence the approval of Central Government is not required.

Except Mr. Kunal T. Shah, Mr. Guntant T. Shah and Mr. Ashok T. Shah, none of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution and recommend your acceptance thereof in the interest of the Company.

The notice and explanatory statement may be treated as an abstract of terms and memorandum of interest under section 190 of the Companies Act, 2013, regarding re-appointment of Mr. Kunal T. Shah as Managing Director of the Company to be circulated to the shareholders of the company and the requirement of the said act may be deemed to have been sufficiently complied with.

**Item Nos. 6 to 9:**

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Dipak Himatbhai Shah (DIN: 00565892), Mr. Ketan Ratilal Shah (DIN: 00583064), Mr. Haren Rameshchandra Desai (DIN: 02285175) & Mr. Bhupendrasinh Babulal Patel (DIN: 05155901), as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. The Nominations Committee has recommended the appointment of these directors as Independent Directors from 21st August, 2014 up to 20th August, 2019.

Mr. Dipak Himatbhai Shah (DIN: 00565892), Mr. Ketan Ratilal Shah (DIN: 00583064), Mr. Haren Rameshchandra Desai (DIN: 02285175) & Mr. Bhupendrasinh Babulal Patel (DIN: 05155901), non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

A brief profile of the Independent Directors to be appointed is given below:

Mr. Dipak Himatbhai Shah (DIN: 00565892) is an independent Director of the company and he hold this position in the company since 2002. Mr. Dipak Himatbhai Shah, age 56 yrs., is LL.B. He has more than 15 years of experience in different industries out of which more than 10 years in managerial and senior management positions. Mr. Dipak Himatbhai Shah holds 1200 equity shares in the Company and he does not hold directorship in any other Company.

Mr. Ketan Ratilal Shah (DIN: 00583064) is an independent Director of the company and he hold this position in the company since 2002. Mr. Ketan Ratilal Shah, age 53 yrs., is LLB. He has more than 12 years of experience in different industries out of which more than 10 years in managerial and senior management positions. Mr. Ketan Ratilal Shah holds NIL equity shares in the Company and he does not hold directorship in any other Company.

Mr. Haren Rameshchandra Desai (DIN: 02285175) is an independent Director of the company and he hold this position in the company since 2002. Mr. Haren Rameshchandra Desai, age 69 yrs., is B.E. He has more than 20 years of experience in different industries out of which more than 17 years in managerial and senior management positions. Mr. Haren Rameshchandra Desai holds NIL equity shares in the Company and he does not hold directorship in any other Company.

Mr. Bhupendrasinh Babulal Patel (DIN: 05155901) is an independent Director of the company and he hold this position in the company since 2002. Mr. Bhupendrasinh Babulal Patel, age 64 yrs., is B.E. Mechanical, Diploma in Electrical & Boiler Proficiency. He has more than 25 years of experience in different industries out of which

more than 15 years in managerial and senior management positions. Mr. Bhupendrasinh Babulal Patel holds NIL equity shares in the Company and he does not hold directorship in any other Company.

Mr. Dipak Himatbhai Shah (DIN: 00565892), Mr. Ketan Ratilal Shah (DIN: 00583064), Mr. Haren Rameshchandra Desai (DIN: 02285175) & Mr. Bhupendrasinh Babulal Patel (DIN: 05155901), respectively, are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment. Resolutions placed at Item Nos. 7 to 10 of the notice are recommended for approval of the Shareholders.

**Item No. 10:**

The audit committee has recommended to appoint M/s. Kiran J. Mehta & Co., Cost Accountant, Ahmedabad (Firm Registration Number 00025) at a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus service tax and Ten percent (10%) of fee as out-of pocket expenses" for the year ended on 31st March, 2015, the Board has also approved the same.

As per section 148 of the Companies Act, 2013 and the companies (Audit and Auditors) rules 2014 the remuneration payable to the Cost Auditor has to be approved/ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 11 of the Notice for ratification/approval of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2014. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the shareholders.

**Item Nos. 11 & 12:**

At the 14th Annual General meeting of the company held on 13th August, 2007 the members of the company has passed the resolution u/s. 293(1)(d) of the Companies Act, 1956, delegating powers to the board of directors to borrow money in excess of paid up capital and free reserves of the company. The said resolution was passed which had the effect of increasing such borrowing powers from Rs. 20 Crores to Rs. 200 Crores. In the said meeting the members of the company has also passed the resolution u/s. 293(1)(a) of the Companies Act, 1956, delegating powers to the board of directors to create charge/mortgage/hypothecation of various moveable and immoveable assets of the company to the extent of increase in borrowing powers. However, with the implementation of Companies Act, 2013, the Ministry of Corporate affairs has vide its General Circular No. 4/2014 dated 25th March 2014 clarified the applicability of Section 180(1)(c) and 180(1)(a) ibid (1) borrowing powers of the Company; and (2) charge on the assets of the company respectively) stating that the resolution passed under section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act . Hence, by virtue of such circular it is recommended by the Board Members to ratify such resolution passed in the 14th Annual General Meeting of the Company dtd. 13th August, 2007 under the new Companies Act, 2013 pursuant to provisions of Section 180(1)(a) for borrowing limits and Section 180 (1)(C) for creating charge/mortgage/hypothecation on the assets of the company on or before 12th September, 2014.

Resolution placed at item no. 11 & 12 of the notice is recommended for approval of the Shareholders by special majority.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No.11 & 12 of the Notice.

**Registered Office:**

'Suraj House', Opp. Usmanpura Garden,  
Ashram Road, Ahmedabad-380014.

**CIN NO:** L27100GJ1994PLC021088

Date: 21st May, 2014  
Place: Ahmedabad

**For and on behalf of the Board,**

**Saurabh Shah**  
Company Secretary

## DIRECTORS' REPORT

**The Members,  
Suraj Limited.  
Ahmedabad**

The Directors present their 21st Annual Report together with the Audited Statement of Accounts of Company for the year ended 31st March, 2014.

### Financial Results

**The financial results of the Company for the year under review are as under: -**

The summary of operating results for the year and appropriation of divisible profits is given below:

(Rs. In Lacs)

	<b>2013-2014</b>	<b>2012-2013</b>
Total Revenue (Net)	23800.76	26568.13
Other Income	100.39	145.58
Interest	982.01	1122.70
Profit Before Depreciation	1647.62	2098.75
Depreciation	1073.01	1036.07
Profit Before Tax	574.61	1062.69
Taxation--Current Tax	313.56	445.73
--Excess/Short provision for earlier years	15.82	1.18
--Deferred Tax (Assets/Liability)	(122.57)	(98.76)
Profit after Tax	367.80	714.53
Balance Brought Forward from previous year	3518.46	3177.72
Amount available for proposed appropriations:	3886.26	3892.25
<b>Appropriations</b>		
Proposed Dividend	288.96	288.96
Provision for tax on Dividend	49.11	49.11
Transfer to Statutory Reserves	18.39	35.73
Balance carried forward to Balance Sheet	3546.94	3518.46

### 2) OPERATIONS:

The Company achieved turnover (net) of Rs. 23,800.76 Lacs as compared to Rs. 26,568.13 Lacs in the previous financial year, which shows a decrease of about 10.42% of turnover as compared to the previous financial year. The other income of the company for the said period stood at Rs. 100.39 Lacs as compared to Rs. 145.58 Lacs of previous financial year. The PAT levels were stood at Rs. 367.80 Lacs as compared to Rs. 714.53 Lacs previous financial year, which shows a decrease of 48.70% as compared to last financial year

### 3) DIVIDEND:

Your Directors recommend a final dividend of 15% i. e. Rs. 1.50 for each Equity Shares of Rs. 10/- for the year ended March 31, 2014, subject to the approval of shareholders at the ensuing Annual General Meeting.

### 4) TRANSFER TO STATUTORY RESERVE

The Company proposes to transfer Rs. 18.39 lacs to the statutory reserve out of the amount available for appropriation and an amount of Rs. 367.80 lacs is proposed to be retained in the statement of profit and loss account.

### 5) DEPOSITS:

Your Company has not accepted any public deposit within the meaning of the provisions of Section 58A of the Companies Act, 1956 and Rules made there under

### 6) INTERNAL CREDIT RATING

Care rating services has assigned to the Company its 'CARE BBB-' corporate credit rating with outlook as stable

### 7) LISTING

The equity shares of the Company are listed on the Bombay Stock Exchange Limited and the Company has paid listing fee for F.Y. 2014-15.

**8) DIRECTORS:**

The Board of Directors of your company has various executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning. Mr. Bipin Prajapati, Director of the company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr. Dipak Himatbhai Shah (DIN: 00565892), Mr. Ketan Ratilal Shah (DIN: 00583064), Mr. Haren Rameshchandra Desai (DIN: 02285175) & Mr. Bhupendrasinh Babulal Patel (DIN: 05155901) as Independent Directors of the Company.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Director. In accordance with the provisions of section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

Your directors recommend the re-appointment of these directors.

**9) CORPORATE GOVERNANCE**

Your company has taken adequate measures to ensure that the provision of corporate Governance as prescribed under clause 49 of the listing agreement with stock exchanges are complied with. A detailed report as per Appendix-I on corporate governance, as certified by the Company Secretary in whole time practice on its Compliance by the Company, forms part of this report. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct.

**10) MANAGEMENT DISCUSSION & ANALYSIS**

The management discussion & analysis is given separately and forms part of this annual report.

**11) AUDITORS**

M/s. Pankaj K. Shah Associates, Chartered Accountant (firm registration no. 107352W), retires at the close of this Annual General Meeting and is eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. Pankaj K. Shah Associates, Chartered Accountant, as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of Twenty Fourth AGM to be held in the year 2017, subject to ratification of his appointment at every subsequent AGM. The Company has received confirmation that his appointment will be within the limits prescribed under section 141 of the Companies Act, 2013. The Audit Committee of the Board has recommended his re-appointment. The necessary resolution is being placed before the shareholders for approval.

**12) COST AUDITORS**

The Government has stipulated Cost Audit of the Company's records in respect of Steel tubes and pipes industries from the financial year commencing from 01/04/2012. M/s Kiran J. Mehta & Co., Cost Accountants have carried out this audit. Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the board has appointed said cost auditor for F.Y. 2014-15.

**13) DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to section 217(2AA) of the Companies Act, 1956, the directors confirm that, to the best of their knowledge and belief:

- i. in the preparation of the Profit and Loss Statement for the financial year ended 31st March, 2014 and the balance sheet as at that date ("financial statements"), applicable accounting standards have been followed;
- ii. appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The financial statements for the year ended 31st March, 2014 have been prepared on a going concern basis.

**14) INTERNAL CONTROL SYSTEM**

Your Company has clearly laid down policies, guidelines and procedures that form part of the internal control system which provide for automatic checks and balances. All operating parameters are monitored and controlled. Regular internal audit and checks ensure the effectiveness and efficiency of these systems to ensure that all assets are protected against loss and that the financial and operational information is complete and accurate.



**15) NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE**

During the period under review, the Company has re-constituted the Remuneration Committee and Shareholders Investors Grievance Committee with the name Nomination and Remuneration Committee and Stakeholders Relationship Committee respectively, without changing the constitution of the committee and with the same powers as delegated under Remuneration Committee and Stakeholders Relationship Committee to comply with the provisions of Section 178 of the Companies Act, 2014 read with clause 49 of the listing agreement.

**16) EMPLOYEES:**

Relations between the employees and the management continued to be cordial during the period under review. The Directors hereby place on record their appreciation for the efficient services rendered by the company's employees at all levels.

None of the employee of the Company was drawing the remuneration exceeding the ceiling limits as prescribed in the Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956 during the year under review. Hence, no information is required to be appended to this report in this regard.

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

Statement giving Particulars with respect to conservation of energy, technology absorption, foreign exchange earnings and out-go, in terms of Sub-section (1)(e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, is given in **Annexure** forming part of this Report.

**18) FINANCE:-**

During the year under review, the company has continued to enjoy various credit facilities from the consortium bankers to the extent of Rs. 137 Crore to meet the short term liquidity requirements of the Company.

**19) APPRECIATION AND ACKNOWLEDGEMENTS**

The Directors thank the Company's employees, customers, vendors, investors and the financial institutions, banks, Regulatory authorities, Stock Exchange for their continued support to the Company.

The Directors also thank the Government of various countries, Government of India, State Governments in India and concerned Government Departments / Agencies for the co-operation.

The Directors appreciate and value the contributions made by every member of the SURAJ family globally.

**For and on behalf of the Board of Directors**

**Place :** Ahmedabad  
**Date :** 21st May, 2014

**Ashok Shah**  
**Chairman**

## ANNEXURE TO DIRECTORS REPORT

Particulars required by the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Reports for the year ended 31st March, 2014.

**A) Conservation of Energy :**

- a) Measures taken, additional investments and impact on reduction of energy consumption:  
Conservation of energy continues to receive top priority in the Company, particularly in production operations. Regular plant maintenance, review of energy generation and consumption are some of the measures adopted in this regard
- b) Total energy consumption and energy consumption per unit of production as per Form - A of the Annexure to the Rules in respect of Industries specified in the schedule thereto:

Particulars	Year Ended 31-03-2014	Year Ended 31-03-2013
A). Power and Fuel Consumption		
▶ Electricity		
❖ Purchase in Unit KWH	3404540	3671400
❖ Total Amount Rs.	25920234	26841310
❖ Rate KWH Rs.	7.61	7.31
B). Consumption per unit of production		
❖ Production (M.T.)	9872.580	9935.638
❖ Total Nos. of Unit (KWH)	3404540	3671400
❖ Unit Per M.T. (KWH)	344.85	369.52
❖ Cost per M.T. Rs.	2625.47	2701.52

**B) Technology Absorption:**

The Company has not taken any technology in particular or entered into any technology agreement during the period hence the information required as per Form B is not applicable to the Company.

**C) Foreign Exchange Earning and Outgo:**

Particulars	Amount In Rs.
1) Foreign Exchange earned:	
Export of Goods	134,41,71,229.00
2) Foreign Exchange Outgo:	
I. Material import on CIF basis	64,23,68,494.00
II. Capital Goods Imported	95,42,883.00
III. Stores & Spares	59,56,641.00
IV. Foreign Travel	36,89,490.00
V. Advertisement	41,62,035.00
VI. Sales Commission	25,35,847.00
VII. Business Development Exp.	45,93,144.00
VIII. Bank Interest	2,86,38,263.00

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**Industry Structure and Development:**

Your Company is a leading producer of SS seamless Welding Pipes, Tubes and "U" Tubes in Gujarat having a plant at S.NO. 779/A, Thol, Tal:- Kadi, Dist:- Mehsana. Our products find application in important industry segments like pharmaceuticals, agro-chemicals, dyes & pigments, Oil, Gas, Refinery, etc. The day-to-day management of the Company is looked by the Executive Director assisted by a team of competent technical & commercial professionals.

**Financial Performance:**

The company's overall operational performance has been satisfactory. During the financial year 2013-14, it achieved sale and other income of Rs. 23,901.15 Lacs as against last year's Rs. 26,713.71, Lacs registering the reduction of about 10.42%. Profit before interest and depreciation decreased from Rs. 2,098.75 Lacs to Rs. 1646.62 Lacs registering the reduction of 21.56%, Profit before tax decreased from Rs. 1,062.69 Lacs to Rs. 574.61 Lacs, registering the reduction of 46.05%. Net Profit decreased by about 48.70% from Rs. 714.53 Lacs to Rs. 367.80 Lacs. Reserve and Surplus stood at Rs. 6,277.55 Lacs.

**Opportunities, Threats, Risks and Concerns:**

As is normal and prevalent for any business, the Company is likely to face competition from large-scale imports. There can be risks inherent in meeting unforeseen situations, not uncommon in the industry. Your Company is fully aware of these challenges and is geared to meet them. Your Company also recognizes the risks associated with business and would take adequate measures to address the associated risks and concerns. Some of these factors include competition from multinational Companies, duty free imports by customers against export obligations, our pricing strategy being mainly dependent on import tariffs and dependence on imported raw material.

**Internal Control Systems and their adequacy:**

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. Accordingly there is imperative need to revise and update internal controls and systems regularly considering the quantity of information, reports, records, documents, transaction statements etc. generated continuously in the Company. Authentic information serves as a strong foundation for effective decision-making which has long lasting consequences on the business growth. The internal control systems are supplemented by an extensive programme of internal audits, review by management, guidelines & procedures. Company's control systems are time tested, documented and recognized under ISO Certification. On the financial side, periodic audits by Internal Auditors and External Auditors provide a means whereby weaknesses are exposed and rectified.

The Company has an independent internal audit system, covering on a continuous basis, the entire gamut of operations and services spanning major business functions. The internal audit functions include evaluation of all financial & major operating system controls. The internal audit findings and recommendations are reviewed by the Audit Committee and are then reported to the Board.

**Human Resource/Industrial Relations:**

Human Resources Development, in all its aspects like training in safety and social values is under constant focus of the management. Relations between the management & the employees at all levels remained healthy

& cordial throughout the year. The Management and the Employees are dedicated to achieve the corporate objectives and the targets set before the Company

**Business Outlook:**

Steel Industry in India seems to be positive despite continuing global economic slowdown. This optimism stems from many factors. The Indian steel industry is in some ways insulated from the events affecting steel industry on a global scale as it does not rely on exports to the developed markets. Despite high interest rates and marginal slowdown in economic activity, the basic economic fundamentals will ensure stable performance of the economy in coming year. The year 2014-15 offers a positive picture in terms of the growth in all segments in comparison with previous year. Consequently the demand for our products will increase. The Steel industry is in a mature phase of its life cycle. Industry value added (IVA), or the industry's contribution to the overall economy, is expected to grow at an annualized rate of 0.2% during the 10 years to 2018. During that same period, GDP is expected to grow at an annualized rate of 2.1%. The industry's growth in relation to that of the overall economy indicates that it is mature.

**Cautionary Statement:**

This report contains projections, estimates and expectations etc. which are just "forward looking statements". Actual results might differ from those express or implied in this report. Important factors that may have impact on company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets, changes in Government regulations/policies, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly modify or revise any forward looking statements on the basis of any future events or new information.

**For and on behalf of the Board**

**ASHOK SHAH**

**Chairman**

**Ahmedabad, Dated: May 21, 2014**

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## APPENDIX - I

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### REPORT ON CORPORATE GOVERNANCE

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**(Pursuant to clause 49 of the Listing Agreement)**

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India (Clause 49) and some of the best practices followed internationally on Corporate Governance, the report containing the details of governance system and process at Suraj Limited is as under:

**1. Company's Philosophy on Corporate Governance:**

As a policy SURAJ Limited (SURAJ) gives utmost importance of achieving high standards of Corporate Governance and is committed to achieve the highest level of Corporate Governance in order to enhance long-term shareholder value by integration of systems and actions for enhancement of corporate performance. The Company places due emphasis on regulatory compliance.

The Company gives equal importance for maintaining as well as improving the quality of its products and to achieve this, the Company carries out continuous product developments and quality controls.

The Company gives utmost importance for developing a team of competitive professional managers. Overall, policy is set by the Board of Directors and implemented by a team of professional managers in their respective field. The Company gives fair amount of freedom to the employees to get their best contribution to the Company and rewards and incentives are given in recognition thereof.

**2. Board of Directors:**

Composition & size of the Board.

The present strength of the Board is eight Directors, The Board of Directors of the Company comprises of optimum mix of both Executive and Non-executive Directors with independent Directors. The Board members consists of persons with professional expertise and experience in various fields of Finance, Accounts, Management, Law, Labour Welfare etc.

Number of Board Meeting held during the year along with the dates of Meeting.

Four Board Meetings were held during the year 2013-14 the dates on which the said meetings were held are as follows:

- |                      |                       |
|----------------------|-----------------------|
| 1) 28th May 2013     | 2) 12th August 2013   |
| 3) 30th October 2013 | 4) 14th February 2014 |

**Attendance of each Director at Board Meeting and the last Annual General Meeting (AGM) and the number of Companies and Committees where he/she is Director/Member are as under.**

Name of Director	PD/NPD*	ED/NED/ID*	No. of Board Meeting Attended	Attendance at the last AGM	No. of Directorship in other Companies (Excluding Pvt. Limited Companies)	No. of specified Committees (Other than (Suraj) in which chairman / Member	
						Chairman	Member
Mr. Ashok Shah	PD	ED	4	Yes	-	-	-
Mr. Guntant Shah	PD	ED	3	Yes	-	-	-
Mr. Kunal Shah	PD	ED	4	Yes	-	-	-
Mr. Bipin Prajapati	NPD	ED	4	Yes	-	-	-
Mr. Dipak Shah	NPD	NED/ID	3	Yes	-	-	-
Mr. Ketan Shah	NPD	NED/ID	3	Yes	-	-	-
Mr. Haren Desai	NPD	NED/ID	3	Yes	-	-	-
Mr. Bhupendrasinh Patel	NPD	NED/ID	4	Yes	-	-	-

\* PD - Promoter Director NPD - Non Promoter Director, ID - Independent Director, N.E.D - Non-Executive Director, E.D.-Executive Director.

- The committees mentioned above include only Audit Committee and Share holders Investors' Grievance Committee.
- None of the Directors of the Company was a member of more than ten Committees of Boards as stipulated under Clause 49 of the Listing Agreement nor was a Chairman of more than five such committees across all companies in which he was a director.

The Chairman of the Board is an Executive Director.

In the judgment of the Board of Directors of the Company, following Directors are independent Non-executive Directors:

- Mr. Dipak Shah
- Mr. Ketan Shah
- Mr. Haren Desai
- Mr. Bhupendrasinh Patel

**Information about Directors seeking appointment and re-appointment:**

**Details of Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company; (pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)**

<b>Name of the Director</b>	Mr. Bipin K. Prajapati
<b>Date of Birth</b>	06/10/1974
<b>Date of Appointment</b>	29/01/2007
<b>Expertise in specific</b>	Production
<b>Qualifications</b>	Graduate
<b>Details of Shares held in the Company</b>	500
<b>List of companies in which outside Directorship held as on March 31, 2014 (excluding private &amp; foreign) companies)</b>	Nil
<b>Chairman / Members of the *Committee of other companies on which he is a Director as on March 31, 2014</b>	Nil

\*The committees include the Audit Committee and the Shareholders' / Investors Grievance Committee

**Information placed before the Board of Directors:**

All major decisions regarding resource mobilization, capital expenditure, etc. are considered by the Board, in addition to day-to-day matters, which are statutorily required to be placed before the Board of Directors for its approval. Following information is regularly put up before the Board for its consideration and approval:

- Review of operational results
- Quarterly financial results
- Minutes of the meeting of Audit Committee and Shareholder's/Investors' Grievance Committee of the Board.
- Compliance with various statutory requirements.

The Board is informed of all material, financial and commercial decision from time to time.

**3. Audit Committee:**

The Audit Committee of the Company comprises of following three Non-Executive Directors and all them are Independent Director.

Name of Committee Member	Category	No. of meetings held	No. of meetings attended
Mr. Dipak Shah	Chairman	4	3
Mr. Ketan Shah	Member	4	3
Mr. Haren Desai	Member	4	3

The audit committee meetings were held on 28th May 2013, 12th August 2013, 30th October 2013 and 14th February 2014. The power and role of the Audit Committee are as per Guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchange

The Terms of the reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. The Audit Committee met prior to the finalization of Accounts for the year ended 31st March 2014.

The Chairman of the Audit Committee was present at 20th Annual General Meeting of the Company held on 31st August 2013.

**4. Remuneration Committee:**

- i) The Company constituted remuneration Committee of Directors on 13<sup>th</sup> May 2011
- ii) The broad terms of reference of the remuneration Committee are as under;
  - a) To approve annual remuneration plan of the Company.
  - b) Such other matters as the Board may from time to time request the Remuneration committee to examine and recommend/ approve.
- iii) The Chairman of the Remuneration Committee was present at the Last Annual General Meeting of the Company held on 31st August 2013.
- iv) The Company does not have any ESOP Scheme.
- v) Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the company endeavors to attract, retain, develop and motivate a high performance workforce. The company pays remuneration by way of salary, benefits, perquisites and allowances to its Chairman & CFO, Managing Director & CEO and other executive directors. Annual increments are decided by the Remuneration Committee within the salary scale permitted within the limits prescribed in the Act read with rules and schedules and as approved by the shareholders of the company.

The Company pays Sitting Fees of Rs. 5000/-with effect from 01/06/2013 per meeting to its Non-Executive Directors (NEDs) for attending only the meeting of the Board of directors of the Company. However, the Company does not pay any sitting fees to the members for attending any other committee meetings except as mentioned above.

The details of the remuneration paid to the directors for the year 2013-14 are as follows:

Name of Directors		Ashok Shah	Gunvant Shah	Kunal Shah	Bipin Prajapati
Designation		Chairman & CEO	Vice Chairman & Whole Time Director	Managing Director	Whole Time Director
Fixed Component	Salary	49,00,000	37,00,000	42,50,000	12,00,000
	Perquisites	Nil	Nil	Nil	Nil
	Special Allowance	3,500	3,500	3,500	3,500
Variable Component		Nil	Nil	Nil	Nil
Contribution to Provident Fund and Super Annotation Fund		Nil	Nil	Nil	9,360
<b>TOTAL</b>		<b>49,03,500</b>	<b>37,03,500</b>	<b>42,53,500</b>	<b>12,12,860</b>

Company has not issued any convertible instrument. However, the detail of the Shares held by Non-Executive Directors as at 31st March 2014 and sitting fees paid for various meetings attended during the F.Y. 2013-14 are as follows:

Sr. No.	Name of Non-Executive Director	No. of Shares Held	Sitting fees Paid during the year
1	Mr. Dipak Shah	1,200	RS. 12,500
2	Mr. Ketan Shah	None	RS. 12,500
3	Mr. Haren Desai	None	RS. 15,000
4	Mr. Bhupendrasinh Patel	None	RS. 17,500

#### 5. Shareholders/Investors' Grievance Committee:

The Company has constituted a Shareholders/Investors' Grievance Committee to ensure timely services to the Member/Investors and to supervise the performance of the Registrar and Share Transfer Agent and to provide the best services to the Investors. It is also empowered to approve transfer, transmission and transposition of shares, issue duplicate share certificates, etc. from time to time.

The Committee consists of following three Non-Executive Directors, as under;

1. Mr. Ketan Shah Chairman/NED & ID
2. Mr. Dipak Shah Member/NED & ID
3. Mr. Haren Desai Member/NED & ID

Mr. Ketan Shah, who is a non-executive director and independent, is a Chairman of the Committee and Mr. Saurabh Shah, Company Secretary of the Company is designated as Compliance Officer appointed by the Board.

The number of shareholder's complaints received from members during the year 2013-14 and status of the same are as follows:

Complaints Received from	No. of Complaints Received	No. of Complaints Disposed off Satisfactorily	No. of Complaints Outstanding As on 31.03.2014
SEBI	None	None	None
Shareholders	35	35	None

All the complaints/queries are promptly attended and resolved to the satisfaction of shareholders. All shares received for transfer were registered and dispatched within the stipulated time, wherever documents were correct and valid in all respects.

#### 6. General Body Meetings:

##### (A) Annual General Meeting:

Date and time of the Annual General Meeting held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

Year	Location	Date & Time	Special Resolution passed
2012-13	Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009.	31/08/2013 10:30 a. m.	Increase in sitting fees for NED from Rs.2500/- to Rs. 5000/- per meeting.
2011-12	Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009.	24/09/2012 10:00 a. m.	(1) Re-Appointment of Mr. Kunal Shah as a Managing Director of the company. (2) Re-appointment of Mr. Bipin Prajapati as a Whole Time Director of the company.
2010-11	Suraj House, Opp. Usmanpura Garden, Ashram Road, Ahmedabad - 380 014.	19/09/2011 10:00 a. m.	NONE

**(B) Extra Ordinary General Meeting:**

Date and time of the Extra Ordinary General Meeting held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

Year	Location	Date & Time	Special Resolution passed
2012-13	None	None	None
2011-12	None	None	None
2010-11	None	None	None

The shareholders passed the resolutions set out in the respective notices. At the forthcoming AGM, there are no item on the agenda that needs approval by postal ballot.

**7. Disclosure:**

- There are no materially significant related party transactions made by the Company with its promoters, Directors or Management, etc., that may have potential conflict with the interest of the Company at large. Transactions with related parties as per requirements of Accounting Standard (AS-18) - 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Notes to the Accounts for the year 2013-2014.
- In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Companies (Accounting Standard) Rules, 2006 as well as the Accounting Standard issued by the ICAI.
- The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of Securities & Exchange Board of India, Consequently, there were no strictures or penalties imposed either by Securities & Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during last three years.
- As a non-mandatory requirements your Company has adopted the following clauses;
  - The Company has set up Remuneration Committee to determine remuneration package of executive director/s.

**8. Code of Conduct:**

The Company has laid down a Code of Conduct for all the Board members and senior management personnel. The declaration by Chairman along with Managing Director is forming part of this report.

**9. Means of Communication with shareholders:**

- Quarterly Results : Quarterly results were 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. Quarterly results are normally published in English and Gujarati newspapers.
- Website : [www.surajgroup.com](http://www.surajgroup.com)
- Whether it also displays official News releases : Press release, if any made by the Company are also displayed.
- The presentations made to institutional investors or to the analysts : No such presentation has been made during the year.
- Whether MD&A is Part of Annual Report : Yes

**10. General Shareholders Information:**

- (i) Annual General Meeting : Date: 21<sup>st</sup> August, 2014  
Time: 10:30 a.m.  
Venue: The Conference Hall of  
"The Ahmedabad Textile Mills Association",  
Near "Gurjari", Ashram Road, Ahmedabad - 380 009.

**(ii) Financial Calendar(Tentative) :**

Period	Tentative Schedule
1 <sup>st</sup> quarter results ending 30 <sup>th</sup> June	Within 45 days of end of the quarter
2 <sup>nd</sup> quarter results ending 30 <sup>th</sup> September	Within 45 days of end of the quarter
3 <sup>rd</sup> quarter results ending 31 <sup>st</sup> December	Within 45 days of end of the quarter
4 <sup>th</sup> quarter results ending 31 <sup>st</sup> March	Within 60 days of the end of the year

- (iii) Book Closure dates : The date of Book Closure is from Thursday, 14/08/2014 to Thursday, 21/08/2014 (Both days inclusive) to determine the members entitled to the dividend for 2013-2014
- (iv) Dividend Payment Date : Within 30 days from the date of AGM to be held on 21/08/2014
- (v) Listing on Stock Exchanges : Your Company's shares are listed with The Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai -400 001. The listing fee for the financial year 2014 - 2015 has been paid.
- (vi) Stock Code : BSE - 531638
- (vii) Market Price Data : As Below

Month wise high/low prices during last year at BSE are as under:

Period	BSE High (Rs.)	BSE Low (Rs.)
Apr' 13	49.95	41.10
May 13	64.00	47.30
Jun' 13	56.00	38.30
July 13	51.80	36.50
Aug' 13	46.90	27.35
Sep' 13	30.20	25.10
Oct' 13	28.50	15.30
Nov' 13	30.45	13.85
Dec' 13	34.15	26.00
Jan' 14	34.50	27.20
Feb' 14	39.10	27.00
Mar' 14	53.05	36.10

- (viii) Registrar & Transfer Agents Address : MCS Limited  
101, Shatdal Complex, 1<sup>st</sup> Floor, Opp. Bata Showroom, Ashram Road, AHMEDABAD- 380 009.  
(+91)(79) 2658 2878/ 2658 4027
- (ix) Share Transfer System : 1. the share transfer activities under physical mode are carried out by RTA. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time.  
2. Physical shares received in dematerialization are processed and completed within a period of 15 days from the date of receipt. Bad deliveries are promptly returned to Depository Participants (DPs) under the advice to the shareholders.  
3. As required under clause 47-C of the Listing Agreement, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchange within stipulated time.
- (x) Distribution of Shareholding :  
a. Distribution of Shareholding as on 31<sup>st</sup> March 2014



No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares Held	% of Shares Holding
From To				
1 - 5000	1914	94.2857	795841	4.1312
5001 - 10000	38	1.18719	289223	1.5014
10001 - 20000	28	1.3793	382137	1.9837
20001 - 30000	10	0.4926	261040	1.3551
30001 - 50000	5	0.2463	177711	0.9225
50001 - 100000	11	0.5419	805069	4.1791
100001 - 1000000	19	0.9360	5014279	26.0291
1000001 - Above	5	0.2463	11538800	59.8979
<b>Total</b>	<b>2030</b>	<b>100.00</b>	<b>19264100</b>	<b>100.00</b>

b. Shareholding pattern as on 31<sup>st</sup> March 2014

Sr. No.	Category	No. of Shares Held	% of total Shares
1	Promoters	1,43,90,400	74.70%
2	Mutual Funds/UTI	NIL	NIL
3	Private Corporate Bodies	11,30,076	5.8662%
4	Public including HUF	37,36,699	19.3979%
5	NRIs/Foreign Companies/OCBs	6,925	0.0359%
	<b>TOTAL</b>	<b>1,92,64,100</b>	<b>100.00%</b>

## (xi) Dematerialization of Shares and Liquidity:

Number of shares held in dematerialized and physical mode as on 31<sup>st</sup> March 2014

Particulars	No. of Equity Shares	% to Share Capital
NSDL	2546981	13.22%
CDSL	16578586	86.06%
Physical	138533	0.72%
<b>TOTAL</b>	<b>1,92,64,100</b>	<b>100.00%</b>

As per SEBI's Directive, effective from 27th November 2000 trading in equity shares of the Company has been made compulsory in dematerialized form for all the categories of investors. The Company has already established connectivity with National Securities Depository Ltd. and Central Securities Depository Ltd. through MCS Limited, Registrar & Share Transfer Agent, so as to facilitate the dematerialization of its shares.

(xii) Outstanding GDRs/ADRs : The Company has not issued any of these instruments.  
/warrants or any convertible instruments, conversion date and likely impact on Equity

(xiii) Plant Locations : Survey No. 779/A, Thol, Kadi - Sanand Highway,  
Tal. - Kadi, Dist. Mehsana, Gujarat, Pin Code: 382 729

(xiv) Address for Correspondence : 1. Share Transfer in Physical Form and other communication in that regard including share certificates, dividend and change of address etc., may be addressed to our Registrar & Share Transfer Agents at the address mentioned above. Sr.No. (VIII)  
2. Shareholders may also contact the Compliance Officer, Suraj Limited, Suraj House, Opp. Usmanpura Garden, Ashram Road, Ahmedabad-380014 for any assistance  
3. Shareholders holding shares in electric mode should address all their correspondence to their respective depository participants.

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with Suraj Limited code of Business conduct and Ethics for the year ended March 31, 2014.

**For and on behalf of the Board of Directors**

Date : 21-05-2014  
Place : Ahmedabad

**Ashok Shah**  
Chairman

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**CEO / CFO CERTIFICATION**

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We, Ashok Shah, Chairman & CFO and Kunal Shah, Managing Director of the Company shall certify that, to the best of our knowledge and belief that:

- a) We have reviewed the financial statements and the cash flow statements for the year ended on 31st March 2014 and
  - These statements do not contain any materially untrue statement or omit any material fact nor do they contain statement that might be misleading;
  - These statements together present a true and fair view of the Company, and are in compliance with the existing Accounting Standards and/or applicable laws and regulations;
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2014 are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal control for financial reporting and we have evaluated the effectiveness of internal control system of the Company pertaining to the financial reporting; and deficiencies in the design or operation of such internal controls, if any of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies, if any.
- d) We have indicated to Auditors and Audit Committee that:
  - 1) There has not been any significant change in internal control over financial reporting during the year under reference;
  - 2) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - 3) We are not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**Date** : 21-05-2014  
**Place** : Ahmedabad

**Ashok Shah**  
**Chairman & C.F.O.**

**Kunal Shah**  
**Managing Director & C.E.O.**

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**CIN NO :- L27100GJ1994PLC021088**

**Nominal Capital: Rs. 23,25,00,000/-**

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**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

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To,  
The Members,  
**SURAJ Limited,**  
'Suraj House', Opp. Usmanpura Garden,  
Ahmedabad-380 014

I have examined all relevant records of Suraj Limited for the purpose of certifying compliance of conditions of Corporate Governance under clause 49 of the listing agreement with Bombay Stock Exchange for the financial year ended on 31st March 2014. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate 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.

On the basis of my examination of the records produced, explanation and information furnished, I certify that the Company has complied with;

- a) all the mandatory conditions of the said clause 49 of the listing agreement;
- b) the following non-mandatory requirements of the said Clause 49;
  - i) The Company has set up Remuneration Committee to determine remuneration package of executive director/s.

Signature with Seal

Name of Company Secretary : Sandip Sheth  
Signing Authority : Practicing Company Secretary  
FCS No. : 5467  
COP No. : 4354

**Date** : 21-05-2014  
**Place** : Ahmedabad

## INDEPENDENT AUDITORS' REPORT

The Members,  
**M/S SURAJ LIMITED**  
 Ahmedabad.

### Report on the Financial Statements :

We have audited the accompanying Financial Statements of M/s. SURAJ LIMITED (the "Company"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit & Loss and also the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information

### Management's Responsibility for the Financial Statements :

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flow of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the 'Act') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management 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.

### Emphasis of Matter:

We draw attention to ;

Note - 25(II)(1) to the Financial statements regarding search conducted by Income Tax Department u/s. 132 of the Income Tax Act during the financial year.

Note - 25(II)(1)(c) to the financial statements, relating to summons received by the company from excise department in connection with an inquiry to ascertain the evasion of any central excise duty by the company.

Note - 25(II)(4)(a) to the financial statements, relating to remuneration paid in respect of the Chief Financial Officer, Managing Director, Director & Whole Time Director of the Company for the financial year 2013-14, which is in excess of the limits prescribed under Section 198 read with schedule XIII of companies act 1956.

Our opinion is not qualified in respect of this matter.

### Opinion :

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India.

- i) In the case of Balance Sheet, of the state of affairs of the company as at 31st March 2014.
- ii) In the case of Statement of Profit & Loss, of the Profit for the year ended on that date and,
- iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the companies (Auditor's Report) (amendment) order, 2004 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 to the extent applicable.
  - e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors of the company are prima facie disqualified as on 31st March 2014 from being appointed as Directors of the company in terms of clause (g) of Section 274(1) of the Companies Act, 1956.

**For, PANKAJ K. SHAH ASSOCIATES**  
**Firm Registration No. 107352W**  
**CHARTERED ACCOUNTANTS**

**Date : 21-05-2014**  
**Place : Ahmedabad**

**Pankaj K. Shah (Proprietor)**  
**M. No. : 34603**

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**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

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Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date.

- (i) (a) According to the information and explanation given to us, the fixed assets records showing full particulars including quantitative details and situation of fixed assets are under compilation.
- (b) A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on physical verification were not material and properly dealt with in the books of account.
- (c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the Company.
- (ii) (a) The Inventories has been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion and according to information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion the company has maintained proper records of inventory and according to the records of the company, the discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt within the books of account.
- (iii) (a) The Company has not granted any unsecured loan to any company / party covered in the Register maintained under section 301 of the Act.
- (b) The Company has taken interest free unsecured loan from one company listed in the Register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 566.50 Lacs and the outstanding amount of such loan at the year end is Rs. 423.50 Lacs.
- (c) The above loan is interest free and other terms and conditions of such loans are not prima-facie prejudicial to the interest of the company.
- (d) In our opinion and according to the explanation given to us, the company is regular in paying the principal amounts.
- (iv) In our opinion and on the basis of test checks carried out by us, it appears that there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books of account and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) According to the information and explanations given to us, there were no contracts or arrangements that were required to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under.
- (vii) Internal audit is carried out by a firm of Chartered Accountants. On the basis of the reports made by them to the management, in our opinion, the Internal Audit System is commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed maintenance of the cost records under section 209(1)(d) of the companies Act, 1956 in respect of the Company's products. As per the information and explanations provided to us, we are of the opinion that prima facie, the prescribed cost records have been maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, we are of the opinion that the company is generally regular in depositing with appropriate authorities undisputed statutory dues regarding provident fund, income-tax, Vat, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues as applicable. Based on our audit procedures and according to the information and explanations given to us, and records of the company, there are no arrears of statutory dues which has remained outstanding as at 31st March 2014 for a period of more than Six months from the date they became payable.

- (b) According to the information and explanations given to us, and the records of the company, disputed amounts payable in respect of Income Tax and Sales Tax not deposited with the appropriate authorities are as under:

Name of Statute	Nature of Dues	Disputed Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax	2,24,379/-	2003-04	Sales Tax Appellate Commissioner Ahmedabad.
Sales Tax Act	Sales Tax	1,40,975/-	2004-05	Jt. Commissioner of Commercial Taxes Ahmedabad.
Sales Tax Act	Sales Tax	1,02,99,133/-	2008-09	VAT Tribunal
Central Sales Tax Act	Central Sales Tax	2,15,448/-		
Sales Tax Act	Sales Tax	1,60,08,820/-	2009-10	VAT Tribunal
Central Sales Tax Act	Central Sales Tax	19,27,163/-		
Income Tax Act	Income Tax	4,68,300/-	A.Y. 2010-11	CIT (Appeal) - XIV Ahmedabad
Income Tax Act	Income Tax	9,17,386/-	A.Y. 2001-02	Before A.O. u/s. 154
Income Tax Act	Penalty	73,62,856/-	A.Y. 2009-10	CIT (Appeal), Ahmedabad

- (x) The Company has no accumulated losses as at 31st March 2014. The company has not incurred any cash losses during the current financial year and also during immediately preceding financial year.
- (xi) According to the records of the company, and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank during the financial year.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from bank.
- (xvi) According to information and explanations given to us, in our opinion, the term loans have been applied for the purpose for which they were obtained/ raised.
- (xvii) On the basis of overall examination of the Balance Sheet of the Company and information and explanation given to us, in our opinion funds raised on short term basis have not been used to finance long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to any parties and companies covered in the register maintained under Section 301 of the Companies Act 1956.
- (xix) The Company has not issued any secured debentures during the year nor has any outstanding debenture during the year.
- (xx) The company has not raised any money by way of public issues during year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For, **PANKAJ K. SHAH ASSOCIATES**  
Firm Registration No. 107352W  
CHARTERED ACCOUNTANTS

Date : 21-05-2014  
Place : Ahmedabad

**Pankaj K. Shah (Proprietor)**  
M. No. : 34603

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2014**

(Amount in Rs.)

Particulars	Note No.	As at 31-03-2014	As at 31-03-2013
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	1	19,26,41,000.00	19,26,41,000.00
(b) Reserves and Surplus	2	62,77,55,161.00	62,47,81,950.00
<b>Non-current Liabilities</b>			
(a) Long-term Borrowings	3	5,17,19,530.00	16,42,48,647.00
(b) Long-term Provisions	4	4,86,516.00	2,40,140.00
(c) Deferred Tax Liabilities	5	2,96,39,077.00	4,18,96,306.00
<b>Current Liabilities</b>			
(a) Short-term Borrowings	6	105,42,42,731.00	105,35,49,306.00
(b) Trade Payables	7	5,96,39,200.00	4,73,64,428.00
(c) Other Current Liabilities	8	15,60,39,482.00	15,24,84,964.00
(d) Short-term Provisions	9	7,47,01,159.00	8,66,44,914.00
<b>Total Rs.</b>		<b>224,68,63,856.00</b>	<b>236,38,51,655.00</b>
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>			
(a) Fixed Assets	10		
i) Tangible Assets		77,48,80,300.00	83,53,91,670.00
ii) Intangible Assets		3,78,269.00	3,49,728.00
(b) Long-term Loans and Advances	11	63,63,572.00	79,89,211.00
(c) Other non-current assets	12	85,148.00	2,36,196.00
<b>Current Assets</b>			
(a) Inventories	13	103,32,80,025.00	99,94,19,239.00
(b) Trade Receivables	14	20,46,96,420.00	29,44,59,395.00
(c) Cash and Bank Balances	15	8,77,96,567.00	6,85,37,452.00
(d) Short-term Loans and Advances	16	13,41,54,230.00	12,04,56,281.00
(e) Other Current Assets	17	52,29,325.00	3,70,12,483.00
<b>Total Rs.</b>		<b>224,68,63,856.00</b>	<b>236,38,51,655.00</b>
The notes form an integral part of these financial statements	25		

As per our report of even date attached  
**For PANKAJ K. SHAH ASSOCIATES**  
 Firm Registration No. 107352W  
 Chartered Accountants

**Pankaj K. Shah**  
 Proprietor  
 M. No. : 34603

**Date** : 21-05-2014  
**Place** : Ahmedabad

**For & on behalf of the Board of Directors**

**Ashok Shah** Chief Financial Officer  
**Kunal Shah** Managing Director  
**Gunvant Shah** Director  
**Saurabh Shah** Company Secretary

**Date** : 21-05-2014  
**Place** : Ahmedabad

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2014**

(Amount in Rs.)

Particulars	Note No.	As at 31-03-2014	Year ended 31-03-2013
<b>I. INCOME</b>			
Revenue from operations (gross)		<b>254,93,65,619.00</b>	<b>283,24,66,907.00</b>
Less: Excise duty		16,92,89,889.00	17,56,53,808.00
Revenue from operations (Net)	18	<b>238,00,75,730.00</b>	<b>265,68,13,099.00</b>
<b>II Other Income</b>	19	1,00,38,937.00	1,45,58,371.00
<b>III Total Revenue (I + II)</b>		<b>239,01,14,667.00</b>	<b>267,13,71,470.00</b>
<b>IV Expenses</b>			
• Cost of materials consumed	20	163,87,93,094.00	172,71,69,611.00
• Changes in Inventories of Finished goods, Work-in-progress and Stock-in-trade	21	3,65,37,871.00	19,70,18,945.00
• Employee benefits expenses	22	11,55,25,125.00	12,79,98,640.00
• Finance Costs	23	11,19,32,238.00	16,04,02,898.00
• Depreciation and amortization expense		10,73,01,026.00	10,36,06,775.00
• Other Expenses	24	32,25,64,274.00	24,89,05,918.00
<b>Total Expenses</b>		<b>233,26,53,628.00</b>	<b>256,51,02,787.00</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>5,74,61,039.00</b>	<b>10,62,68,683.00</b>
<b>VI Exceptional items</b>		–	--
<b>VII Profit/(Loss) before tax (V - VI)</b>		<b>5,74,61,039.00</b>	<b>10,62,68,683.00</b>
<b>VIII Tax Expense :</b>			
(1) Current Tax		3,13,55,600.00	4,45,73,333.00
(2) Deferred Tax Assets/Liabilities		(1,22,57,229.00)	(98,76,057.00)
(3) (Excess)/Short provision of earlier years		15,82,406.00	1,18,527.00
		<b>2,06,80,777.00</b>	<b>3,48,15,803.00</b>
<b>IX Profit / (Loss) for the year (VII - VIII)</b>		<b>3,67,80,262.00</b>	<b>7,14,52,880.00</b>
<b>X Earnings per Equity Share of Rs. 10 each</b>			
-- Basic & Diluted		1.91	3.71
The notes form an integral part of these financial statements	25		

As per our report of even date attached

**For PANKAJ K. SHAH ASSOCIATES**

Firm Registration No. 107352W

Chartered Accountants

**Pankaj K. Shah**

Proprietor

M. No. : 34603

Date : 21-05-2014

Place : Ahmedabad

**For & on behalf of the Board of Directors****Ashok Shah** Chief Financial Officer**Kunal Shah** Managing Director**Gunvant Shah** Director**Saurabh Shah** Company Secretary

Date : 21-05-2014

Place : Ahmedabad

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

	<u>Year Ended</u> <u>31-03-2014</u> (Amount In Rs.)	<u>Year Ended</u> <u>31-03-2013</u> (Amount In Rs.)
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX	<b>57,461,039.00</b>	<b>106,268,683.00</b>
<b>NON CASH ADJUSTMENT FOR-</b>		
DEPRECIATION AND AMORTIZATION EXPENSES	10,73,01,025.51	103,606,775.00
UNREALISED FOREIGN EXCHANGE (GAIN)/LOSS	0.00	6,37,412.00
(PROFIT)/LOSS ON SALE OF FIXED ASSETS	13,16,150.00	2,86,347.00
ACCOUNT /EXPENSES WRITTEN OFF	11,22,371.90	10,93,718.00
INTEREST INCOME	(9,937,239.00)	(1,04,59,913.00)
INTEREST EXPENSES	9,82,01,426.00	11,22,69,957.00
PRELIMINARY EXPENSES WRITTEN OFF	1,51,048.00	1,51,048.00
INCOME TAX	0	2,01,145.00
<b>Operating Profit/(Loss) before working capital changes</b>	<b>25,56,15,821.41</b>	<b>31,40,55,172.00</b>
Adjustments for (Increase) / Decrease in operating Assests		
INVENTORIES	(3,38,60,786.00)	(24,74,50,009.00)
TRADE RECEIVABLES	8,86,39,889.00	19,29,63,619.00
SHORT TERM LOANS AND ADVANCES	(3,34,31,119.00)	(3,39,08,960.00)
OTHER CURRENT ASSESTS	3,17,83,158.00	(1,31,05,866.00)
LONG TERM LOANS AND ADVANCES	16,25,639.00	4,49,443.00
Adjustments for Increase / (Decrease) in operating Liabilities		
LONG TERM PROVISIONS	2,46,376.00	(30,45,773.00)
TRADE PAYABLE	1,22,77,895.90	1,29,75,983.00
OTHER CURRENT LIBILITIES	35,54,518.00	(1,31,24,775.00)
SHORT TERM PROVISIONS	12,73,978.00	39,72,648.00
<b>Cash generated from operations</b>	<b>32,77,25,370.31</b>	<b>21,37,81,482.00</b>
DIRECT TAX PAID (NET OF REFUND)	(2,77,41,257.31)	(2,82,21,050.00)
<b>[A] Net cash flow from operating activities</b>	<b>29,99,84,113.00</b>	<b>18,55,60,432.00</b>
Cash Flow from Investing activity		
PURCHASE OF FIXED ASSETS	(5,23,28,001.00)	(3,39,80,413.00)
PROCEEDS FROM SALE OF FIXED ASSETS	41,98,160.00	4,61,000.00
DEPOSIT MADE DURING THE PERIOD	-	(17,72,187.00)
INTEREST INCOME	99,37,239.00	1,04,59,913.00
<b>[B] Net Cash from Investing activity</b>	<b>(3,81,92,602.00)</b>	<b>(2,48,31,687.00)</b>
<b>Cash Flow from Finance activity</b>		
AVIALMENT/REPAYMENT OF LONG TERM BORROWING	(11,25,29,117.00)	(12,73,27,984.00)
AVIALMENT/REPAYMENT OF SHORT TERM BORROWING	6,93,425.00	12,47,47,334.00
INTEREST EXPENSES	(9,82,01,426.00)	(11,22,69,957.00)
DIVIDEND PAID	(2,88,96,150.00)	(2,88,96,150.00)
DIVIDEND TAX PAID	(46,87,678.00)	(46,87,677.00)
<b>[C] Net Cash used in financing activity</b>	<b>(24,36,20,946.00)</b>	<b>(14,84,34,434.00)</b>
<b>NET INCREASE(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>1,81,70,565.00</b>	<b>1,22,94,311.00</b>
<b>OPENING CASH AND BANK BALANCE</b>	<b>1,47,63,485.00</b>	<b>24,69,174.00</b>
<b>CLOSING CASH AND BANK BALANCE (*)</b>	<b>3,29,34,050.00</b>	<b>1,47,63,485.00</b>
<b>(*) CLOSING CASH AND BANK BALANCE</b>	<b>8,77,96,567.00</b>	<b>6,85,37,452.00</b>
Less :Fixed deposits with maturity greater then three month	5,48,62,517.00	5,37,73,967.00
<b>CLOSING CASH AND BANK BALANCE</b>	<b>3,29,34,050.00</b>	<b>1,47,63,485.00</b>

**For PANKAJ K. SHAH ASSOCIATES**

 Firm Registration No. 107352W  
 Chartered Accountants

**Pankaj K. Shah**

Proprietor

**For & on behalf of the Board of Directors**
**Ashok Shah** Chief Financial Officer

**Kunal Shah** Managing Director

**Gunvant Shah** Director

**Saurabh Shah** Company Secretary

**Date** : 21-05-2014

**Place** : Ahmedabad

**Date** : 21-05-2014

**Place** : Ahmedabad



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE - 1 : SHARE CAPITAL

(Amount in Rs.)

Particulars	As at 31-03-2014	As at 31-03-2013
<b>1. AUTHORISED CAPITAL</b> 2,32,50,000 Equity Shares of Rs. 10/- each	23,25,00,000.00	23,25,00,000.00
<b>2. ISSUED, SUBSCRIBED &amp; PAID UP</b> 1,92,64,100 Equity Shares of Rs.10/- each, fully paid.	19,26,41,000.00	19,26,41,000.00
	<b>19,26,41,000.00</b>	<b>19,26,41,000.00</b>

### 3. Reconciliation of number of shares outstanding at the beginning & at the end of the reporting year

Particulars	As at 31 March 2014		As at 31 March 2013	
	No of Shares	Value Rs.	No of Shares	Value Rs.
-- At the beginning of the year	1,92,64,100.00	19,26,41,000.00	1,92,64,100.00	19,26,41,000.00
-- Movement during the period	--	--	--	--
-- Outstanding at the end of the year	1,92,64,100.00	19,26,41,000.00	1,92,64,100.00	19,26,41,000.00

4. The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.
5. Company has not bought back any equity shares during the period of five years immediately preceding the Balance sheet date. However the Company has allotted 1,13,39,400 equity shares as bonus shares during F.Y. 2007-2008 and also allotted 22,55,000 equity shares for consideration other than cash pursuant to the scheme of amalgamation during F.Y. 2009-2010
6. **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.**

Name of the Shareholders	As at 31 March 2014		As at 31 March 2013	
	No. of Share held	% of Holding	No. of Share held	% of Holding
Anilaben Ashokkumar Shah	38,08,710.00	19.7710	25,23,800.00	13.10
Suraj Impex Private Limited	-	-	24,69,000.00	12.82
Chandrika Kunal Shah	31,03,870.00	16.1122	20,17,100.00	10.47
Rekhaben Gunwantkumar Shah	25,17,920.00	13.0705	15,94,600.00	8.28
Ashokkumar Tarachand Shah	10,77,700.00	5.5943	10,77,700.00	5.59
Kunal Tarachand Shah	10,30,600.00	5.3498	10,30,600.00	5.35
Gunwant Tarachand Shah	9,91,600.00	5.1474	9,91,600.00	5.15
Bsurinvest Bvba	-	-	15,45,000.00	8.02

### NOTE - 2 : RESERVES & SURPLUS

Sr	Particulars	As at 31-03-2014	As at 31-03-2013
1	<b>Securities Premium Account</b> Balance as per last Balance Sheet	21,89,56,000.00	21,89,56,000.00
2	<b>General Reserve</b> Balance as per last Balance Sheet	2,63,75,485.00	2,63,75,485.00
3	<b>Statutory Reserve</b> Opening Balance	2,76,04,754.00	2,40,32,110.00
	Add: Transferred from Profit & Loss Account	18,39,013.00	35,72,644.00
		<b>2,94,43,767.00</b>	<b>2,76,04,754.00</b>

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
<b>4 Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	35,18,45,711.00	31,77,72,526.00
Add: Profit for the year	3,67,80,262.00	7,14,52,880.00
Less: Transfer to statutory reserve	18,39,013.00	35,72,644.00
Proposed Dividend	2,88,96,150.00	2,88,96,150.00
Tax on dividend	49,10,901.00	49,10,901.00
Closing Balance	<b>35,29,79,909.00</b>	<b>35,18,45,711.00</b>
	<b>62,77,55,161.00</b>	<b>62,47,81,950.00</b>

**Note - 3 : LONG TERM BORROWINGS**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
<b>Term Loans</b>		
<b>From Banks</b>		
Secured	15,59,53,630.00	26,77,48,647.00
Less - Current maturities of Long-term debt	(10,42,34,100.00)	(10,35,00,000.00)
	<b>5,17,19,530.00</b>	<b>16,42,48,647.00</b>

**Nature of Security and term of Repayment for Long Term Secured borrowings**

Corporate Loan from Punjab National Bank of Rs.15 Crore and Other Term Loan aggregating to Rs. 37.50 Crores are Secured by equitable mortgage on Immovable Properties of the company situated at Survey No.771,772,773,774,769,779,779/A at village - Thol, Taluka Kadi Dist.Mehsanaa,& land of Wind mill at survey no.367/2 Village - Vanku,Taluka Abdasa, District Kutch,Gujarat and property of the company situated at " Suraj House",Vidhyanagar Soc,Usmanpura,Ahmedabad on first charge basis and personal guarantees of the Directors of the Company viz.Ashok T.Shah,Gunvant T.Shah,Kunal T.Shah and Corporate gurantee of M/s.Suraj Impex Pvt.Ltd.

Term Loan of Rs. 37.50 Crore is repayable in 22 equal Quarterly installment of Rs. 1,70,50,000/- starting from June 2010 and last installment due on September 2015 and Corporate Loan of Rs. 15 Crore is repayable in 17 equal Quarterly installment of Rs. 88,23,530/-starting from June 2011 and last installment due on Sep.2015

**Note - 4 : LONG TERM PROVISIONS**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
1 Provision for Employee benefits	4,86,516.00	2,40,140.00
	<b>4,86,516.00</b>	<b>2,40,140.00</b>

**Note - 5 : DEFFERED TAX LIABILITIES (NET)**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
Balance as per last Financial Statement	4,18,96,306.00	51,7,72,363.00
Less: Deferred tax asset on account of timing difference of depreciation	1,22,57,229.00	98,76,057.00
	<b>2,96,39,077.00</b>	<b>4,18,96,306.00</b>

**Note - 6 : SHORT TERM BORROWINGS**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
<b>SECURED</b>		
1 Working Capital loans		
From Bank	78,54,89,089.00	72,43,02,641.00
2 Buyers credit arrangements	22,64,03,642.00	32,22,96,665.00
(The Working Capital limit from Punjab National Bank Rs. 69.48 Crores , Standard Chartered Bank Rs. 24.96 Crores and from IDBI Bank Rs. 47.56 Crore is Secured by the first charge on pari passu basis over the current assests of the company and second charge over the Fixed Assets of the company and guarnted by the director of the company (1) Shri Ashok T. Shah (2) Shri Kunal T. Shah (3) Shri Gunvant T. Shah.further Working Capital loan from PNB,,SCB and IDBI Bank is Guranted by Corporate guarantee of Suraj Impex Pvt. Ltd.)		
<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
<b>UNSECURED</b>		
Loan from related party	4,23,50,000.00	69,50,000.00
	<b>105,42,42,731.00</b>	<b>105,35,49,306.00</b>

**Note - 7 : TRADE PAYABLES**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
Trade Payables	5,96,39,200.00	4,73,64,428.00
	<b>5,96,39,200.00</b>	<b>4,73,64,428.00</b>

**Note - 8 : OTHER CURRENT LIABILITIES**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
1 Current maturities of Long-term debt	10,42,34,100.00	10,35,00,000.00
2 Interest accrued and due on borrowings	21,82,703.00	22,45,276.00
3 Interest accrued but not due on borrowings	20,28,335.00	18,24,138.00
4 Income received in advance	12,35,507.00	5,52,108.00
5 Statutory Dues	9,56,568.00	9,27,970.00
6 Advance from Customers	4,21,10,438.00	4,03,12,234.00
7 Unpaid dividend	13,05,150.00	13,17,325.00
8 Other Payables	19,86,681.00	18,05,913.00
	<b>15,60,39,482.00</b>	<b>15,24,84,964.00</b>

**Note - 9 : SHORT TERM PROVISIONS**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
1 Provision for Employee benefits	95,38,508.00	82,64,530.00
2 Provision for income tax	3,13,55,600.00	4,45,73,333.00
3 Proposed dividend	2,88,96,150.00	2,88,96,150.00
4 Dividend tax	49,10,901.00	49,10,901.00
	<b>7,47,01,159.00</b>	<b>8,66,44,914.00</b>

**NOTE-10 : FIXED ASSETS**

Description of Assets	Gross Block				Depreciation				Net Block	
	As at 01-04-13	Addition	Deduction	As at 31-03-14	Upto 01-04-13	For the Year	Deduction During the Year	Upto 31-03-14	As at 31-03-14	As at 31-03-13
<b>A. Tangible Assets</b>										
Land & Site										
Development	191882370	1918792	0	193801162	0	0	0	0	193801162	191882370
Factory Building	309228074	7472707	0	316700781	55447493	10397779	0	65845272	250855509	253780581
Office Premises	20201995	0	0	20201995	2763246	329293	0	3092539	17109456	17438749
Plant & Machinery	814496854	23851742	0	838348596	482456663	85350128	0	567806791	270541805	332040191
Furniture Fixture										
Office Equipment	17995071	500940	0	18496011	8150899	1152343	0	9303242	9192769	9844172
Computer	9174795	515870	0	9690665	8834648	385064	0	9219712	470953	340147
Vehicle	25278030	17977956	12046368	31209618	11620065	3469533	6532058	8563530	22646088	13651975
Wind Mill	59486722	0	0	59486722	43073237	6150927	0	49224164	10262558	16413485
<b>(A)</b>	<b>1447743911</b>	<b>52238007</b>	<b>12046368</b>	<b>1487935550</b>	<b>612352241</b>	<b>107235067</b>	<b>6532058</b>	<b>713055250</b>	<b>774880300</b>	<b>835391670</b>
<b>B. Intangible Assets</b>										
Software	351759	94500	0	446259	2031	65959	0	67990	378269	349728
<b>(B)</b>	<b>351759</b>	<b>94500</b>	<b>0</b>	<b>446259</b>	<b>2031</b>	<b>65959</b>	<b>0</b>	<b>67990</b>	<b>378269</b>	<b>349728</b>
<b>Total (A + B)</b>	<b>1448095670</b>	<b>52332507</b>	<b>12046368</b>	<b>1488381809</b>	<b>612354272</b>	<b>107301026</b>	<b>6532058</b>	<b>713123240</b>	<b>775258569</b>	<b>835741398</b>

**Note - 11 : LONG TERM LOANS AND ADVANCES**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
A) Deposits		
Unsecured, Considered good	3,04,890.00	34,79,832.00
B) Other Loans and Advances		
Unsecured, Considered good	60,58,682.00	45,09,379.00
	<b>63,63,572.00</b>	<b>79,89,211.00</b>

**Note - 12: OTHER NON-CURRENT ASSETS**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
1. Preliminary Expenses	85,148.00	2,36,196.00
	<b>85,148.00</b>	<b>2,36,196.00</b>

**Note -: 13 INVENTORIES**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
1. Raw material	62,38,27,162.00	55,24,21,018.00
2. Work-in-progress	31,39,58,525.00	35,51,03,401.00
3. Finished goods	3,74,26,151.00	4,25,96,525.00
4. Scrap	1,19,78,550.00	1,83,39,396.00
5. Advance Licence	3,89,73,577.00	2,28,35,352.00
6. Stores, Spares & Packing Material	71,16,060.00	81,23,547.00
	<b>103,32,80,025.00</b>	<b>99,94,19,239.00</b>

**Note - 14 : TRADE RECEIVABLES**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
<b>A) Trade receivables outstanding for a period exceeding Six months from the date they are due for payment</b>		
1 Unsecured, considered good	7,23,572.00	16,602.00
<b>B) Trade receivables outstanding for a period less than Six months from the date they are due for payment</b>		
1 Unsecured, considered good	20,39,72,848.00	29,44,42,793.00
	<b>20,46,96,420.00</b>	<b>29,44,59,395.00</b>

**Note - 15 : CASH AND CASH EQUIVALENTS**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
<b>I. Cash and bank balance</b>		
1 Balances with Banks		
- in Current account	3,08,02,878.00	1,31,31,004.00
- in earmarked account		
-Unpaid dividend account	13,05,151.00	13,17,325.00
2 Cash on hand	8,26,021.00	3,15,156.00
<b>II Other Bank Balances</b>		
In Fixed Deposits held as Margin Money		
- Maturity Period - More than 12 Months	5,48,62,517.00	5,37,73,967.00
	<b>8,77,96,567.00</b>	<b>6,85,37,452.00</b>

**Note - 16 : SHORT TERM LOANS AND ADVANCES**

<u>Particulars</u>	<u>As at</u> 31-03-2014	<u>Year ended</u> 31-03-2013
<b>Other short term loans and advances</b>		
<b>Unsecured, considered good</b>		
1 Balance With Excise and custom authorities	7,76,24,608.00	5,15,14,530.00
2 Advance Tax and TDS	4,34,29,545.00	6,10,19,616.00
3 Prepaid Expenses	38,32,813.00	39,53,368.00
4 Others	92,67,264.00	39,68,767.00
	<b>13,41,54,230.00</b>	<b>12,04,56,281.00</b>

**Note - 17 : OTHER CURRENT ASSETS**

<u>Particulars</u>	<u>As at</u> 31-03-2014	<u>Year ended</u> 31-03-2013
1 Interest receivable	4,41,567.00	3,83,934.00
2 Export Incentives receivable	22,50,453.00	51,63,073.00
3 Advance to Suppliers	25,37,305.00	3,14,65,476.00
	<b>52,29,325.00</b>	<b>3,70,12,483.00</b>

**Note - 18 : REVENUE FROM OPERATIONS**

<u>Particulars</u>	<u>As at</u> 31-03-2014	<u>Year ended</u> 31-03-2013
<b>A) Sale of Products</b>		
1 Manufactured goods - Domestic Sales	107,02,16,593.00	136,68,10,711.00
2 Manufactured goods - Exports	144,32,07,461.00	144,78,21,127.00
	<b>251,34,24,054.00</b>	<b>281,46,31,838.00</b>
<b>B) Sale of Services</b>		
1 Job Work	9,67,540.00	21,73,391.00
<b>C) Other operating revenues</b>		
1 Power generation income	73,07,300.00	77,92,049.00
2 Export incentives	2,26,71,531.00	78,69,629.00
3 Inspection charges (export)	49,95,194.00	-
<b>Revenue from Operations(gross)</b>	<b>254,93,65,619.00</b>	<b>283,24,66,907.00</b>
Less :- Excise Duty	16,92,89,889.00	17,56,53,808.00
<b>Revenue from Operations(Net)</b>	<b>238,00,75,730.00</b>	<b>265,68,13,099.00</b>
<b>Tax deducted at source on Job Work</b>	<b>18,952.00</b>	<b>43,561.00</b>

**Note - 19 : OTHER INCOME**

<u>Particulars</u>	<u>As at</u> 31-03-2014	<u>Year ended</u> 31-03-2013
1 Interest income	99,37,239.00	1,04,59,913.00
2 Profit on sale of assets	-	-
3 Accounts written off (Net)	3,838.00	-
4 Exchange Rate Fluctuation (Net)	-	40,98,458.00
5 Misc. Income	6,237.00	-
6 Interest on Income Tax	91,623.00	-
	<b>1,00,38,937.00</b>	<b>1,45,58,371.00</b>
<b>Tax deducted at source on Interest Income</b>	<b>6,77,750.00</b>	<b>7,92,055.00</b>

**Note - 20 : COST OF MATERIALS CONSUMED**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
Raw Material		
Opening Stock	55,24,21,018.00	10,62,53,713.00
Add : Purchases - Import	64,23,68,494.00	103,57,72,812.00
: Purchases - Domestic	106,78,30,744.00	113,75,64,104.00
	<b>226,26,20,256.00</b>	<b>227,95,90,629.00</b>
Less :Closing Stock	62,38,27,162.00	55,24,21,018.00
	<b>163,87,93,094.00</b>	<b>172,71,69,611.00</b>

**Note - 21 : CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
<b>A. OPENING STOCK</b>		
Finished Goods	4,25,96,525.00	6,24,36,213.00
Work in progress	35,51,03,401.00	53,98,46,215.00
Advance License	2,28,35,352.00	2,95,35,847.00
Scrap	1,83,39,396.00	40,75,344.00
	<b>43,88,74,674.00</b>	<b>63,58,93,619.00</b>
<b>B. CLOSING STOCK</b>		
Finished Goods	3,74,26,151.00	4,25,96,525.00
Work in progress	31,39,58,525.00	35,51,03,401.00
Advance License	3,89,73,577.00	2,28,35,352.00
Scrap	1,19,78,550.00	1,83,39,396.00
	<b>40,23,36,803.00</b>	<b>43,88,74,674.00</b>
	<b>3,65,37,871.00</b>	<b>19,70,18,945.00</b>

**Note - 22 : EMPLOYEE BENEFITS EXPENSE**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
1 Salaries, Wages, Bonus etc	10,54,87,035.00	11,71,52,347.00
2 Contribution to Provident and Other funds	24,97,186.00	25,76,028.00
3 Staff Welfare expenses	75,40,904.00	82,70,265.00
	<b>11,55,25,125.00</b>	<b>12,79,98,640.00</b>

**Note - 23 : FINANCE COSTS**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
1 Interest Expenses	9,82,01,426.00	11,22,69,957.00
2 Exchange Fluctuation on Loans	(6,84,210.00)	3,34,19,141.00
3 Other Bank Charges	1,44,15,022.00	1,47,13,800.00
	<b>11,19,32,238.00</b>	<b>16,04,02,898.00</b>

**Note - 24 : OTHER EXPENSES**

<u>Particulars</u>	<u>As at</u> <u>31-03-2014</u>	<u>Year ended</u> <u>31-03-2013</u>
<b>A) Manufacturing Expenses</b>		
1 Power and fuel	6,26,28,494.00	6,04,78,804.00
2 Consumption of stores and spares	4,17,75,999.00	4,78,11,466.00
3 Packing material	1,06,94,004.00	92,14,334.00
4 Job work charges	14,21,996.00	3,00,409.00
5 Transportation and freight	2,01,03,853.00	1,60,42,911.00
6 Clearing & Forwarding Exp.	3,95,71,811.00	4,15,55,104.00
7 Repairs and maintenance:		
- Plant and machinery	1,48,60,753.00	1,97,40,572.00
- Building	1,53,222.00	69,900.00
	<b>19,12,10,132.00</b>	<b>19,52,13,500.00</b>
<b>B) Administrative Expenses</b>		
1 Audit Fees	5,00,000.00	4,50,000.00
2 Bad Debts Written off	11,23,086.00	3,88,858.00
3 Account Written Off	3,124.00	7,04,860.00
4 Profit and Loss on Sales of Vehicle	13,16,150.00	2,86,347.00
5 Communication Exp.	18,08,017.00	18,36,261.00
6 Commission	25,35,847.00	27,75,844.00
7 Donation	22,601.00	73,100.00
8 Insurance	17,42,680.00	12,04,416.00
9 Legal & Professional Charges	24,19,796.00	40,54,494.00
10 Rates & Taxes	9,65,637.00	6,32,581.00
11 Selling and marketing expenses	1,12,65,921.00	75,26,557.00
12 Sales tax/VAT	19,15,903.00	27,57,056.00
13 Traveling, Conveyance & Vehicle Exp.	88,32,161.00	92,55,798.00
14 Miscellaneous Expenses	76,82,881.00	67,53,842.00
15 Prior Period Exp.	2,916.00	1,17,888.00
16 Wealth Tax Exp.	1,74,423.00	1,75,157.00
17 Exchange Rate Fluctuation (Net)	8,90,42,999.00	1,46,99,359.00
	<b>13,13,54,142.00</b>	<b>5,36,92,418.00</b>
	<b>32,25,64,274.00</b>	<b>24,89,05,918.00</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2014

### Note - 25

#### 1. Significant Accounting Policies :

##### A) Basis of Preparation :

The financial statements of Suraj Limited ("the Company") have been prepared under the historical cost convention on accrual basis of accounting in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, to the extent applicable and relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of product and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current -non current classification of assets and liabilities.

##### B) Fixed Assets and Depreciation :

###### a) Fixed Assets :

Fixed assets are stated at cost of acquisition (net of CENVAT, wherever applicable), less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. Direct costs are capitalized till the assets are ready to be put to use. Interest on borrowings, wherever applicable, attributable to new projects is capitalized and included in the cost of fixed assets as appropriate.

###### b) Depreciation :

Depreciation on fixed assets is charged on the Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on Plant & Machinery of the Company is charged for Triple Shift.

Depreciation on sale /deduction from Fixed Assets is provided for up to the month of sale, deduction, discarded as the case may be.

##### C) Borrowing costs :

Borrowing cost attributable to acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset, till the asset is ready for use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

##### D) Inventories :

a) Raw Materials: Valued at cost or Market Value which ever is Lower.

b) Work-in-Progress is valued at cost plus direct cost, manufacturing overheads and other related cost or market value whichever is lower.

c) Finished goods are valued at cost or net realizable value whichever is lower. The cost includes cost of production and other appropriate overheads.

d) Goods in Transits: At Cost.

e) Stores and Spares are valued at cost or market value whichever is lower.

f) Scrap is valued at estimated realisable value.

##### E) Revenue Recognition :

(a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The company collects sales tax and value added tax (VAT) on behalf of Government and therefore these are not economic benefit flowing to the company. Hence they are excluded from revenue.

###### (b) Sales:

Sales of goods is recognized when the significant risks and rewards of ownership of goods have passed to buyer.

###### (c) Export Benefits :

Incomes in respect of Duty Drawback in respect of exports made during the year are accounted on accrual basis. Duty free imports of material under Advance License matched with the export made against the said licenses.

##### F) CENVAT Credit :

The CENVAT credit available on purchase of raw materials, other eligible inputs and capital goods is adjusted against excise duty payable on clearance of goods produced. The unadjusted CENVAT credit is shown under the head "Loans and Advances"

**G) Employee Benefits :**

- (a) Provision for gratuity and leave encashment is made on the basis of actuarial valuation at the end of the year in conformity with the Accounting Standard - 15. Actuarial gains or losses are recognized in the profit and loss account.
- (b) Contribution to Provident Fund and Superannuation is accounted for on accrual basis.

**H) Foreign Exchange Transactions :**

- (a) Foreign currency transactions are recorded at the exchange rates prevailing on the date of the respective transactions. Monetary items denominated in foreign currencies at the year-end and not covered under forward exchange contracts are translated at year-end rate.
- (b) Exchange differences arising on foreign currency transactions settled during the year are recognized in the profit and loss A/c except in respect of fixed assets where exchange variance is adjusted to the cost of the respective fixed assets.

**I) Amortization of Miscellaneous Expenditure:**

Preliminary expenses & Amalgamation expenses have been amortized over a period of five years in equal installments.

**J) Income Tax Expenses:**

- Income tax expenses comprise current tax and deferred tax charge or credit.

**- Current Tax**

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company.

**- Deferred tax**

Deferred Tax charge or credit reflects the tax effects of timing differences between accounting Income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the Balance Sheet date as per the Accounting Standard - 22.

**K) Impairment of assets:**

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which assets is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of recoverable amount.

**L) Prior Period Adjustment :**

Expenses and income pertaining to earlier/previous years are accounted as prior period items.

**M) Earning Per Share:**

In determining earning per share, the company considers the net profit after tax and includes the post-tax effect of any extra ordinary items. The number of shares used in computing basic earning per shares is the weighted average number of shares outstanding during the period.

**N) Provisions, Contingent Liabilities and Contingent Assts:**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of that obligation. Contingent Liabilities which are considered significant and material by the company are disclosed in the Notes to Accounts. Contingent Assets are neither recognized nor disclosed.

**II. ADDITIONAL NOTES (Forming an integral part of Accounts)****1. Contingent liabilities not provided for :**

- (a) Demand of Rs. 2,24,379/- for the accounting year 2003-04, Demand of Rs. 1,40,975/- for the accounting year 2004-05, Demand of Rs. 1,05,14,581/- for the accounting year 2008-09 and Demand of Rs. 1,79,35,983/- for the accounting year 2009-10 raised by Sales Tax authorities, which is disputed by the Company.  
Demand of Rs. 4,68,300/- raised by Income Tax authorities, for Assessment year 2010-11 which is disputed by the Company.  
Demand of Rs. 9,17,386/- raised by Income Tax authorities, for Assessment year 2001-02 which is disputed by the Company.  
Penalty of Rs. 73,62,856/- raised by Income Tax authorities, for Assessment year 2009-10 which is disputed by the Company.
- (b) The Income tax authorities carried out a search and seizure operations on the premises of Company during the Financial Year. However the company has not received any order or appraisal report in connection with this search and seizure by the Income Tax Department.

- (c) In connection with the Search conducted by Excise Department during the year to ascertain the facts regarding evasion of Central Excise Duty by the company, the department had insisted for reversal of Cenvat Credit of Rs.75 lacs in RG-23 Part - II on the basis of preliminary statement of the company. However, in absence of receipt of any final report for ascertainment of evasion of any excise duty by the company, the company had considered this reversal credit of Rs. 75 lacs as advance excise duty in the books of accounts and shown under the group "Short Term Loans & Advances" in the Balance Sheet.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for in the Accounts (net of advances) **NIL**
3. In terms of accounting policy (E) for the accounting of export incentives, estimated benefit of Rs 389.74 Lacs have been taken in to account under DES Scheme. Steps are being taken to import raw materials and utilize the same.
4. (a) **Payment of Managerial Remuneration** : In view of inadequacy of profit for the year 2013-14, remuneration paid by the company to the Chief Financial Officer, Managing Director, Director & Whole Time Director is in excess of the limit prescribed u/s 198 read with Schedule - XIII to the Companies Act. 1956
- (b) Since the statutory records of inventory had been seized by Excise Authority in connection with Search conducted on 06.12.2013 under the Provision of Central Excise Act, 1944, we have examined Xerox copies of such records for the period April' 2013 to December' 2013 for the purpose of our Audit.

5. **Amount Paid / Payable to Auditors :**

No.	Particulars	2013-2014	2012-2013
1	Audit Fees	3,75,000	3,75,000
2	Tax Audit Fees	75,000	75,000
3	For Review Reports	50,000	--
	<b>Total</b>	<b>5,00,000</b>	<b>4,50,000</b>

6. **Prior Period Expenditure:**

No.	Particulars	2013-2014	2012-2013
1	Computer Exp	--	35,000
2	Consultancy Expenses	--	22,500
3	Transportation Exp	--	44,660
4	Telephone Exp.	1,971	--
5	Other Expenses	945	15,728
	<b>Total</b>	<b>2,916</b>	<b>1,17,888</b>

7. In the opinion of the Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and provision for all known and determined liabilities (except wherever otherwise stated) are adequate and not in excess of the amount reasonably necessary.
8. Balances under Sundry Debtors, Sundry Creditors, Loans & Advances are subject to confirmation and reconciliation with the respective parties/ concerns. Necessary adjustment if any, thereon having an importance of revenue nature, will be made in the year of such confirmation / reconciliation.
9. **Employee Benefits**

As per Accounting Standard 15 "Employee Benefits", the disclosure of Employee benefits as defined in the Accounting Standard are given below. :

a) **Gratuity ( (defined benefits plans)**

The Company has defined gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

b) **Leave wages (long term employment benefit)**

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

Particulars	Privilege Leave (non funded)	Gratuity (funded)
<b>Change in the present value of the defined benefit obligation.</b>		
Opening defined benefit obligation	266037	3891984
Interest cost	21283	311359
Current service cost	160019	549815
Benefits paid	(20140)	(248155)
Actuarial (gain) / Losses on obligation	121887	5106
Closing defined obligation	549086	4510109
<b>Change in the fair Value plan asset</b>		
Opening fair value of plan asset	--	3964379
Expected return on plan asset	--	344901
Contribution by employer	--	171577
Benefits paid	--	(248155)
Actuarial gain / (Losses)	--	22180
Closing balance of fair value of plan assets	--	4254882
<b>Amount recognized in the balance sheet</b>		
(Assets)/Liability at the end of the year	(549086)	(4510109)
Fair value of plan assets at the end of the year	--	4254882
Funded Status	(549086)	(255227)
Unrecognized past service cost	--	--
(Assets)/Liability recognized in the balance sheet	(549086)	(255227)
<b>Income/expense recognized in the profit and loss account statement</b>		
Current service cost	160019	549815
Interest cost on benefit obligation	21283	311359
Expected return on plan assets	--	(344901)
Net actuarial (gain) / loss in the period	121887	(17074)
Net Expenses	303189	499199
<b>Movement in net liability recognized in balance sheet</b>		
Opening net liability	266037	(72395)
Expenses as above (P/L Charge)	303189	499199
Employers contribution	(20140)	(171577)
(Assets)/Liability recognized in the balance sheet	549086	255227
<b>Principal actuarial assumption as at balance sheet date</b>		
Discount rate	9.31%	9.31%
Expected rate of return on the plan assets	8.70%	8.70%
Annual increase in salary cost	6.00%	6.00%
Attrition Rate	2.00%	2.00%
The categories of plan assets as % of total plan assets are with insurance company	100.00%	100.00%

**10. Segment Reporting :**
**a) Primary Segment :**

The Company's operations predominantly relates to a single segment namely "Stainless Steel Tubes & Pipes" which as per Accounting Standards 17 is considered as the only reportable business segment.

**b) Secondary Segment :**

Secondary Segment is geographical, which is determined on the basis of location of the customer, is classified as either domestic or overseas and the same is as under :

(Rs. in Lakhs)

Sales	F.Y. 2013-14	F.Y. 2012-13
Domestic Sales	10,702.17	13,668.11
Export Sales	14,432.07	14,478.21
<b>Total</b>	<b>25,134.24</b>	<b>28,146.32</b>

**Note :** Since income from power generation is set off against Electricity Exp., it is not treated as a separate segment.

**11 Earning per share (EPS) :**

Sr. No.	Particulars	2013-2014	2012-2013
1	Net Profit after Tax available for Equity Shareholders (Rupees)	3,67,80,262	7,14,52,880
2	Weighted average number of Shares at beginning	1,92,64,100	1,92,64,100
3	Basic and Diluted Earning per Share (Rupees)	<b>1.91</b>	<b>3.71</b>

**12** As required by Accounting Standard 18 issued by Institute of Chartered Accountants of India relating to Related Party Disclosure, information is as under:

## a) Related parties and nature of relationship

\* **Directors of the Company :**

- 1 Shri Ashok T. Shah
- 2 Shri Gunvant T. Shah
- 3 Shri Kunal T. Shah
- 4 Shri Bipin K. Prajapati
- 5 Shri Ketan R. Shah
- 6 Shri Dipak H. Shah
- 7 Shri Haren R. Desai
- 8 Shri Bhupendrasinh B Patel

\* **Associate Companies :**

- 1 Suraj Enterprise Pvt. Ltd.

## b) Transactions that have taken place during the period April 1, 2013 to March 31, 2014 with related parties by the company (Rs. in Lakhs)

Name of the Related Parties with whom the transaction have been made	Description of Relationship with the party	Nature of Transaction	F.Y. 2013-2014		F.Y. 2012-2013	
			During the Year	Amount Outstanding	During the year	Amount Outstanding
Suraj Enterprise Pvt. Ltd.	Associate Company	Temporary Adv. Taken	2968.00	423.50	1782.50	69.50
		Temporary Adv. Given	2614.00		2286.00	
Shri Ashok Shah	Chief Financial Officer	Remuneration	49.000		36.000	
		P.F. Contribution	---	3.10	--	2.25
		Bonus	0.0350		0.0350	
Shri. Kunal Shah	Managing Director	Remuneration	42.500		36.000	
		P.F. Contribution	---	2.70	--	2.25
		Bonus	0.0350	---	0.0350	
Shri Gunvant Shah	Director	Remuneration	37.000		36.000	
		P.F. Contribution	--	2.35	--	2.25
		Bonus	0.0350	--	0.0350	---
Shri Bipin Prajapati	Whole Time Director	Remuneration	12.000		12.000	
		P.F.	0.0936	0.81	0.936	0.92
		Bonus	0.0350		0.0350	
Shri Dipak Shah	Non Executive Director	Sitting Fees	0.125	--	0.100	--
Shri Ketan Shah	Non Executive Director	Sitting Fees	0.125	--	0.100	--
Shri Haren Desai	Non Executive Director	Sitting Fees	0.150	--	0.100	--
Shri Bhupendrasinh Patel	Non Executive Director	Sitting Fees	0.175	--	0.100	--

Related party relationship is as identified by the management and relied upon by the auditors.

**13 Inventory related details :**
**a) Consumption of Raw materials**

(Rs. in Lakhs)

Particulars of Capacity	2013-2014	2012-2013
S.S. Pipes	4,278.50	4,398.60
S.S. Coil	5,325.87	5,062.58
S.S. Round Bar	6,783.57	7,810.52
<b>Total</b>	<b>16,387.94</b>	<b>17,271.70</b>

**b) Composition (Raw Materials)**

(Rs. in Lakhs)

Particulars	2013-2014		2012-2013	
	Value Rs.	% age	Value Rs.	% age
Indigenous	10,394.34	63.43	11,715.76	67.83
Imported	5,993.60	36.57	5,555.94	32.17
<b>Total</b>	<b>16,387.94</b>	<b>100.00</b>	<b>17,271.70</b>	<b>100.00</b>

**c) Composition (Stores & Consumable)**

(Rs. in Lakhs)

Particulars	2013-2014		2012-2013	
	Value Rs.	% age	Value Rs.	% age
Indigenous	345.53	82.71	449.14	93.54
Imported	72.23	17.29	28.97	6.46
<b>Total</b>	<b>417.76</b>	<b>100</b>	<b>478.11</b>	<b>100</b>

**d) Finished Goods**

Particulars	Sales	Closing Inventory	Opening Inventory
A) Manufactured goods			
-S. S. Pipes & Tubes	20422.62 (22809.06)	374.26 (425.97)	425.97 (624.36)
- S.S. Scrap	3018.72 (3580.72)	119.79 (183.39)	183.39 (40.75)
- Total	23441.34 (26389.78)	494.05 (609.36)	609.36 (665.11)

**e) Closing stock of WIP**

(Amount in Rs. )

Particulars of Capacity	2013-2014	2012-2013
S.S. Pipes & Tubes	25,22,69,876.00	22,88,03,771.00
Round Bar	6,16,88,649.00	12,62,99,630.00
<b>Total</b>	<b>31,39,58,525.00</b>	<b>35,51,03,401.00</b>

**14. Value of Imports on C.I.F. Basis**

(Amount in Rs. )

Particulars of Capacity	2013-2014	2012-2013
Raw Material	64,23,68,494.00	1,01,47,31,832.00
Capital Goods	95,42,883.00	1,01,11,018.00
Stores	59,56,641.00	58,43,611.00

**15. Expenditure in Foreign Exchange**

(Amount in Rs. )

Particulars of Capacity	2013-2014	2012-2013
Traveling Expenses	36,89,490.00	12,84,427.00
Sales Commission	25,35,847.00	27,30,844.00
Advertisement	41,62,035.00	31,33,249.00
Business Development	45,93,144.00	15,06,895.00
Capital goods	95,42,883.00	1,01,11,018.00
Stores & Spares	59,56,641.00	58,43,611.00
Bank Interest	2,86,38,263.00	3,89,66,740.00

**16. Details of Foreign currency exposure that are not hedged by derivative instruments or otherwise:-**

Particulars	Currency	Amount in foreign currency	Equivalent Indian currency
<b>As at 31<sup>st</sup> March 2014</b>			
Receivables	EURO	66,713.56	54,31,151.00
	USD	18,62,799.55	11,08,17,945.00
Payables	EURO	2,28,853.19	1,86,30,938.00
	USD	3,28,760.33	1,95,57,952.00
Buyer's Credit payable	USD	3,30,417.96	1,99,01,073.00
<b>As at 31<sup>st</sup> March 2013</b>			
Receivable	EURO	1,90,195.91	1,31,06,400.00
	USD	27,57,962.83	14,93,71,277.00
Payable	EURO	1,37,374.29	94,66,462.00
	USD	5,21,262.40	2,82,31,572.00
Buyer's Credit Payable	USD	49,91,668.40	27,28,94,511.00
FCTL	USD	48,87,216.59	267,18,41,310.00

**17. Earning in Foreign Exchange**

(Amount in Rs. )

Particulars of Capacity	2013-2014	2012-2013
Export Sales (F.O.B. including deemed exports)	1,34,41,71,229.00	1,39,81,49,594.00

**18. Dividend remitted to Non Resident:**

Number of Shareholders	01
Number of Shares held	15,45,000
Net amount of dividend remitted	
- Final dividend for the year 2012-13	Rs. 23,17,480
	Euro 26,335.00

19. The Company has initiated the process of identifying the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31<sup>st</sup> March 2014, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

20. Previous year figures have been regrouped and/or rearranged whenever necessary.

**Signature to Notes 1 to 25**

As per our report of even date.

**For PANKAJ K. SHAH ASSOCIATES**  
Firm Registration No. 107352W  
Chartered Accountants

**Pankaj K. Shah**  
Proprietor  
M.No. : 34603

**Date** : 21.05.2014  
**Place** : Ahmedabad

**For and on behalf of the Board of Directors**

**Ashok Shah** Chief Financial Officer  
**Kunal Shah** Managing Director  
**Gunvant Shah** Director  
**Saurabh Shah** Company Secretary

**Date** : 21.05.2014  
**Place** : Ahmedabad

**Form No. MGT-11  
Proxy Form**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies  
(Management and Administration) Rules, 2014]



CIN: L27100GJ1994PLCO21088

Regd Office: 'Suraj House', Opp. Usmanpura Garden, Ashram Road, Ahmadabad- 380 014. Gujarat (INDIA)  
Tel. 0091-79-27540720 / 721, Fax: 0091-79-27540722, Email: secretary@surajgroup.com

Name of the member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_  
\_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No. / Client ID : \_\_\_\_\_

DP ID : \_\_\_\_\_

I/We, Being the member(s) of Shares of \_\_\_\_\_ the above named company,  
hereby appoint

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_

Email Id : \_\_\_\_\_

Signature : \_\_\_\_\_ or failing him

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_

Email Id : \_\_\_\_\_

Signature : \_\_\_\_\_ or failing him

3. Name : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_

Email Id : \_\_\_\_\_

Signature : \_\_\_\_\_

As my/ our proxy to attend and vote (on a poll) for me / us and on my/ our behalf at the 21st Annual General Meeting of the Company, to be held on **Thursday the 21st August, 2014 at 10:30 a.m. at The Conference Hall of The Ahmedabad Textile Mills' Association near Gurjari, Ashram Road, Ahmedabad 380 009. Gujarat India** and at any adjournment thereof in respect of such resolution as are indicated below:



Item No.	Description of the resolution	Number of shares	I/We assent to the resolution (vote in Favor)	I/We Dissent to the resolution (vote in Against)
	<b>ORDINARY BUSINESS</b>			
1	To, receive , consider and adopt the audited financial statement for the year ended 31st march 2014 including balance sheet, profit and loss account statement as at that date together with the report of the Board of Directors and Auditors there on.			
2	To declare dividend on equity shares for the financial year 2013-2014			
3	To appoint a director in place of Mr.Bipinbhai Prajapati who retired by rotation and offers himself for the reappointment			
4	Appointment of M/S Panjaj K. Shah Associates, Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration			
	<b>SPECIAL BUSINESS</b>			
5	To reappoint Mr.Kunal T.Shah as Managing Director of the company for a period of 3 years			
6	To appoint Mr. Bhupendrasinh Babulal Patel as an Independent Director for a period of 5 years			
7	To appoint Mr. Dipakbhai Himatbhai Shah as an Independent Director for a period of 5 years			
8	To appoint Mr. Ketan Ratilal Shah as an Independent Director for a period of 5 years			
9	To appoint MR. Haren Rameshchandra Desai as an Independent director for a period of 5 years			
10	To Approve the appointment and remuneration of cost auditor for the financial year ending 31st March 2015			
11	To ratify the borrowing limits from Rs. 20 Crores to Rs. 200 Crores			
12	To ratify the power to create charges on the assets of the company			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Shareholders: \_\_\_\_\_

Signature of the proxy holder(s): \_\_\_\_\_

Affix Revenue Stamp

**Notes:**

1. This form of Proxy in Order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours of the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / She may deem appropriate.

BOOK-POST

To, \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If undelivered please return to :



**SURAJ LIMITED**

**REGD. OFFICE :**

'Suraj House' Opp. Usmanpura Garden,  
Ashram Road, Ahmedabad - 380 014. Gujarat (INDIA)  
Phone : (079) 27540720



CIN L27100GJ1994PLC021088

**Form No MGT-12 : Polling Paper**

Pursuant to section 109(5) of the Companies Act, 2013 and rule 21 (1 )(e) of the Companies (Management and Administration) Rules, 2014)

**Regd. Office :**

Suraj House, Opp. Usmanpura Garden,  
Ashram Road, Ahmedabad 380 014  
Phone No: 0091-79-27540720 / 21,  
Fax No: 0091-79-27540722,  
Email: secretary@surajgroup.com

**Sr. Particulars**

1 **Name and address of the sole / First Member**

2. Name(s) of joint Member (s), if any

3. DP ID/Client ID No. or Registered Folio No.

4. No. of equity shares held

I/We, here by exercise my/our vote in respect of the Ordinary Resolution/ Special Resolution enumerated below by putting my/our assent or dissent to the said resolution, by placing. Tick (✓) mark at the appropriate box below:

Item No	Description of the resolution	Number of shares	I/We assent to the resolution (vote in Favor)	I/We Dissent to the resolution (vote in Against)
<b>ORDINARY BUSINESS</b>				
1	To, receive , consider and adopt the audited financial statement for the year ended 31 <sup>st</sup> march 2014 including balance sheet, profit and loss account statement as at that date together with the report of the Board of Directors and Auditors there on.			
2	To declare dividend on equity shares for the financial year 2013-2014			
3	To appoint a director in place of Mr.Bipin bhai Prajapati Who retired by rotation and offers himself for the reappointment			
4	Appointment of M/S Panjaj K. Shah Associates, Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.			
<b>SPECIAL BUSINESS</b>				
5	To reappoint Mr.Kunal T.Shah as Managing Director of the company for a period of 3 year			
6	To appoint Mr. Bhupendrasinh Babulal Patel as an Independent Director for a period of 5 year			
7	To appoint Mr. Dipakbhai Himatbhai Shah as an Independent Director for a period of 5 year			
8	To appoint Mr. Ketan Ratilal Shah as an Independent Director for a period of 5 year			
9	To appoint MR. Haren Rameshchandra Desai as an Independent director for a period of 5 year			
10	To Approve the appointment and remuneration of cost auditor for the financial year ending 31 <sup>st</sup> March 2015			
11	To ratify the borrowing limits from Rs. 20 Crores to Rs. 200 Crores			
12	To ratify the power to create charges on the assets of the company			

Date:

Place:

Signature of Shareholders

The company is pleased to offer all its member, E-voting facility as an alternative mode for casting their votes electronically, instead of sending the Postal ballot forms to the Scrutinizer.

**Electronic Voting Particulars**

EVEN (Electronic Voting Event Number)	USER ID	Password