

28th Annual Report

2019-20

SURAJ INDUSTRIES LTD

CIN: L26943HP1992PLC016791

CORPORATE INFORMATION

Managing Director	Mr. Suraj Prakash Gupta
Non-Executive Non Independent Director	Mrs. Shuchi Bahl
Non-Executive Non Independent Director	Mr. Syed Azizur Rahman
Non-Executive Independent Director	Mr. Alok Ranjan
Non-Executive Independent Director	Mr. Nazir Baig
Chief financial officer	Mr. Sujeet Kumar Gupta
Company Secretary & Compliance Officer	Mrs. Bhanumathy Ramachandran
Banker	Punjab National Bank
Auditor	M/s Satendra Rawat & Company, Chartered Accountants
Secretarial Auditor	M/s Monika Kohli & Associates Company Secretaries
Registered Office	Plot No. 2, Phase III Sansarpur Terrace, Distt. Kangra, Himachal Pradesh, 173212 Contact No-01970-256414
Corporate Office	F-32/3, First Floor, Okhla Industrial Area, Phase – II, New Delhi-110020 Contact No-011-42524455
Share Transfer Agent	Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3 rd Floor, 99, Madangir, New Delhi-110062 Contact No-011-29961281/83

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NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting (AGM) of the members of **M/s Suraj Industries Ltd** will be held on Tuesday, September 29, 2020 at 2.00 P.M. through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”). The venue of the meeting shall be deemed to be the Registered Office of the Company i.e. Plot No.2, Phase-III, Sansarpur Terrace, Distt. Kangra, Himachal Pradesh-173212 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 together with the reports of Board of Directors and Auditors’ thereon.
2. To appoint a Director in place of Mrs. Shuchi Bahl (02332887) who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To consider and pass the following resolution as **Ordinary Resolution**:

“RESOLVED THAT pursuant to Sections 196, 197, 198, 203 read with Schedule V, the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013, applicable clauses of the Articles of Association of the Company and (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and on recommendation of the Nomination & Remuneration Committee, the consent of the members be and is hereby accorded for the appointment of Mr. Suraj Prakash Gupta (DIN: 00243846), as Managing Director of the Company designated as Key Managerial Personnel for a period of 3 (Three) years with effect from February 06, 2020 at a remuneration of Rs. 1,50,000 /- per month (Rupees One Lakh Fifty Thousand per month).”

RESOLVED FURTHER THAT no sitting fees will be paid to Managing Director for attending meeting of the Board of Directors or any committee thereof.”

RESOLVED FURTHER THAT in the absence or inadequacy of profits in the Financial Year during the currency of tenure of the Managing Director, the remuneration payable to the Managing Director shall not exceed the maximum limits prescribed under Section II Part II of Schedule V of the Companies Act, 2013.”

RESOLVED FURTHER THAT any Director/Company Secretary of the company be and is hereby severally authorized to sign and file the necessary forms and returns with the concerned Registrar of companies and to take such other actions and to do all deeds and things to comply with all the formalities required to be fulfilled in connection with the appointment of Managing Director.”

4. To consider and pass the following resolution as **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment & Qualifications of Directors) Rule, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, and the recommendation of Nomination and Remuneration Committee, consent of the members be and is hereby accorded to appoint Mr. Alok Ranjan (DIN: 08254398) as a Non-Executive Independent Director of the Company.”

“RESOLVED FURTHER THAT Mr. Alok Ranjan shall hold the office as Independent Director for a term upto five consecutive years effective from August 13, 2019 and whose office shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT any director of the company be and is hereby authorized to file necessary e-forms as may be required with the concerned Registrar of Companies and to do all such acts, deeds things etc. as may be required to implement the above resolution.”

5. To consider and pass the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 as amended from time to time, including any statutory modification or re-enactment thereof for the time being in force, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company with immediate effect.

“RESOLVED FURTHER THAT any Director/Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary for effecting the aforesaid resolution including but not limited to filing of necessary forms with concerned Registrar of Companies.”

6. To consider and if thought, to pass with or without modification(s), following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (“the Act”), the rules made thereunder and all other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) to mortgage and/or charge any of the Company’s movable and/or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a charge/mortgage/hypothecation on such terms and conditions at such time(s) and in such form and manner, in addition to the existing charges/mortgages/hypothecation/pledge created/ to be created by the Company, and with such ranking as to the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company’s one or more undertakings or all of the undertakings in favor of NBFCs/ Banks/ Central or State Government Departments/ Central or State Government undertakings/ State and other Financial Institutions/Body Corporates, together with interest, cost, charges and expenses thereon for amount not exceeding **Rs. 100 Crore (Rupees One Hundred Crore Only)**.

“RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/pari-passu/subservient with/to the mortgages and/or charges already created or to be created by the company as may be agreed to between the concerned parties”.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating charge/mortgage or selling, leasing or otherwise disposing of the undertaking(s) of the Company and also to delegate all such powers to Director(s)/Officer(s) of the Company and Authorized Representatives on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

NOTES:

- a) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circulars dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), without the physical presence of the Members at a common venue. Accordingly, the AGM of the Company is being held through VC/OAVM. Instructions for attending the meeting through VC/OAVM and remote e-voting are attached.
- b) In line with the various MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories ("DP"). Public notices will be release by the Company, requesting all the members to intimate/update their email ids with their DPs/Registrars of the Company. Member (s) 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 etc. from the Company electronically. Members may note that the Notice and Annual Report 2019-2020 will also be available on the Company's website www.surajindustries.org, website of BSE Limited (www.bseindia.com) and website of Central Depository Services Ltd (evoting.cdslindia.com).
- c) Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the aforesaid Circulars of MCA through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice. Likewise, the Route Map is also not annexed with this Notice.
- d) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Members can attend and participate in the Annual General Meeting through VC/OACM only.
- e) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the company by email through its registered email address at secretarial@surajindustries.org.
- f) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to items of Special Business is attached and forms part of this notice.
- g) The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday 23rd September, 2020 to Tuesday 29th September, 2020 (both days inclusive).
- h) Members holding shares in electronic form are requested to intimate all changes pertaining to their bank particulars, nominations, power of attorney, change of address, change of name, email address, contact numbers, etc., to their Depository Participants (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and Beetal Financial and Computer Services Private Limited, Registrar and Transfer Agent of the Company, to provide efficient and better services. Members holding shares in physical form are also requested to intimate such changes to the Company or Beetal Financial and Computer Services Private Limited.
- i) Members holding shares in physical form are mandatorily required to dematerialize their holding in order to eliminate all risks associated with physical share certificate. Members can contact the Company or its RTA i.e. Beetal Financial and Computer Services Private Limited for further assistance.

- j) The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment/retire by rotation at this AGM are annexed to the notice.
- k) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's Registrars, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- l) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be titled to vote at the AGM.
- m) Electronic copy of all documents referred to the accompanying Notice of the 28th Annual General Meeting will be available for inspection by members in electronic mode at the Company's website i.e. www.surajindustries.org.
- n) The Company has a registered E-mail address secretarial@surajindustries.org for members to mail their queries or lodge complaints, if any. The Company endeavors to reply to queries at the earliest. The Company's website www.surajindustries.org has a dedicated section on Investors.
- o) The Securities and Exchange Board of India (SEBI) vide Circular (SEBI/HO/MIRSD/DOP1/CIR/P/2018/73) dated April 20, 2018 has mandated the submission of Permanent Account Number (PAN) and Bank details by every participant in securities market. Members holding shares in electronic form are mandatorily required to submit their PAN and Bank details to their depository participants with whom they are maintaining their D-mat accounts. Members holding shares in physical form can submit their PAN and Bank details to the Company/ RTA. Shareholders who have not updated their details are requested to send their PAN and Bank details in terms of the above said SEBI Circulars.
- p) Pursuant to Section 72 of the Companies Act, 2013, member(s) of the Company may nominate a person in whom the shares held by him/them shall vest in the event of his/ their unfortunate death. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
- q) Members desirous of getting any information about the accounts, operations or if the members have any query in relation to the matters to be considered in the AGM through VC/OAVM are requested to serve the company a list of query alongwith their names, folio no., mobile number and email id to the Company at secretarial@surajindustries.org on or before 15.09.2020 to enable the Company to keep the information ready at the Meeting.
- r) Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Tuesday, 22nd September, 2020 may cast their vote by remote e-Voting. The remote e-Voting period commences on, Saturday 26th September, 2020 at 10.00 a.m. (IST) and ends on Monday, 28th September, 2020 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before/ during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Tuesday, 22nd September, 2020.
- s) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting the votes by the members using an electronic voting

system from a place other than venue of the AGM (“remote e-voting”) will be provided by CDSL (Central Depository Services Limited).

- t) Mr. Deepak Kukreja, a Practicing Company Secretary (FCS No. 4140, C.P. No.: 8265) Proprietor, Deepak Kukreja & Associates, Company Secretaries, has been appointed as “Scrutinizer” to scrutinize the e-Voting process in a fair and transparent manner and he has communicated his willingness to be appointed and his/her authorized representative will be available at the AGM for the same purpose.
- u) The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- v) The Results declared along with the Scrutinizer’s Report shall be placed on the website of the Company at www.surajindustries.org and on the website of CDSL at www.evotingindia.com, immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The Results shall also be forwarded to the Stock Exchanges where the shares of Company are listed.
- w) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed at the 28th AGM scheduled to be held on 29th September, 2020.
- x) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- y) The Company has been allotted ISIN (INE170U01011) by CDSL and IN8170U01010 by NSDL (for dematerialization of the company’s shares. We hereby request all the members to get their shares dematerialized.

INSTRUCTIONS FOR REMOTE E-VOTING & PARTICIPATING IN THE ANNUAL GENERAL MEETING (AGM) THROUGH VIDEO CONFERENCING AND OTHER AUDIO VISUAL MEANS

PART A: INSTRUCTIONS FOR REMOTE ELECTRONIC VOTING (e-VOTING) PRIOR TO THE AGM

- i. For remote e-voting, we are using the platform provided by Central Depository Services (India) Ltd (“CDSL”). The remote e-voting period begins at 10:00 hours on 26-09-2020 and ends at 17:00 hours on 28-09-2020. During this period Shareholders of the Company (hereinafter referred to as “You” or “Your”), holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22-09-2020 may cast vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Once you have voted electronically, you would not be able to change the same.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- iv. Click on “Shareholders” tab.
- v. Now enter your User ID;
 - a. For CDSL: 16 digits beneficiary ID

- b. 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 and voted on an earlier voting of any company, then your existing password is to be used. In case you have forgotten the same, click the “Forgot Password” link on that website to set up a new password.
- viii. If you are a **first time user** of CDSL e-voting services follow the steps given below:

For members holding shares in Demat Form and Physical Forms

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> <p>- 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.</p> <p>- 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.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>-If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv) above.</p>

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Members holding shares in physical form will then reach directly to 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 of Suraj Industries Ltd which is 200826052.**
- 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 the print of the voting cast by clicking on “Click here to print” option on the voting page.
- xviii. If Demat account holders have forgotten the changed login 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. Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

xx. Note for –Non Individual Shareholders and Custodians:

- Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details 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 linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned certified true copy of the Board Resolution /Power of Attorney (POA)/Authority letter etc. which they have issued in favor of the Custodian, if any should be uploaded in PDF format in the system for the scrutinizer to email at csscrutinizer@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com to verify the same.
- xxi. In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- xxii. Your voting rights shall be in proportion to your shares in the paid up equity share capital of the Company as on the cut-off date mentioned above.

- xxiii. Mr. Deepak Kukreja, a Practicing Company Secretary (FCS No. 4140, C.P. No.: 8265) Proprietor, Deepak Kukreja & Associates, Company Secretaries, has been appointed as “Scrutinizer” to scrutinize the e-Voting process.
- xxiv. The Scrutinizer shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a Director authorized by him in writing, who shall countersign the same. The Chairman or the authorized Director shall declare the result of the voting forthwith.
- xxv. The results declared along with the Scrutinizer’s Report shall be uploaded on the Company’s website www.surajindustries.org. The Results shall also be simultaneously forwarded to the stock exchange.

PART B: INSTRUCTIONS FOR MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS

1. In order to enable you to be electronically present at the AGM, you will need to log into the e-voting website of CDSL i.e. “<https://www.evotingindia.com>” under “Shareholders/Members” tab using your remote e-voting credentials. This may be done using a computer or a mobile device (desktop computer, laptop, i-pad, etc) with a stable internet connection. You will be required to allow camera in your device. In order to enable you to register your electronic presence at the AGM, the link for VC/OAVM will be available alongside the EVSN of the Company. The facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available to Members on first come first served basis.
2. If you are connecting your device through a mobile hotspot, you may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use wifi or LAN with a good and stable internet speed to mitigate any kind of aforesaid glitches.
3. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before 15.09.2020 mentioning their name, demat account number/folio number, email id, mobile number at secretarial@surajindustries.org. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance on or before 15.09.2020 mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
4. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
5. In case you have any queries or issues regarding VC/OAVM, you may refer to the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under “Help” section or write an email to helpdesk.evoting@cdslindia.com or contact them at their helpline number 1800225533.

PART C D: THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

The procedure for e-voting on the day of the AGM is same as contained in Part A of these instructions except that:

1. Only those shareholders, who have electronically registered their presence at the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting during the period mentioned in para (i) of Part A of these instructions (and are otherwise not barred from doing so), shall be eligible to vote through remote e-voting system available during the AGM.

2. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
3. Shareholders who have already voted through remote e-Voting during the period mentioned in para (i) of Part A of these instructions, will be eligible to attend the AGM through VC/OAVM. However, they will not be eligible to vote again at the AGM.

**By Order of the Board
For Suraj Industries Ltd**

**Place : New Delhi
Dated : 02.09.2020**

**Sd/-
Bhanumathy Ramachandran
Company secretary
Membership No.: ACS 9145
Add: A-5/2, Triveni Apartments,
Vasundhara Enclave, Delhi-110096**

Registered Office:
Plot No. 2, Phase-III, Sansarpur Terrace,
Distt. Kangra, Himachal Pradesh-173212
Ph- 01970-256414

Corporate office:
F-32/3, First Floor, Okhla Industrial Area,
Phase –II, New Delhi-110020
Ph- 011-42524455

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 3**

The Board of Directors at their meeting held on February 06, 2020, appointed Mr. Suraj Prakash Gupta as Additional Director of the Company and further appointed him as the Managing Director of the Company for a term of Three (3) years effective from February 06, 2020 based on the recommendation of the Nomination and Remuneration Committee of the Board and subject to the approval of the Shareholders of the Company.

Mr. Suraj Prakash Gupta aged about 61 years is Bachelor in Arts by qualification and having business experience of more than 32 years. Taking into consideration his rich experience and in view of the increased responsibility, the Board appointed Mr. Suraj Prakash Gupta as Managing Director of the Company subject to requisite shareholders' approval.

In compliance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act, the terms of appointment and remuneration as set out in Item No. 3 are now being placed before the members for their approval by way of Ordinary Resolution.

Statement containing the relevant details required under Section II, Part II of Schedule V of the Companies Act, 2013 are as stated hereunder:

I. GENERAL INFORMATION

(1)	Nature of Industry	Suraj Industries Ltd.		
(2)	Date or expected date of commencement of commercial production	Company is already engaged in trading of empty glass bottles and other products.		
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable (As the Company is already in operation)		
(4)	Foreign investments or collaborators, if any	Nil		
(5)	Financial performance of the Company for the last 3 years is given below:			
	Particulars	Financial Year Ended		
		31st March 2018	31st March 2019	31st March 2020
		(Amount in Rs.)		
	Revenue	3,15,536	85,29,027	1,29,69,423
	Other Income	-	18,54,021	2,24,417
	Total Income	3,15,536	10383,048	1,31,93,840
	Total Expenditure	15,44,884	76,59,595	1,78,33,451
	Profit/ (Loss) before Tax	(12,29,348)	27,23,453	(46,39,611)
	Profit/Loss after tax and adjustments	(12,29,348)	27,23,453	(46,39,611)

II. INFORMATION ABOUT THE APPOINTEE**MR. SURAJ PRAKASH GUPTA AS MANAGING DIRECTOR**

(1)	Background Details	He is Bachelor in Arts by qualification and having business experience of more than 32 years
(2)	Past Remuneration	NIL
(3)	Recognition or Awards	--
(4)	Job Profile and his suitability	He has 32 years of experience in edible oil and alcoholic beverages sector which is suitable for this job profile.
(5)	Remuneration Proposed	Rs. 1,50,000/- per month
(6)	Comparative remuneration profile w.r.t industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t to the country of his origin)	The comparative remuneration ranges from Rs 1 Lac per month to Rs 3 Lacs per month based on the information available in public domain.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	He holds 2675030 equity shares of the Company. Apart from this he has no pecuniary interest with the Company. Further, Mrs. Shuchi Bahl, Director of the Company is Daughter-in-law.

III. OTHER INFORMATION

(1)	Reason for loss or inadequate profits	After the closure of the Vanaspati and refined oil manufacturing unit at Sansarpur, Distt. Kangra, Himachal Pradesh, the business activity in the company was not upto the desired level to meet the overhead expenses which are generally in nature of salary, stock exchange fees etc.
(2)	Steps taken or proposed to be taken for improvement	The company is exploring various business avenues which would be sustainable in long run and can give steady returns. Mr. Suraj Prakash Gupta who has more than 32 years' experience in the Edible oil and Alcoholic Beverages sector has been appointed as a Managing Director. He would evaluate these business proposals and implement them.
(3)	Expected increase in productivity and profits in measurable terms	At present it is difficult to estimate the same.

Accordingly, Item No. 3 is recommended for your approval as Ordinary Resolution.

Except Mr. Suraj Prakash Gupta being an appointee, and Mrs. Shuchi Bahl, Director (daughter in law) none of the Directors, key managerial persons or their relatives in any way are concerned or interested, financial or otherwise, in the resolution set out in item no. 3.

Necessary documents in this regard are available for inspection by the members at the website of the Company upto the date of Annual General Meeting.

ITEM NO. 4

As per the provisions of Section 149(4) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company shall have at least 1/3rd of its total number of directors as Independent Directors. Mr. Surendra Mohan Sikka, Independent Director of the Company has resigned from the office w.e.f. 04.08.2019, therefore, to fill the casual vacancy, Mr. Alok Ranjan was appointed by the Board of Directors as an Additional Director in the category of Non-Executive Independent Director w.e.f. 13th August, 2019 pursuant to Section 161(1) of the Companies Act, 2013 subject to approval of the members. Mr. Alok Ranjan who will hold office till the date of the ensuing Annual General Meeting.

Section 149(6) of the said Act, lays down the criteria for independence. Mr. Alok Ranjan (DIN- 08254398) Non-Executive Director of the Company has furnished declaration to the Company under Section 149(7) of the Companies Act, 2013, confirming that he meets the criteria prescribed for Independent Director under Section 149(6) of the said Act.

In the opinion of the Board, Mr. Alok Ranjan is a person of integrity, possesses the relevant expertise and experience, fulfills the conditions specified in the said Act and the Rules made thereunder and is independent of the management of the Company. Further, in terms of Section 149(13) of the said Act, Independent Director is not liable to retire by rotation.

The approval of members by way of Ordinary Resolution is hereby solicited for the appointment of Mr. Alok Ranjan as Independent Director of the Company for a period of 5 years with effect from August 13, 2019, as set out at **Item No. 4** of this Notice. Brief profile of the said Independent Director, in terms of Regulation 36 of the Listing Regulations read with Secretarial Standard-2 on General Meetings is provided after this Notice as “**Annexure-A**”.

All the documents related to present appointment are available for inspection at the website of the Company.

Except Mr. Alok Ranjan being an appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution.

The Board accordingly recommends the Resolutions at **item no 4** of this notice for the approval of the members as an **Ordinary Resolution**.

ITEM NO. 5

The existing Articles of Association (“AOA”) were based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 which are no longer in force.

The existing regulations of the Articles of Association are proposed to be replaced by the new set of regulations and adopted as new set of Articles of Association as per the requirements of Table F of the First Schedule in the Companies Act, 2013. The modification in Articles of Association is being carried out to give effect to provisions of the Companies Act, 2013.

While some of the Articles of the existing Articles of Association of the company require alteration or deletions, material changes that are proposed in the new Articles of Association are given below for ease of reference of shareholders:

S. No.	Particulars as per draft AOA	Summary of changes
1.	Definitions	Definitions are appropriately amended to align with the provisions of the Companies Act, 2013
2.	General Meetings	Proceeding with respect to the AGM regarding length of the Notice calling the general meeting, requirement of the whom the notice

		for the general meeting needs to be given, material facts to be set out in the explanatory statements, business to be truncated at the general meeting matter including adjournment, poll etc. are amended in line with provisions of the Companies Act, 2013
3.	Voting rights	To include Voting right through electronic means.
4.	Proxy	Restrictions on Proxy incorporate to align with the provisions of the Companies Act, 2013
5.	Appointment of Directors	Provisions with respect to the appointment of director and procedure thereof is amended to align with the provisions of companies Act, 2013
6.	Retirement and Rotation of Directors	Provisions with respect to the retirement and rotation of Directors are amended to align with the provisions of companies Act, 2013
7.	Proceeding of Board of Directors and their Committees	Proceeding with respect to the Meeting of Board of Directors and their Committees, quorum for the meeting, notice calling the meeting etc. are amended in line with provisions of the Companies Act, 2013
8.	Power of Board	Specific power of Board to activities as per the provisions of the Companies Act, 2013
9.	Capitalization	Provisions regarding application of funds from reserve accounts when amounts in reserve account are to be capitalized are amended to align with provisions of the Companies Act, 2013
10.	Key managerial persons	Provisions regarding appointment of Key managerial persons and procedure thereof is amended to align with the provisions of companies Act, 2013.
11.	Secretarial Standards	Provisions regarding adoption of Secretarial Standards to align with the provisions of companies Act, 2013.
12.	General Power	The statutory provisions of the Act which permits a company to do some act if so authorization by its articles or provisions which require a company to do act in a prescribed manner unless the Articles otherwise provide have been specifically included.

Certain provisions of existing AOA have been simplified by providing reference to the applicable sections of the Companies Act, 2013 and the Rules framed thereunder, to avoid repetition.

A copy of altered Article of Association of the Company is available for inspection by the members at the website of the company. As per provisions of Section 13 of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, alteration of Article of Association requires approval of Shareholders by means of passing Special Resolution. Therefore, consent of the shareholders is required for the Resolutions as set out in item no. 5 of this notice.

Therefore, the Board of Directors recommends the proposed Special Resolution set out at Item No. 5 for your approval.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the Resolution set out at Item No. 5 of the Notice calling AGM.

ITEM NO. 6

The Board of Directors of the Company in their meeting held on September 02, 2020 had recommended to mortgage and/or charge, any of its undertakings, wherever situated both present and future or to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company in addition to the existing charges/mortgages/hypothecation/pledge created/ to be created by the Company on the whole or substantially the whole of the Company's one or more undertakings or all of the undertakings in favor of NBFCs/ Banks/ Central or State Government Departments/ Central or State Government undertakings/ State and other Financial Institutions/Body Corporates, together with interest, cost, charges and expenses thereon, for an amount not exceeding Rs. 100 Crore (Rupees One Hundred Crore Only) to secure loans borrowed or to be borrowed or to secure dues towards any State or Central Government Department.

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, it is necessary to take approval of members by way of Special Resolution for enabling the Board to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings by way of charge/mortgage/hypothecation/pledge. Accordingly, your Directors recommend the resolution set out in item no. 6 for your approval by way of Special Resolution.

All the documents with respect to said resolution are available for inspection at the website of the Company.

None of the Director, Manager, Key Managerial Personnel and their relatives is interested as mentioned above or concerned, financially or otherwise in the resolution.

**By Order of the Board
For Suraj Industries Ltd**

**Place : New Delhi
Dated : 02.09.2020**

**Sd/-
Bhanumathy Ramachandran
Company secretary
Membership No.: ACS 9145
Add: A-5/2, Triveni Apartments,
Vasundhara Enclave, Delhi-110096**

Registered Office:
Plot No. 2, Phase-III, Sansarpur Terrace,
Distt. Kangra, Himachal Pradesh-173212
Ph- 01970-256414

Corporate office:
F-32/3, First Floor, Okhla Industrial Area,
Phase –II, New Delhi-110020
Ph- 011-42524455

“Annexure A”

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING OF THE COMPANY (PURSUANT TO REGULATION 36 OF THE LISTING REGULATIONS AND SECRETARIAL STANDARDS-2 ON GENERAL MEETINGS)

FOR ITEM NO- 2, 3 AND 4

S. No.	Particulars	Name of Directors		
		Mrs. Shuchi Bahl	Mr. Suraj Prakash Gupta	Mr. Alok Ranjan
1.	DIN No.	02332887	00243846	08254398
2.	Date of Birth	21.10.1983	10.04.1959	09.03.1956
3.	Age	37 Years	61 Years	64 years
4.	Date of Appointment on the Board	14.02.2015	06.02.2020	13.08.2019
5.	Experience in specific functional area	She is a young entrepreneur managing her own boutique business since last 9 years.	He is having business experience of more than 32 years in edible oils and alcoholic beverages industry	Advisor in the field of Commerce and Industry
6.	No. of equity shares held in the Company (as on 31st March, 2020)	185000	2675030	NIL
7.	Qualifications	MBA	Bachelor in Arts	I.A.S Officer with 38 years of distinguished service, PGDM degree from IIM Ahmedabad, B.A (Hon.) Economics from St. Stephens College Delhi.
8.	List of other Directorships	<ul style="list-style-type: none"> • Sigma Compusoft Private Limited • Anita Oils & Fats Private Limited 	<ul style="list-style-type: none"> • Globus Industries and Services Limited • VRV Hospitality Private Limited • Express Digital Payment Services Private Limited • Goldcroft Global Commodities (OPC) Private Limited 	<ul style="list-style-type: none"> • Shriram Pistons and Rings Limited • Edutest Solutions Private Limited
9.	Membership/Chairman of Committees of the other Companies	No	<u>Globus Industries and Services Limited</u>	<u>Shriram Pistons and Rings Limited</u>

			<ul style="list-style-type: none"> • Audit Committee-Member • NRC- Member 	<ul style="list-style-type: none"> • Audit Committee-Member • Independent Directors Committee-Member
10.	Relationships, between Directors inter se	Daughter-in-law of Mr. Suraj Prakash Gupta	Father-in-law of Mrs. Shuchi Bahl	No
11.	Number of Board Meeting attended during the year	4	1	2

**By Order of the Board
For Suraj Industries Ltd**

**Place : New Delhi
Dated : 02.09.2020**

**Sd/-
Bhanumathy Ramachandran
Company secretary
Membership No.: ACS 9145
Add: A-5/2, Triveni Apartments,
Vasundhara Enclave, Delhi-110096**

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Ph- 01970-256414

Corporate office:
F-32/3, First Floor, Okhla Industrial Area,
Phase –II, New Delhi-110020
Ph- 011-42524455

DIRECTORS' REPORT

**To,
The Members,
Suraj Industries Ltd**

Your Directors hereby present the 28th Annual Report along with the Audited Statement of Accounts for the Financial Year ended March 31, 2020.

FINANCIAL PERFORMANCE OF THE COMPANY

The financial performance of the Company for the year under review and comparative figures for the previous year are summarized below:

(in Rs.)

	<u>2019-2020</u>	<u>2018-2019</u>
Total Income	1,31,93,840	1,03,83,048
Total Expenses	1,78,33,451	76,59,595
Profit/(Loss) before Extra-ordinary Items and Exceptional Items	(46,39,611)	27,23,453
Profit/(Loss) before tax	(46,39,611)	27,23,453
Tax Expenses		
Current Tax	-	-
Deferred Tax	-	-
Net Profit/(Loss) after tax for the year	(46,39,611)	27,23,453

PERFORMANCE OF BUSINESS:

During the financial year 2019-2020, the Company has incurred a loss of **Rs. 46,39,611/-** (Rupees Forty Six Lacs Thirty Nine Thousand Six Hundred Eleven Only) as compared to a profit of **Rs. 27,23,453/-** (Rupees Twenty Seven Lacs Twenty Three Thousand Four Hundred Fifty Three Only) in the previous financial year.

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review, the company could not scale up the operations to the desired level as a result it was not able to generate profits. The company is exploring various business avenues which can give steady returns and would be sustainable in the long run.

DIVIDEND

Based on the Company's performance in the Current Year, your Directors are unable to recommend any dividend for the year under review.

AMOUNT TRANSFERRED TO RESERVES

Due to inadequate profits, the company has not transferred any amount to reserves.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Atul Jain (DIN: 00479852) was re-appointed as Whole Time Director for a period of one year with effect from May 29, 2019 subject to the approval of members in the Annual General Meeting held on

27.07.2019. Later due to pre occupation, Mr. Atul Jain has resigned from the Company with effect from 14.11.2019.

Mr. Surendra Mohan Sikka (DIN: 07018508), relinquished the position of Independent Director of the company due to his ill-health with effect from August 04, 2019 and thereby casual vacancy was caused. Pursuant to the provisions of Section 149, 152 and 161(1) of the Companies Act, 2013 read with the Companies (Appointment & Qualifications of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and on the recommendation of Nomination and Remuneration Committee, Mr. Alok Ranjan (DIN: 08254398) was appointed as Additional Director in the category of Non-Executive Independent Director of the Company considering his integrity, expertise and experience for a term upto five consecutive years effective from August 13, 2019 and whose office shall not be liable to retire by rotation subject to the approval of shareholders. The notice convening the ensuing annual general meeting sets out the details of his appointment. Appropriate resolution seeking his appointment is being placed for your approval in the ensuing Annual General Meeting.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, Mr. Davinder Mahajan (DIN: 03203914) was appointed as an Additional Director on the Board of the Company w.e.f. November 14, 2019 and further he was appointed as Whole Time Director of the Company effective from 14.11.2019.

Mr. Davinder Mahajan (DIN: 03203914) has resigned from the post of Whole Time Director of the Company w.e.f. February 02, 2020 due to pre occupation.

Mr. Suraj Prakash Gupta (DIN: 00243846) was appointed as Additional Director of the Company w.e.f. February 02, 2020 and thereafter he was appointed as Managing Director of the Company in the Board meeting held on 06.02.2020 subject to the approval of shareholders. Appropriate resolution seeking your approval for his appointment is being placed in the ensuing Annual General Meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, executive directors and non-executive directors except the Independent Directors are subject to retire by rotation. Based on the terms of appointment and the Articles of Association of your Company, Mrs. Shuchi Bahl (DIN: 02332887) who is the longest serving member in the current term and is liable to retire by rotation and she being eligible offer herself reappointment. Appropriate resolution for her re-appointment is being placed for your approval at the ensuing Annual General Meeting.

The Board of Directors at its meeting held on 20.06.2019 appointed Mr. Sujeet Gupta as the Chief Financial Officer of the Company in place of Mr Atul Rastogi, Chief Financial Officer who resigned on 15.06.2019.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the Annual Accounts for the financial year ended March 31, 2020, the applicable Accounting standards have been followed and that there are no material departures.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the Financial year ended March 31, 2020.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That accounts for the year ended March 31, 2020 have been prepared following the going concern basis.

- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

The Company was not required to constitute corporate social responsibility committee pursuant to section 135 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial Position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and upto the date of this report.

AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015, as on 31 March 2020, the Audit Committee of the Company comprises of following 3 (Three) Members and two third of the members of the Audit Committee are Independent Directors:

S. No.	Name of Member	Category	Designation	Held	Attended
1.	Mr. Alok Ranjan	Non-Executive Independent Director	Member	2	1
2.	Mr. Syed Azizur Rahman	Non-Executive Non-Independent Director	Member	5	5
3.	Mr. Nazir Baig	Non-Executive Independent Director	Member	5	5

AUDITORS

Pursuant to the provisions of Section 139 of Companies Act, 2013 and rules framed thereunder, the Company in its 25th Annual General Meeting held on September 27th 2017 had appointed M/s Satendra Rawat & Company, Chartered Accountants (**Firm Registration Number: 008298C**) as Statutory Auditors of the company, for a term of five consecutive years i.e. till the conclusion of Annual General Meeting of the Company to be held in the year 2022.

AUDIT REPORT

The Auditors Report given by Auditors on the Financial Statement of the Company does not contain qualification, reservation or adverse remark.

During the financial year, there have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of Companies Act, 2013 read with rules framed thereunder, either to the Company or to the Central Government.

SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company had appointed Ms. Monika Kohli, Company Secretary in Practice to undertake the Secretarial Audit of the Company for financial year 2019-2020.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report in prescribed form MR-3 for Financial Year 2019-20 forms part of the Directors' Report as "Annexure A".

Further, Secretarial Auditor had pointed out certain observations, which are replied by the Board of Directors hereunder:

Secretarial Auditors Remark – 1

It is observed that the 100% promoter's holding of equity shares in the company are not in demat form which is in non-compliance of Regulation 31 of SEBI (Listing Obligation and Disclosure Requirement), 2015 (LODR).

Board's Reply

The promoter's Shareholding upto the extent of 99.99 % has already been dematerialized, only 10 shares are in physical mode. The Company has made request to the concerned promoter's shareholder to dematerialize his shares at the earliest.

Secretarial Auditors Remark – 2

As per Regulation 15 (2) of SEBI (LODR) Regulations, 2015, the compliances with the corporate governance provisions as specified in Reg. 17 to 27 and Clause (b) to (i) of Regulation 46(2) and Para C, D, E of Schedule V for Corporate Governance do not apply to this Listed Entity as the Paid-up share capital of the Listed Entity is Rs.7,28,60,000 (i.e. less than Rs.10 Crore) and Net Worth is negative (i.e. less than Rs. 25 Crores) as on the last day of the previous financial year. During the audit, we observed that the company is voluntarily complying the provisions to the extent possible as a part of good corporate governance practice. However, there was non-compliance of the following provisions during part of the year with respect to above mentioned regulations:

- a) *Pursuant to Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, during the year under review, the Company was having two Independent Directors instead of three from April 1, 2019 till February 5, 2020.*
- b) *Pursuant to Regulation 18(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, minimum two independent directors are required to form the quorum of audit committee meeting. During the year under review, in the Audit Committee Meeting held on 13.08.2019, the Company was having only one independent director who attended the Audit Committee Meeting as against minimum requirement of two independent directors. Further the Audit Committee Meeting held on 14.11.2019 was attended by only one Independent Director. However the composition of the Audit Committee and the quorum for these two meetings of the Audit Committee was in compliance with the provisions of Companies Act, 2013 and rules and regulations made thereunder.*

Board's Reply

The regulations referred in the remarks are not applicable to the Company, however as a part of good Corporate Practice, the Company has re-constituted the Board of the Company in order to have the optimum combination of Directors and its Committee(s) to comply with the provisions of the SEBI (LODR) Regulations, 2015.

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with relevant applicable rules your company was required to appoint an Internal Auditor. Further, the Board of Directors at its meeting held on May 30, 2019 has appointed M/s Mohan Gupta & Co., Chartered Accountants as Internal Auditor of the Company.

EXTRACT OF THE ANNUAL RETURN

In accordance with the provisions of section 134(3)(a) of Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return referred in sub section (3) of section 92 in the prescribed format **MGT-9** forms part of this Directors' Report as "**Annexure-B**" and the same is also available on the website of the Company (www.surajindustries.org) under the link (<https://www.surajindustries.org/investor-relations.html>).

SHARE CAPITAL

The paid up capital as on March 31, 2020 is Rs.7,28,60,000/-. There has been no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of the Company during the year. The Company has no other type of securities except Equity Shares forming part of the Paid-up Share Capital of the company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in all material respects an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020.

DETAILS OF SUBSIDIARIES/ JOINT VENTURE AND ASSOCIATES COMPANY

The Company has no subsidiary/ Joint Venture and Associate Company during the year.

NUMBER OF BOARD MEETING

During the financial year 2019-20, six Board Meetings were held on 27.04.2019, 30.05.2019, 20.06.2019, 13.08.2019, 14.11.2019 and 06.02.2020. The intervening gap between any two meetings did not exceed 120 days, as prescribed under Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of composition of Board and presence of each director in the meeting is mentioned hereunder.

S. No	Name of Director	Designation	Held	Attended
1.	Mr. Nazir Baig	Non-Executive - Independent Director	6	6
2.	Mr. Alok Ranjan*	Non-Executive-Independent Director	3	2
3.	Mr. Syed Azizur Rahman	Non-Executive Non-Independent Director	6	6
4.	Mrs. Shuchi Bahl	Non-Executive Non-Independent Director	6	4
5.	Mr. Surendra Mohan Sikka**	Non-Executive - Independent Director	3	2
6.	Mr. Atul Jain***	Whole Time Director	5	5
7.	Mr. Davinder Mahajan****	Whole Time Director	2	2

8.	Mr. Suraj Prakash Gupta*****	Managing Director	1	1
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* Mr. Alok Ranjan was appointed on 13.08.2019 on the Board of the Company in the category of Non-Executive-Independent Director.

** Mr. Surendra Mohan Sikka has resigned from the directorship of the Company w.e.f. 04.08.2019.

*** Mr. Atul Jain has resigned from the directorship of the Company w.e.f. 14.11.2019.

**** Mr. Davinder Mahajan was appointed as Whole Time Director of the Company on 14.11.2019 and resigned from 06.02.2020.

***** Mr. Suraj Prakash Gupta was appointed as Additional and thereafter he was appointed as Managing Director of the Company in the Board Meeting held on 06.02.2020.

CODE OF CONDUCT

In compliance with the Listing Regulations and the Companies Act, 2013, your Company has framed and adopted a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally. The Code is applicable to the members of the Board and to all the employees of the Company.

The Board Members have affirmed compliance with the Code of Conduct for the year ended March 31, 2020. The code of conduct is available on our website www.surajindustries.org.

PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” the Company has in place a formal policy for prevention of sexual harassment at work place and the Company has also constituted the Internal Complaint Committee in compliance with the requirement of the Act.

The policy is available on our website www.surajindustries.org.

During the year under review, the company has not received any complaint of sexual harassment.

DECLARATION BY INDEPENDENT DIRECTOR(S)

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and qualify to act as Independent Director of the Company confirming that:

- They meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as of Regulation 16 of the SEBI Listing Regulations.
- In terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors), Rules, 2014 they have registered themselves with the Independent Director’s database maintained by the Indian Institute of Corporate Affairs, Manesar.

MEETING OF INDEPENDENT DIRECTORS

In terms of requirements under Schedule IV of the Companies Act, 2013 and **Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, a separate meeting of the Independent Directors was held on February 06, 2020.

The Independent Directors at the meeting reviewed the following:-

- Performance of non-independent Directors and the Board as a whole
- Assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.
- Performance of the Chairperson of the Company

COMMITTEE

Pursuant to the requirement under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors has constituted the following Committees:

1. Audit Committee;
2. Nomination & Remuneration Committee;
3. Stakeholders Relationship Committee; and
4. Independent Directors Committee.

The Composition of the Committee(s) as on March 31, 2020 are mentioned hereunder:

1) Audit Committee

S. No	Name of Director	Category	Designation
1.	Mr. Alok Ranjan	Non-Executive Independent Director	Member
2.	Mr. Syed Azizur Rahman	Non-Executive Non-Independent Director	Member
3.	Mr. Nazir Baig	Non-Executive Independent Director	Member

2) Nomination & Remuneration Committee

S. No	Name of Director	Category	Designation
1.	Mr. Nazir Baig	Non-Executive Independent Director	Member
2.	Mrs. Shuchi Bahl	Non-Executive Non-Independent Director	Member
3.	Mr. Alok Ranjan	Non-Executive Independent Director	Member

3) Stakeholders Relationship Committee

S. No	Name of Director	Category	Designation
1.	Mr. Alok Ranjan	Non-Executive Independent Director	Member
2.	Mr. Syed Azizur Rahman	Non-Executive Non-Independent Director	Member
3.	Mr. Nazir Baig	Non-Executive Independent Director	Member

4) Independent Directors Committee

S. No	Name of Director	Category	Designation
1.	Mr. Alok Ranjan	Non-Executive Independent Director	Member
2.	Mr. Nazir Baig	Non-Executive Independent Director	Member

NOMINATION & REMUNERATION POLICY

The Company has framed a Nomination and Remuneration Policy pursuant to the provisions of Section 178 of the Companies Act 2013 read with **Regulation 19 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

There is no change in the policy since the last financial year. The Policy is available on our website <http://www.surajindustries.org>.

PARTICULARS OF LOAN(S), GUARANTEE(S) OR INVESTMENT(S) UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, the Company has neither made any investment(s) nor given any loan(s) or guarantee(s) which is covered under the provisions of Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year, the Company had not entered into any contract, arrangement and transaction with related parties which could be considered material in accordance with the Company's Policy on materiality of and dealing with related party transactions (the "Policy") and accordingly the disclosure of Related Party Transactions in Form AOC-2 is not applicable on the Company.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year 2019-2020 in terms of Chapter V of the Companies Act, 2013. Further, the Company is not having any unpaid or unclaimed deposits at the end of the Financial Year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

The Company is not engaged in any activity where conservation of energy and technology absorption is required. Further, during the year there were no foreign exchange earnings or outgo. Hence the details required under Section 134(3) (m) of the Companies Act 2013 read with rule 8(3) Companies (Accounts) Rule, 2014 are not given.

RISK MANAGEMENT

The Company has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. Board has prepared Risk Management plan which is reviewed and monitored on regular basis, to identify and review critical risks.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the annual evaluation of performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees and Stakeholder Relationship Committee has been made. The evaluation was carried out on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its shareholders etc.

The Directors expressed their satisfaction with the evaluation process.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the period under review, no change has taken place in the nature of business of the Company.

SIGNIFICANT AND MATERIAL ORDERS

The Company has received the trading approval from BSE Limited vide its notice no. 20200207-19 dated 07 February 2020.

Being the condition of BSE Revocation, the entire shareholding of promoter group was lock-in till 30.06.2020.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Board has Vigil Mechanism/Whistle Blower Policy, a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The mechanism also provides for adequate safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Policy is also available on our website <http://www.surajindustries.org>.

During the year under review no personnel has been denied access to the audit committee. There is no change in the policy during the financial year 2019-20.

CORPORATE GOVERNANCE DISCLOSURE

As per the provisions of Regulation 15(2), the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year shall not be required to comply with the Corporate Governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V.

Since the paid up share capital of the company is less than Rs 10 Crores and its net worth is negative, therefore, the disclosures with respect to Corporate Governance are not applicable on the company and hence not given in the Annual Report.

LISTING OF SHARES

The Company's shares are listed on the below mentioned Stock Exchange: -

BSE Limited (BSE) Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai – 400 001

DEPOSITORY SYSTEMS

Your Company has established connectivity with both depositories–National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, members holding Shares in physical mode are requested to avail of the dematerialization facility with either of the depositories.

Your Company has appointed M/s. BEETAL Financial & Services Private Limited, a Category-I SEBI registered R&T Agent as its Registrar and Share Transfer Agent across physical and electronic alternative.

PARTICULARS OF MANAGERIAL REMUNERATION AND EMPLOYEES

1. Disclosure in terms of Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

- i. The ratio of the remuneration of each director to the median remuneration of the employee of the Company for the financial year:

Sr. No.	Name of Director	Category of Director	Ratio to Median Remuneration
1.	Mr. Atul Jain*	Executive Director	3.17:1
2.	Mr. Suraj Prakash Gupta**	Executive Director	2.38:1
3.	Mr. Davinder Mahajan***	Executive Director	0.79:1
4.	Mr. Alok Ranjan****	Non-Executive Director	Nil
5.	Mrs. Shuchi Bahl	Non-Executive Director	Nil
6.	Mr. Nazir Baig	Non-Executive Director	Nil
7.	Mr. Syed Azizur Rahman	Non-Executive Director	Nil
8.	Mr. Surendra Mohan Sikka*****	Non-Executive Director	Nil

* Relinquished the position of Whole Time Director of the Company w.e.f. 14.11.2019.

**Mr. Suraj Prakash Gupta was appointed as Additional and thereafter Managing Director on 06.02.2020.

*** Mr. Davinder Mahajan was resigned from the Company w.e.f. 06.02.2020.

**** Mr. Alok Ranjan was appointed as Additional (Non-Executive Independent Director) on 13.08.2019.

***** Mr. Surendra Mohan Sikka resigned from the Company w.e.f. 04.08.2019.

- ii. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Sr. No.	Name	Category	% increase/ decrease in the remuneration in the financial year
1.	Mrs. Bhanumathy Ramachandran	Company Secretary	-
2.	Mr. Sujeet Gupta*	Chief Financial Officer	-

3.	Mr. Atul Rastogi**	Chief Financial Officer	-
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*Appointed w.e.f. 20.06.2019

** Resigned w.e.f. 15.06.2019.

- iii. The percentage increase in remuneration in the median remuneration of employee in the financial year: **NIL**
- iv. The Company had only three permanent employees.
- v. Average Percentile Increase already made in the Salaries of Employees other than the Managerial Personnel in the last Financial Year and its Comparison with the Percentile Increase in the Managerial Remuneration: **NA (no remuneration other than managerial remuneration was paid in the last financial year ending on 31.03.2020)**

Percentage increase in the managerial remuneration for the year: **NIL**
- vi. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

2. Disclosure in terms of Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

There was no employee who has drawn salary as mentioned in the aforesaid rule.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In terms of the provisions of Regulations 34 and Part B of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015, the Management's discussion and analysis report has been given separately and forms part of the Directors' Report as **Annexure "C"**.

INDUSTRIAL RELATIONS

The Industrial Relations have continued to be stable and harmonious during the course of the year.

DISCLOSURES UNDER SECRETARIAL STANDARDS

The directors state that applicable Secretarial Standards, i.e SS-1 and SS-2, relating to 'Meeting of the board of Directors' and 'General Meetings', respectively, have been duly followed by the company.

DISCLOSURE ABOUT MAINTENANCE OF COST RECORDS

As there was no manufacturing activity during the period under review, therefore, Company was not required to maintain cost records as per Section 148 of Companies Act 2013.

ACKNOWLEDGEMENTS

Your Directors would like to express their gratitude and appreciation for the assistance and cooperation received from the Banks during the year under review.

Your Directors also place on record their deep sense of appreciation for the devoted services rendered by all the employees of the company and for the continued co-operation & support received from shareholders of the Company.

**By Order of the Board
For Suraj Industries Ltd**

**Place: New Delhi
Date: 02.09.2020**

**Sd/-
Suraj Prakash Gupta
Managing Director
DIN: 00243846
Address: W-15/40, W-15,
Western Avenue, Sainik Farms,
Pushpa Bhawan, Delhi-110062**

**Sd/-
Syed Azizur Rahman
Director
DIN: 00242790
Address: Flat No.-B104, FF, Ananda
Apartments, Plot, No 35A/01 Block D
Sector-48, Gautam Budha Nagar,
Noida-201301**

Annexure-A

Form No. MR-3

SECRETARIAL AUDIT REPORT***FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020******[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]***

TO,

**THE MEMBERS,
M/S SURAJ INDUSTRIES LTD
CIN: L26943HP1992PLC016791
Plot No. 2, Phase III,
Sansarpur Terrace, Kangra,
Himachal Pradesh-173212**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SURAJ INDUSTRIES LTD (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with Annexure 1 attached to this report:-:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); **(No FDI and ECB were taken by the company and no ODI was given by the company during the Audit Period);**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014**(Not applicable to the Company during the Audit Period)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)** ;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit Period)**;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

The Company is engaged in the trading of Empty Glass bottles and other products. Further as per the information provided by the management, no manufacturing activity has been carried out during the period under review. As confirmed by the Management no specific law was applicable on the Company during the period under review.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 and SS-2);
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and the Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines to the extent applicable, Standards, etc. mentioned above subject to following:

1. *It is observed that the 100% promoter's holding of equity shares in the company are not in demat form which is in non-compliance of Regulation 31 of SEBI (Listing Obligation and Disclosure Requirement), 2015 (LODR).*
2. As per Regulation 15 (2) of SEBI (LODR) Regulations, 2015, the compliances with the corporate governance provisions as specified in Reg. 17 to 27 and Clause (b) to (i) of Regulation 46(2) and Para C, D, E of Schedule V for Corporate Governance do not apply to this Listed Entity as the Paid-up share capital of the Listed Entity is Rs.7,28,60,000 (i.e. less than Rs.10 Crore) and Net Worth is negative (i.e. less than Rs.25 Crores) as on the last day of the previous financial year. During the audit, we observed that the company is voluntarily complying the provisions to the

extent possible as a part of good corporate governance practice. However, there was non-compliance of the following provisions during part of the year with respect to above mentioned regulations:

- c) Pursuant to Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, during the year under review, *the Company was having two Independent Directors instead of three from April 1, 2019 till February 5, 2020.*
- d) Pursuant to Regulation 18(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, minimum two independent directors are required to form the quorum of audit committee meeting. *During the year under review, in the Audit Committee Meeting held on 13.08.2019, the Company was having only one independent director who attended the Audit Committee Meeting as against minimum requirement of two independent directors. Further the Audit Committee Meeting held on 14.11.2019 was attended by only one Independent Director. However the composition of the Audit Committee and the quorum for the meeting held on 14.11.2019 was in compliance with the provisions of Companies Act, 2013 and rules and regulations made thereunder.*

Based on the information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, women and Independent Directors except as mentioned above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except the observations made above.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting in compliance of the Act.
3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings.

Based on the compliance mechanism established by the company and on the basis of the Compliance Certificate (s) placed and taken on record by the Board of Directors at their meeting (s), **we further report that;**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not incurred any specific event / action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc. except the following:

- a. The Company had received trading approval **from BSE Limited for Revocation of Suspension in trading of equity shares** of the company vide its notice no. 20200207-19 dated 07.02.2020 w.e.f. February 17, 2020.

**FOR MONIKA KOHLI & ASSOCIATES
COMPANY SECRETARIES**

**Date: 02.09.2020
Place: New Delhi**

**Sd/-
(MONIKA KOHLI)
B.Com (H), FCS, LL.B., IP
Prop.
CP No. 4936
FCS No. 5480
UDIN: F005480B000649893**

To,

**THE MEMBERS,
M/S SURAJ INDUSTRIES LIMITED
CIN: L26943HP1992PLC016791
Plot No. 2, Phase III,
Sansarpur Terrace, Kangra,
Himachal Pradesh-173212**

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2020 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis to our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. As per the information provided by the company, there are certain cases filed by or against the company, which are currently lying pending with the various Courts. However as informed these cases have no major impact on the company.
8. Due to the outbreak of Covid-19, we had verified the physical documents to the extent possible and rest of the documents / information were made available by the Company electronically.

**FOR MONIKA KOHLI & ASSOCIATES
COMPANY SECRETARIES**

**Date: 02.09.2020
Place: New Delhi**

**Sd/-
(MONIKA KOHLI)
B.Com (H), FCS, LL.B., IP
Prop.
CP No. 4936
FCS No. 5480
UDIN: F005480B000649893**

Annexure-B**Form No. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L26943HP1992PLC016791
2.	Registration Date	09/07/1992
3.	Name of the Company	SURAJ INDUSTRIES LTD
4.	Category/Sub-category of the Company	Company Limited By Shares. Indian Non-Government Company.
5.	Address of the Registered office & contact details	Plot No. 2, Phase III , Sansarpur Terrace, Kangra, Himachal Pradesh- 173212 secretarial@surajindustries.org
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD. Beetal House, 3 rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Empty Glass Bottles & Other Products	46909	100

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

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

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary / Associate Companies	% of shares held	Applicable Section
-----NIL-----					

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2675040	185010	2860050	39.25	2860040	10	2860050	39.25	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	85000	85000	1.17	85000	NIL	85000	1.17	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub- total (A) (1):-	2675040	270010	2945050	40.42	2945040	10	2945050	40.42	NIL
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) NRIs – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub- total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Total Shareholding of Promoter A = (A)(1)+(A)(2)	2675040	270010	2945050	40.42	2945040	10	2945050	40.42	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	100	100	0.00	NIL	100	100	0.00	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	100	100	0.00	NIL	100	100	0.00	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	200	1006400	1006600	13.82	200	1006400	1006600	13.82	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	19400	1939350	1958750	26.88	26500	1932250	1958750	26.88	NIL

ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	NIL	1375500	1375500	18.88	NIL	1375500	1375500	18.88	NIL
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	19600	4321250	4340850	59.58	26700	4314150	4340850	59.58	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	19600	4321350	4340950	59.58	26700	4314250	4340950	59.58	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	2694640	4591360	7286000	100.00	2971740	4314260	7286000	100	NIL

ii) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anita Gupta	10	-	NIL	10	-	NIL	NIL
2	Rajesh Gupta	10	-	NIL	10	-	NIL	NIL
3	Shuchi Bahl	185000	2.54	NIL	185000	2.54	NIL	NIL
4	Suraj Prakash Gupta	2675030	36.71	NIL	2675030	36.71	NIL	NIL
5	Global Spirits Private Limited	85000	1.17	NIL	85000	1.17	NIL	NIL
	Total	2945050	40.42	NIL	2945050	40.42	NIL	NIL

iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Delhi Liquors Limited				
	At the beginning of the year	562500	7.72	562500	7.72
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	562500	7.72	562500	7.72
2.	Seema Kukreja				
	At the beginning of the year	374800	5.14	374800	5.14
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	374800	5.14	374800	5.14
3.	Makhan Chor Portfolios Private Limited				
	At the beginning of the year	350000	4.80	350000	4.80

	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	350000	4.80	350000	4.80
4.	Sandeep Agrawal				
	At the beginning of the year	235300	3.23	235300	3.23
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	235300	3.23	235300	3.23
5.	Deepak Kukreja				
	At the beginning of the year	160000	2.20	160000	2.20
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	160000	2.20	160000	2.20
6.	Shanti Devi				
	At the beginning of the year	100000	1.37	100000	1.37
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	100000	1.37	100000	1.37
7.	Rohit Prasad				
	At the beginning of the year	86300	1.18	86300	1.18
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	86300	1.18	86300	1.18
8.	VRV Foods Limited				
	At the beginning of the year	81200	1.11	81200	1.11
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	81200	1.11	81200	1.11
9.	Ratan Lal Bansal				
	At the beginning of the year	50000	0.69	50000	0.69

	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	50000	0.69	50000	0.69
10.	Somir Bhaduri				
	At the beginning of the year	40100	0.55	40100	0.55
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	40100	0.55	40100	0.55

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shuchi Bahl, Director				
	At the beginning of the year	185000	2.54	185000	2.54
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	185000	2.54	185000	2.54
2.	Syed Azizur Rahman, Director				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	100	0.00	100	0.00
3	Nazir Baig, Director				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-

	At the end of the year	100	0.00	100	0.00
4	Suraj Prakash Gupta, Managing Director				
	At the beginning of the year	2675030	36.71	2675030	36.71
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	2675030	36.71	2675030	36.71

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	1,13,75,000	-	11375000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	31324	-	31324
Total (i+ii+iii)	-	11,406,324	-	11,406,324
Change in Indebtedness during the financial year	-			
* Addition	-	10,40,844	-	10,40,844
* Reduction	-	-	-	-
Net Change	-	10,40,844	-	10,40,844
Indebtedness at the end of the financial year	-			
i) Principal Amount	-	1,22,70,000	-	1,22,70,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,77,168	-	1,77,168
Total (i+ii+iii)	-	1,24,47,168	-	1,24,47,168

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S. No	Particulars of remuneration	Name of MD/ WTD/Manager		
		Mr, Atul Jain (Whole Time Director)	Mr. Suraj Prakash Gupta (Managing Director)	Mr. Davinder Mahajan (Whole Time Director)
1.	Gross Salary	14,86,667	2,74,138	1,38,678
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income –Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax- Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	-as % of profit	-	-	-
	Others specify	-	-	-
5.	Others, please specify	-	-	-
	Total	14,86,667	2,74,138	1,38,678

B. Remuneration to Other Directors: NIL**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(In Rs.)**

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	60,000	3,05,562	3,65,562
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	60,000	3,05,562	3,65,562

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no penalties/punishment/compounding of offences under Companies Act for the year ending March 31, 2020.

**By Order of the Board
For Suraj Industries Ltd**

**Place: New Delhi
Date: 02.09.2020**

**Sd/-
Suraj Prakash Gupta
Managing Director
DIN: 00243846
Address: W-15/40, W-15,
Western Avenue, Sainik Farms,
Pushpa Bhawan, Delhi-110062**

**Sd/-
Syed Azizur Rahman
Director
DIN: 00242790
Address: Flat No.-B104, FF, Ananda
Apartments, Plot, No 35A/01 Block D
Sector-48, Gautam Budha Nagar,
Noida-201301**

Annexure “C”MANAGEMENT DISCUSSION AND ANALYSIS REPORTINDUSTRY STRUCTURE AND DEVELOPMENTS

The company is trying to scale up its existing operations of trading of Empty Glass Bottles and other products by widening the product basket in its trading operations.

OPPORTUNITIES AND THREATS

The company is exploring various business avenues which can give steady returns and would be sustainable in the long run.

FINANCIAL PERFORMANCE

During the financial year 2019-2020, the Company has incurred a loss of **Rs. 46,39,611/-** (Rupees Forty Six Lacs Thirty Nine Thousand Six Hundred Eleven Only) as compared to a profit of **Rs. 27,23,453/-** (Rupees Twenty Seven Lacs Twenty Three Thousand Four Hundred Fifty Three Only) in the last year.

OUTLOOK

The company shall further scale up its trading operations. Apart from this, it is exploring new business avenues.

RISKS AND CONCERNS

The company does not foresee any major risks in its trading operations

CASH FLOW ANALYSIS

The Cash Flow Statement for the year under reference in terms of **Regulation 34(2) of the (Listing Obligations and Disclosures Requirements) Regulations, 2015** entered by the Company with the Stock Exchanges is annexed with the Annual Accounts of the Company.

FINANCE COST

The financial charges for the year ended March 31, 2020 was Rs. 1,62,049. This is mainly on account of interest payable on the unsecured loan taken by the company.

OTHER EQUITY (RESERVES AND SURPLUS)

As on March 31, 2020, the Reserves and Surplus in the Balance Sheet were negative at Rs. (8,68,62,135) as compared to the negative balance of Rs. (8,49,45,977) during the Financial Year 2018-19.

EARNING PER SHARE

Earnings per share of the company is (0.64) as against the EPS of 0.37 of previous year.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has adequate internal controls commensurate with its size and nature of business. These internal controls ensure optimum use and protection of available resources.

**By Order of the Board
For Suraj Industries Ltd**

**Place: New Delhi
Date: 02.09.2020**

**Sd/-
Suraj Prakash Gupta
Managing Director
DIN: 00243846
Address: W-15/40, W-15,
Western Avenue, Sainik Farms,
Pushpa Bhawan, Delhi-110062**

**Sd/-
Syed Azizur Rahman
Director
DIN: 00242790
Address: Flat No.-B104, FF, Ananda
Apartments, Plot, No 35A/01 Block D
Sector-48, Gautam Budha Nagar,
Noida-201301**

INDEPENDENT AUDITOR'S REPORT

**TO,
THE MEMBERS OF SURAJ INDUSTRIES LTD**

I. Report on the Audit of the Financial Statements

1. Opinion

- A. We have audited the accompanying Standalone Financial Statements of **SURAJ INDUSTRIES LTD** (“the Company”), which comprise the Balance Sheet as at **March 31, 2020**, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Financial Statements”).
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (accounting standards) Rules, 2006, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no specific matters to be communicated in our report.

4. Information Other than the Financial Statements and Auditor’s Report Thereon

- A. The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the Financial Statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Financial Statements

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of standalone financial statements by the Board of Directors of the Company, as aforesaid.
- B. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

- C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

II. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:

- A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- C. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- E. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- F. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to financial statements.
- G. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- H. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements, if any.
- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For Satendra Rawat & Company
Chartered Accountants
Firm Registration No.: 008298C

Sd/-
(CA. Satendra Rawat)
Partner
Membership No.: 074126

Place: New Delhi
Date: 29.07.2020

UDIN: 20074126AAAAEA8817

Annexure “A” referred to in the Auditor’s Report of even date to the Members of SURAJ INDUSTRIES LTD on the financial statements for the year ended March 31, 2020.

In terms of the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we report, on the matters specified in the paragraph 3 and 4 of the Order, as may be applicable, as hereunder:

1. a) During the year the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified annually. In accordance with this programme, fixed assets were verified during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does own any immoveable property.
1. Since there is no inventory as at the end of the year with the company hence clause relating to physical verification and maintaining of proper records of inventory is not applicable for the year.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3(iii) (a) to(c) of the Order are not applicable to the Company.
4. According to information and explanations given to us the company has not given any loan to directors or any other person in whom the directors is interested, or given any guarantee or provided any security in connection with any loan taken by directors or such other person, as provided in sections 185 & 186 of the Companies Act, 2013, therefore other disclosure requirements are not applicable to the company for the year.
5. The Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under to the extent notified.
6. Pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013, We are of the opinion that, prima facie, the prescribed accounts and records, relating to materials, labour and other items of cost, was not required to be maintained for the year as there was no manufacturing activity for the year under review.
7. 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 regular in depositing the undisputed statutory dues including Investor Education Protection Fund, Employees’ State Insurance, Income Tax, Sales Tax, VAT, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
- b) According to the records of the company and information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Service Tax, Wealth Tax, Excise Duty and Cess on account of any dispute.
8. According to the records of the Company examined by us and the information given to us, we are of the opinion that the company has not defaulted in repayment of dues to banks. However, there are no dues payable to financial institutions or debenture holders.

9. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) or term loans during the year. According, para 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company and on the company by its officers or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration in excess of the limits and approvals prescribed under Section 197 read with Schedule V to the Companies Act, 2013.
12. According to the information and explanations given to us the Company is not a Nidhi Company. Accordingly, para 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and on the basis of our examination of records of the company, the transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been duly disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and on the basis of our examination of records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and on the basis of our examination of records of the Company, the company has not entered into any non-cash transactions with its directors or persons connected with him.
16. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company is not required to be registered with Reserve Bank of India u/s 45-IA of the Reserve Bank of India Act, 1934.

For Satendra Rawat & Company
Chartered Accountants
Firm Registration No.: 008298C

Sd/-
(CA. Satendra Rawat)
Partner
Membership No.: 074126

Place: New Delhi
Date: 29.07.2020

UDIN: 20074126AAAAEA8817

Annexure “A” to the Independent Auditors’ Report of the even date on the Financial Statements of SURAJ INDUSTRIES LTD

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Suraj Industries Limited (“the company”) as of March 31, 2020 in conjunction with our audit of Standalone IndAS Financial Statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Satendra Rawat & Company**Chartered Accountants****Firm Registration No.: 008298C****Sd/-****(CA. Satendra Rawat)****Partner****Membership No.: 074126****Place: New Delhi****Date: 29.07.2020****UDIN: 20074126AAAAEA8817**

SURAJ INDUSTRIES LTD
Balance sheet as at 31st March 2020

		Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
		ASSETS			
1.		Non-current assets			
	a.	Property, plant and equipment	2	30,816	30,816
	b.	Financial assets		-	-
	c.	Other non-current assets		-	-
2.		Current assets			
	a.	Inventories		-	-
	b.	Financial assets			
	i	Trade Receivables	3	75,12,115	94,09,610
	ii	Cash and cash equivalents	4	28,343	1,26,467
	iii	Loans & Advances	5	8,79,519	8,07,519
	c.	Other current assets	6	7,94,411	2,40,000
		TOTAL ASSETS		92,45,204	1,06,14,412
		EQUITY AND LIABILITIES			
		Equity			
	a.	Equity Share capital	7	7,28,60,000	7,28,60,000
	b.	Other equity	8	(8,68,62,135)	(8,22,22,524)
		Liabilities			
1.		Non-current liabilities			
	a.	Financial liabilities			
	i	Borrowings		-	-
	ii	Other financial liabilities		-	-
	b.	Employee Benefit obligation	9	30,162	2,24,417
2.		Current liabilities			
	a.	Financial liabilities			
	i	Borrowings	10	1,24,47,168	1,14,06,324
	ii	Trade and other payables	11	98,45,067	66,65,512
	b.	Other current liabilities	12	9,24,942	16,80,683
		TOTAL EQUITY & LIABILITIES		92,45,204	1,06,14,412

The accompanying notes form an integral part of these financial statements

1-31

As per our report of even date attached

For Satendra Rawat & Co

Chartered Accountants

Firm Registration No: FRN-008298C

For and on the Behalf of Board of Directors

Sd/-
Syed Azizur Rahman
(Director)
DIN- 00242790

Sd/-
Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Sd/-
(CA. Satendra Rawat)
Partner
Membership No.: 074126

Sd/-
Bhanumathy Ramchandran
Company Secretary

Sd/-
Sujeet Gupta
Chief Financial Officer

Place: Delhi
Date: 29.07.2020

SURAJ INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended on 31st March 2020

Particulars	Note no.	For the year ended on 31st March 2020	For the year ended on 31st March 2019
Continuing Operations			
Revenue from operations	13	1,29,69,423	85,29,027
Other income	14	2,24,417	18,54,021
Total revenue		1,31,93,840	1,03,83,048
Expenses			
Purchase of Stock in Trade		1,27,30,253	36,47,941
Changes in inventories of finished goods, work in progress and stock-in trade		-	-
Employee benefit expense	15	23,29,853	24,25,100
Finance cost	16	1,62,049	34,804
Depreciation and amortisation expense		-	-
Other expense	17	26,11,296	15,51,750
Total expenses		1,78,33,451	76,59,595
Profit/ (loss) before exceptional items		(46,39,611)	27,23,453
Exceptional items		-	-
Profit/ (loss) before tax		(46,39,611)	27,23,453
Tax expense			
a) Current Tax		-	-
b) Deferred tax		-	-
Total Tax Expense		-	-
Profit/ (loss) for the period		(46,39,611)	27,23,453
Other comprehensive income			
- Items that will not be reclassified to profit or loss Remeasurement of defined benefit plans		-	-
- Income tax relating to items that will not be reclassified to profit or loss Revaluation of Financial Instruments		-	-
- Items that will be reclassified to profit or loss			
- Income tax relating to items that will be reclassified to profit or loss			
Other Comprehensive income (net of Tax)		-	-
Total comprehensive income for the period		(46,39,611)	27,23,453
Earnings per equity share (Basic & Diluted)	26	(0.64)	0.37

The accompanying notes form an integral part of these financial statements

1-31

As per our report of even date attached

For Satendra Rawat & Co
Chartered Accountants
Firm Registration No: FRN-008298C

For and on the Behalf of Board of Directors

Sd/-
(CA. Satendra Rawat)
Partner
Membership No.: 074126

Sd/-
Syed Azizur Rahman
(Director)
DIN- 00242790

Sd/-
Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Place: Delhi
Date: 29.07.2020

Sd/-
Bhanumathy Ramchandran
Company Secretary

Sd/-
Sujeet Gupta
Chief Financial Officer

SURAJ INDUSTRIES LIMITED**Statement of changes in equity for the period ended on 31st March 2020**

A. Equity share capital	(Rs. INR)
Balance at 1 April 2019	7,28,60,000
Changes in equity share capital during the year	-
Balance at 31 March 2020	7,28,60,000
B. Other Equity	(Rs. INR)

	Note No.	Reserve and Surplus		Total
		Capital Reserve	Retained Earnings	
Balance at 1st April 2019		2,31,68,507	(10,53,91,031)	(8,22,22,524)
Profit for the year		-	(46,39,611)	(46,39,611)
Other Comprehensive income for the year		-	-	-
Total Comprehensive income		-	(46,39,611)	(46,39,611)
Transfer / Addition during the year		-	-	-
Balances as at 31st March 2020		2,31,68,507	(11,00,30,642)	(8,68,62,135)

As per our report of even date attached

For Satendra Rawat & Co
Chartered Accountants
Firm Registration No: FRN-008298C

Sd/-
(CA. Satendra Rawat)
Partner
Membership No.: 074126

Place: Delhi
Date: 29.07.2020

For and on the Behalf of Board of Directors

Sd/-
Syed Azizur Rahman
(Director)
DIN- 00242790

Sd/-
Bhanumathy Ramchandran
Company Secretary

Sd/-
Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Sd/-
Sujeet Gupta
Chief Financial Officer

SURAJ INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	For the year ended on 31st March 2020	For the year ended on 31st March 2019
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary items	(46,39,611)	27,23,453
Add: Non cash and Non operating items		
Provision for Employee Benefits	(1,94,255)	1,33,300
Less: Non Operating items	-	-
Operating Profit before Working Capital changes	(48,33,866)	28,56,753
Adjustments for:		
Loans & Advances & Other Current Assets	(6,26,411)	10,59,894
Trade Receivables	18,97,495	(94,09,610)
Trade Payable	31,79,555	45,02,243
Other Current Liabilities	(7,55,741)	15,12,028
Cash Generated from operations before extraordinary item and tax	(11,38,968)	5,21,308
Less: Taxes Paid	-	-
Net Cash from Operating Activities.....(A)	(11,38,968)	5,21,308
B) CASH FLOW FROM INVESTING ACTIVITIES		
Payments towards fixed assets	-	-
Net Cash used in Investing Activities.....(B)	-	-
C) CASH FLOW FROM FINANCING ACTIVITIES		
Movement in Short Term Borrowings & Security Deposits	10,40,844	(4,47,676)
Net Cash received in financing Activities.....(C)	10,40,844	(4,47,676)
D) NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(98,124)	73,632
Cash & Cash Equivalents as at beginning of year (excluding pledged FDR's)	1,26,467	52,835
Cash & Cash Equivalents as at end of year (excluding pledged FDR's)	28,343	1,26,467

The accompanying notes form an integral part of these financial statements

1-31

(I) Figures in brackets represent deductions and outflows

(II) Cash & Cash Equivalents do not include Fixed Deposits pledged with Bank and accrued interest thereon as the same are not highly liquid and readily convertible into cash..

(III) The previous year's figures have been restated, wherever considered necessary.

For Satendra Rawat & Co
Chartered Accountants
Firm Registration No: FRN-008298C

For and on the Behalf of Board of Directors

Sd/-
(CA. Satendra Rawat)
Partner
Membership No.: 074126

Sd/-
Syed Azizur Rahman
(Director)
DIN- 00242790

Sd/-
Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Place: Delhi
Date: 29.07.2020

Sd/-
Bhanumathy Ramchandran
Company Secretary

Sd/-
Sujeet Gupta
Chief Financial Officer

SURAJ INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH
2020

1. SIGNIFICANT ACCOUNTING POLICIES

i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April 2017, with transition date of 1st April 2016, pursuant to notification issued by Ministry of Corporate Affairs dated 16th February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly the financial statements comply with Ind AS prescribed under section 133 of the Companies Act, 2013 (the "Act"), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements upto and for the year ended on 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended), as notified under section 133 of the Act (Previous Indian GAAP) and other relevant provisions of the Act.

The financial statements for the year ended on 31st March 2018 are the first financial statements of the company prepared under Ind AS. However the transition to Ind AS has not affected the previously reported financial position, financial performance and cash flows of the company.

The financial statements are prepared on the historical cost convention, except for certain financial instruments which are measured at fair value.

The financial statements were authorised for issue by the Board of Directors of the company on 29.07.2020.

FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

ii) CURRENT VERSUS NON CURRENT CLASSIFICATION

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or intended for sale or consumption in, the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the reporting period; or
- d) it is cash or cash equivalent unless it restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current assets

Liabilities

A Liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;

- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting period; or
- d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non current liabilities.

Deferred tax liabilities and assets are classified as non current liabilities and assets.

ii) USE OF ESTIMATES

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of Revenue, Expenses, Assets and Liabilities and disclosure of contingent liabilities at the end of the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

iii) RECOGNITION OF INCOME AND EXPENDITURE

- i) Revenues/Incomes and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred in accordance with the generally accepted Accounting principles and Accounting Standards as applicable in India.
- ii) In case of sales & purchase, accrual is deemed to have taken place on actual delivery of goods.
- iii) In case of interest, income is recognized in relation to period to which it pertains.
- iv) In case of uncertainties as to the risks & rewards, the conservative accounting policy is adopted by way of making suitable provisions for expenses and deferring the recognition of revenues.

iv) EXCISE DUTY:

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared and also provision made for goods lying in factory premises. Cenvat credit is accounted on accrual basis on purchase of materials.

v) EMPLOYEES BENEFITS:

- i) Retirement benefits in the form of Provident fund and Family Pension fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii) Gratuity is a defined benefit obligation. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of the financial year.
- iii) Long term compensated balances in the form of leave encashment are provided for based on actuarial valuation at the end of the financial year. The actuarial valuation is done as per projected unit credit method.
- iv) Actuarial gains/losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

vi) PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

1. it is probable that future economic benefits associated with the item will flow to the entity; and
2. the cost of the item can be measured reliably.

Property, Plant and Equipments ('PPE') are stated at cost of acquisition or construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management less accumulated depreciation and cumulative impairment losses & net of recoverable taxes (net of Cenvat and VAT credit wherever applicable).

Subsequent Costs

Subsequent expenditure related to an item of PPE is added to its carrying amount or recognized as a separate asset, if appropriate and carrying amount of replacement parts is derecognized at its carrying value.

Spare parts or stores meeting the definition of PPE, either procured along with equipment or subsequently, are capitalized in the asset's carrying amount or recognized as separate asset, if appropriate. However cost of day to day servicing are recognized in profit or loss as incurred. Cost of day to day service primarily include costs of labor, consumables and cost of small spare parts.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of Property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in profit or loss.

Transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of Property, Plant & Equipment.

Depreciation / amortization

- i) Depreciation on items of PPE is provided on straight line method in accordance with the useful life as specified in Schedule II to the Companies Act, 2013.
- ii) Depreciation on additions to assets or on sale/discard of assets is calculated pro-rata from the date of such addition or up to the date of such sale/ discardment.
- iii) No amounts are written off against Leasehold Land by way of amortization.
- iv) Assets residual values and useful lives are reviewed and adjusted, at the end of each reporting period.
- v) Assets residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets are recorded at the consideration paid for acquisition and are amortized over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognized.

For transition to Ind AS, company has elected to continue with the carrying value of all of its Intangible Assets recognized as at 1st April, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of Intangible Assets.

Capital Work in Progress

The cost incurred on assets, which are not yet ready to use and capital inventory are disclosed under capital work-in-progress.

Expenditure incurred during the period of construction including all direct expenses (including finance cost) attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management is carried forward. On completion, the costs are allocable to the respective fixed assets. All costs attributable to respective assets are capitalized to the assets. Other expenses are capitalized to Plant and Machinery in proportion of the value of the assets.

vii) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Asset**Initial Recognition and measurement**

A financial asset is recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset (which are not measured at fair value through profit or loss) at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Subsequent measurement

For purpose of subsequent measurement, financial assets are classified into:

1. Financial assets measured at amortised cost;
2. Financial assets measured at fair value through profit or loss (FVTPL); and
3. Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Company classifies its financial assets in the above mentioned categories based on:

- A. The Company's business model for managing the financial assets, and
- B. The contractual cash flows characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- A. The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- B. The asset's contractual cash flows represents SPPI.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

viii) VALUATION OF INVENTORIES**Particulars / Item Type**

1. Raw Material, Packing Material & Consumables (including in transit)
2. Finished Goods (including in transit)
3. Stock in process
4. By Products
5. Loose Tools
6. Shares / Securities (Quoted)

Method of Valuation

- At Cost including direct procurement Overhead / Taxes.
- At cost or net realisable value, whichever is lower
- At cost
- At net realisable value
- At cost and charged off when discarded
- At lower of cost or net realizable value

In the above, cost is arrived at by FIFO cost method. In case of Finished Goods and Stock in Process, it also includes manufacturing & related establishment overheads, depreciation etc.

All the spares, which are primarily meant to be used for capitalization (except consumables and maintenance stores), are considered as part of the plant & machinery and shown accordingly.

ix) INVESTMENTS

Long-term investments are stated at cost price. Any diminution of permanent nature in the value of the long-term investments is suitably provided for by charging off to revenue. Current (Short-term and stock in trade) investments are stated at lower of cost or net realisable value.

In case of unquoted shares, the diminution in value of shares is arrived on the basis of break up value as per latest available audited balance sheet of the respective company.

x) FOREIGN CURRENCY TRANSACTIONS**Functional and presentation currency**

The management has determined the currency of the primary economic environment in which the company operates i.e., functional currency, to be Indian Rupee (INR). The financial statements are presented in Indian Rupee, which is company's functional and presentation currency.

Transactions and balances

Foreign Currency transactions during the year are recorded at rates of exchange prevailing on the date of transaction in the functional currency. Foreign currency monetary assets and Liabilities are translated at using the year-end exchange rate. Exchange gains and losses are duly recognised in the Statement of profit and loss.

All monetary assets and liabilities in foreign currency are restated at the end of the accounting period.

In case of forward contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognised as income or expense over the life of the contract.

ix) TAXATION

i) Provision for current Income Tax is made on the basis of estimated taxable income after taking into consideration, estimates of benefits admissible under the provisions of Income Tax, 1961. The company provides for deferred tax liability (after netting off deferred tax assets), based on the tax effect of temporary difference resulting from the recognition of items in the financial statements.

ii) Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, any unused tax losses and deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets (after, netting of deferred tax liabilities), are generally not recognized unless there exist strong circumstances for its adjustment/realization in near future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

iii) Provision for Wealth Tax is made on the basis of estimated taxable wealth after taking into consideration, estimates of benefits admissible under the provisions of Wealth Tax Act, 1957.

iv) Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

xii) IMPAIRMENT OF ASSETS

Consideration is given by the management of the company at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of assets. If any indication exists, impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. Reversal of impairment losses recognised in prior years is recorded when there is indication that the impairment losses for the assets are no longer exist.

xiii) FINANCE LEASE

Assets taken on lease are capitalized at fair value or net present value of the minimum lease payments, whichever is lower.

Depreciation on assets taken on lease is charged at the rate applicable to similar type of Property, Plant and Equipment as per accounting policy of the company for depreciation as above. If the leased assets are returnable to lessor on the expiry of the period, depreciation is charged over its useful life or lease period whichever is shorter.

Lease payments are apportioned between the finance charge and the reduction of the outstanding liability in respect of assets taken on lease. Sub-lease payments received/ recoverable are recognized as other income.

xiv) OPERATING LEASES

Where the Company is the Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the Lessor:

Assets subject to operating leases are included in Property, Plant and Equipments. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

xv) EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xvi) PROVISIONS

A Provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

xvii) CONTINGENT LIABILITIES

A disclosure is made for a contingent liability when there is a:

- a) possible obligation, the existence of which will be confirmed by the occurrence/non occurrence of one or more uncertain future events, not fully within the control of the Company;
- b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- c) present obligation, where a reliable estimate cannot be made.

xviii) SEGMENT REPORTING

The Company's business activity primarily falls within a single business and geographical segment. There are no disclosures required to be provided in terms of Ind AS 108 on 'Segment Reporting'.

xix) CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Non-cash transactions are excluded from the Cash Flow statement.

SURAJ INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH
2020

Note: 2

Property, Plant and Equipment - As at 31 March 2020

(in Lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 31.03.2019	Additions	Disposals/ adjustments	Balance as at 31.03.2020	Balance as at 31.03.2019	Charge for the year	Disposals/ adjustments	Balance as at 31.03.2020	Balance as at 31.03.2020	Balance as at 31.03.2019
Other Equipments & Appliances	3,34,200	-	-	3,34,200	3,17,490	-	-	3,17,490	16,710	16,710
Furniture & Fixtures	2,82,125	-	-	2,82,125	2,68,019	-	-	2,68,019	14,106	14,106
TOTAL	6,16,325	-	-	6,16,325	5,85,509	-	-	5,85,509	30,816	30,816

Note: 3

Trade Receivables

Particulars	As at 31st March 2020	As at 31st March 2019
(Unsecured & considered good, unless otherwise stated)		
Trade Receivables (age 0-6 months)	75,12,115	94,09,610
Total	75,12,115	94,09,610

Note: 4

Cash & cash equivalents

Particulars	As at 31st March 2020	As at 31st March 2019
Balance with banks in Current Accounts	18,200	1,21,324
Cash in Hand	10,143	5,143
Total	28,343	1,26,467

Note: 5

Loans & Advances

Particulars	As at 31st March 2020	As at 31st March 2019
Other advances (Unsecured, considered good)	8,79,519	8,07,519
Total	8,79,519	8,07,519

Note: 6

Other Current Assets

Particulars	As at 31st March 2020	As at 31st March 2019
TDS Receivable	-	2,40,000
GST Input	3,82,767	-
MAT Credit	4,11,644	-

Total	7,94,411	2,40,000
--------------	-----------------	-----------------

Note 7
Equity share capital

Equity share capital	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised (Equity shares of Rs.10 each)	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
(b) Issued, Subscribed and paid up	74,00,000	7,40,00,000	74,00,000	7,40,00,000
<u>Balance at the beginning of the year</u>				
Equity shares of Rs 10 each, fully paid up	72,86,000	7,28,60,000	72,86,000	7,28,60,000
Equity shares of Rs 10 each, partly paid up	0	0	0	0
	72,86,000	7,28,60,000	72,86,000	7,28,60,000
<u>Changes in equity share capital during the year</u>				
Less: Partly paid shares forfeited	0	0	0	0
Balance at the end of the year	72,86,000	7,28,60,000	72,86,000	7,28,60,000

The Reconciliation of Number of Shares outstanding at the beginning and at the end of the year				
	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity				
Opening Balance	72,86,000	7,28,60,000	72,86,000	7,28,60,000
Add: Shares allotted during the year*	-	-	-	-
Less: Partly paid shares forfeited	-	-	-	-
Closing Balance	72,86,000	7,28,60,000	72,86,000	7,28,60,000

Terms of Rights, preferences and restriction attached to shares

Note:

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and has a right to receive dividend as recommended by the board of directors subject to the necessary approval from the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the paid up amount per equity shares held by the shareholders.

Details of shareholders holding more than 5% shares of the Company

	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Equity shares of Rs.10 each fully paid				
Suraj Gupta	26,75,030	36.71%	26,75,030	36.71%
Delhi Liquors Ltd	5,62,500	7.72%	5,62,500	7.72%
Seema Kukreja	3,74,800	5.14%	3,74,800	5.14%

Other Equity

Note 8

Particulars	As at 31 March 2020	As at 31 March 2019
Capital Reserve		
Opening Balance	2,31,68,507	2,31,68,507
Add: Forfeiture of partly paid shares	-	-

Closing Balance	2,31,68,507	2,31,68,507
Surplus / (Deficit) in the Statement of Profit & Loss		
Opening Balance	(10,53,91,031)	(10,81,14,484)
Net Profit/(Net Loss) for the current year	(46,39,611)	27,23,453
Closing Balance	(11,00,30,642)	(10,53,91,031)
Total	(86862135)	(82222524)

Non-current Liabilities**Note: 9****Employee Benefit Obligation**

Particulars	As at	As at
	31st March 2020	31st March 2019
i) Gratuity	30,162	2,24,417
Total	30,162	2,24,417

Financial Liabilities (Current)**Note: 10****Short Term Borrowings**

Particulars	As at	As at
	31st March 2020	31st March 2019
Unsecured Loans (Interest Free) - From Bodies Corporate	1,00,00,000	1,00,00,000
Unsecured Loans (Interest Bearing) - From Bodies Corporate		
Principal Amount	22,70,000	1375000
Interest Payable	1,77,168	31324
Total	1,24,47,168	1,14,06,324

Note: 11**Trade payables**

Particulars	As at	As at
	31st March 2020	31st March 2019
- Due to MSME Enterprises*	40,29,540	21,27,432
- Due to other than MSME Enterprises	58,15,527	45,38,080
* There is no overdue payment to MSME enterprises		
Total	98,45,067	66,65,512

Note: 12**Other Current Liabilities**

Particulars	As at	As at
	31st March 2020	31st March 2019
Advance from Customers	2,38,000	4,20,000
Accrued Salary & Benefits	4,66,254	3,39,897

Expenses Payable	2,01,500	1,19,500
Statutory Liabilities	19,188	8,01,286
Total	9,24,942	16,80,683

Note: 13**Revenue from operations**

Particulars	For year ended	For year ended
	31st March 2020	31st March 2019
Sale of Products:		
Empty glass bottles & Other Products	1,29,69,423	37,29,027
Services Rendered	-	48,00,000
Total	1,29,69,423	85,29,027

Note: 14**Other Income**

Particulars	For year ended	For year ended
	31st March 2020	31st March 2019
Unclaimed Balances written off	2,24,417	18,54,021
Total	2,24,417	18,54,021

Note: 15**Employee benefit expense**

Particulars	For year ended	For year ended
	31st March 2020	31st March 2019
Salaries, Wages and Incentives	22,65,045	22,91,800
Provision for Long term employees benefits	64,808	1,33,300
Total	23,29,853	24,25,100

Note: 16**Finance Cost**

Particulars	For year ended	For year ended
	31st March 2019	31st March 2018
Interest on unsecured loan	1,62,049	34,804
Total	1,62,049	34,804

Note: 17**Other Expenses**

Particulars	For year ended	For year ended
	31st March 2020	31st March 2019
Fee & Taxes	4,16,427	3,22,826
Trading Resumption Fees paid to BSE Ltd	12,50,000	
Legal & Professional Expenses	1,63,412	1,77,082
Postage Expenses	2,68,634	7,21,304
Advertisement	41,600	48,560
Auditors Remuneration		-
- Statutory Audit Fees	12,500	12,500
- Internal Audit Fees	10,000	10,000
Other Expenses	4,48,723	1,60,478
Balance Written Off	-	99,000
Total	26,11,296	15,51,750

18 Contingent Liabilities and commitments:**I. Contingent Liabilities:****(Rs. In Lacs)**

	2019-20	2018-19
a) Claims against the company not acknowledged as Debts.	-	-

II. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
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19 In the opinion of the Board, value on realisation of assets other than fixed assets & non-current investments in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. Balances of some of the debtors and creditors, on the Balance Sheet date are subject to reconciliation and confirmation from some of the parties. However the variation is not expected to substantially vary the results of the company for the year.

20 The company has a defined benefit gratuity plan & leave encashment as long term benefits to employees. Provision is made on the basis of actuarial valuation.

		Gratuity	
		2019-20	2018-19
i)	Change in benefit obligation		
a)	Present value of obligation as at the beginning of the period	--	--
b)	Acquisition adjustment	--	--
c)	Interest cost	--	--
d)	Past service cost	49,648	--
e)	Current service cost	15,160	--
f)	Curtailement cost/(Credit)	--	--
g)	Settlement cost/(Credit)	--	--
h)	Benefits paid	--	--
i)	Actuarial (gain)/loss on obligation	--	--
j)	Present value of obligation as at the end of period	64,808	--
ii)	Fair value of plan assets :		
a)	Fair value of plan assets at the beginning of the period	--	--

b)	Acquisition adjustment	--	--
c)	Actual return on plan assets	--	--
d)	Employer contributions	--	--
e)	Benefits paid	--	--
f)	Fair value of plan assets at the end of the period	--	--
g)	Funded status	(64,808)	--
h)	Excess of actual over estimated return on plan assets	--	--
iii)	Fair value of plan assets :		
a)	Expected return on plan assets	--	--
b)	Actual return on plan assets	--	--
c)	Actuarial gain/(loss) on plan assets	--	--
iv)	Actuarial gain / loss recognized		
a)	Actuarial gain / (loss) for the period- obligation	--	--
b)	Actuarial (gain) / loss for the period - plan assets	--	--
c)	Total (gain) / loss for the period	--	--
d)	Actuarial (gain) / loss recognized in the period	--	--
e)	Unrecognized actuarial (gains) / losses at the end of period	--	--
v)	The amounts to be recognized in balance sheet and related analysis		
a)	Present value of obligation as at the end of the period	(64,808)	--
b)	Fair value of plan assets as at the end of the period	--	--
c)	Funded status / Difference	64,808	--
d)	Excess of actual over estimated	--	--
e)	Unrecognized actuarial (gains) / losses	--	--
f)	Net asset / (liability) recognized in balance sheet	(64,808)	--
	As Current Liability (amount due within one year)	(34,646)	
	As Non Current Liability (amount due over one year)	(30,162)	
vi)	Expense recognized in the statement of profit and loss		
a)	Current service cost	15,160	--
b)	Past service cost	49,648	--
c)	Interest cost	--	--
d)	Expected return on plan assets	--	--
e)	Curtailment cost / (Credit)	--	--
f)	Settlement cost / (credit)	--	--
g)	Net actuarial (gain) / loss recognized in the period	--	--
h)	Expenses recognized in the statement of profit & losses	64,808	--
vii)	Reconciliation statement of expense in the statement of profit and loss		--
a)	Present value of obligation as at the end of period	(64,808)	--
b)	Present value of obligation as at the beginning of the period	--	--
c)	Benefits paid	--	--
d)	Actual return on plan assets	--	--
e)	Acquisition adjustment	--	--
f)	Expenses recognized in the statement of profit & losses	64,808	--
viii)	Sensitivity Analysis of the defined benefit obligation.		
a) Impact of the change in discount rate			
	Present Value of Obligation at the end of the period	64,808	--
a)	Impact due to increase of 0.50%	(2,562)	--
b)	Impact due to decrease of 0.50 %	2,907	--
b) Impact of the change in salary increase			
	Present Value of Obligation at the end of the period	64,808	--
a)	Impact due to increase of 0.50%	2,937	--
b)	Impact due to decrease of 0.50 %	(2,609)	--
ix)	Actuarial Assumptions:		--
	Particulars	2019-20	--
	Mortality table	IALM (2012-14)	--

Discount rate	6.52%	--
Expected rate of return on plan assets	N.A.	--
Rate of escalation in salary per annum	5.00%	--
Employee turnover up to 30 years	5.00%	--
Above 30 years but up to 44 years	3.00%	--
Above 44 years	2.00%	--

The estimates of future salary increase considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors such as demand in the employment market and supply.

- 21** Expenditure in Foreign Currency during the year- Nil (Previous Year Nil)
- 22** Value of Imports on CIF Basis- Nil (Previous Year Nil)
- 23** Value of imported and indigenous raw materials, stores, spare parts and components consumed –Nil (Previous Year Nil)
- 24** **Deferred Tax Asset/Liability**

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred Tax Asset		
Unabsorbed Depreciation & Business Loss as per Income Tax Act	3,495,443	2,688,211
Employee Benefit Obligation	7,842	69,345
Total	3,503,285	2,757,556
Deferred Tax Liability		
WDV of Fixed Assets	9,522	9,522
Total	9,522	9,522
Net Deferred Tax	3,493,763	2,748,034
Increase /(Decrease) in Net Deferred Tax Asset	745,729	-842,715

In view of the continuing business losses & accounting policy of the company, the net deferred tax asset for the year has not been recognized, as the same does not appear to be realizable in near future.

25 **RELATED PARTY DISCLOSURE**

The information given below is only in respect of the transactions entered into by the company or any outstanding, during the year with the related parties.

A) Names of the Related parties and description of relationship

Key Managerial Personnel

- Atul Jain, Whole Time Director (upto 14.11.2019)
- Davinder Mahajan, Whole Time Director (from 14.11.2019 to 06.02.2020)
- Suraj Prakash Gupta, Managing Director (wef 06.02.2020)
- Bhanumathy Ramchandran, Company Secretary
- Sujeet Gupta, CFO (wef 20.06.2019)
- Atul Rastogi (upto 15.06.2019)

B) Transactions during the year with the Related Parties:

Transaction	For the year ended 31 March 2020	For the year ended 31 March 2019
	Rs	Rs
Salary to Managing/Whole Time Director	18,99,483	20,19,355
Salary to Company Secretary	60,000	60,000

Salary to CFO	3,05,562	2,12,445
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26 BASIC AND DILUTED EARNING PER SHARE

The Basic and Diluted Earning Per Share has been

Particulars	As at 31.03.2020 (Rs)	As at 31.03.2019 (Rs)
Net Profit after tax available for equity shareholders	(46,39,611)	27,23,453
No. of weighted average equity shares (Basic & Diluted)	72,86,000	72,86,000
BASIC & DILUTED EARNING PER SHARE (Rs.)		
Basic (Rs.)	(0.64)	0.37
Diluted (Rs.)	(0.64)	0.37

27 Financial instruments and risk management

Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern. The Capital structure of the Company consists of net debt (borrowings as detailed in notes and offset by cash and bank balances) and total equity of the Company. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants

Debt is classified as long-term and short-term borrowings (refer note 10)

Categories of financial instruments Financial and other financial assets	As at 31 March 2020	As at 31 March 2019
Measured at amortised cost		
Cash and bank balances	28343	126467
Loans & Advances	879519	807519
Other Current assets	794411	240000
Total	1702273	1173986
Financial liabilities		
Measured at amortised cost		
Borrowings- Current	12447168	11406324
Trade payables	9845067	6665512
Total	22292235	18071836

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

The following methods and assumptions were used to estimate the fair values :-

- Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other financial liabilities and other financial instruments approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial

instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial risk management objectives and Policies

Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company does not have foreign trade transactions nor any foreign currency transactions

The Board of Directors manages the financial risk of the company through internal risk reports which analyse exposure by magnitude of risk.

Financial Risk Factors

The Company's exposure to credit risk is influenced mainly by the individual characteristics and credit worthiness of each customer.

Market Risk Factor

Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables or payables.

Liquidity Risk Factor

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price.

Foreign currency risk management

The company does not have any foreign currency exposure or transactions.

Interest rate risk management

The company's borrowings are at fixed rate of interest.

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The company takes due care while extending any credit.

Liquidity risk management

The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Senior Management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Liquidity and interest risk tables- Not Applicable

28 Operating Lease: There is no Operating Lease exists.

29 Forward exchange Contracts entered into by the company and outstanding :

The Company did not have any foreign exchange contracts including derivative contracts for which there were any material foreseeable losses.

30 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

31 Previous year's figures have been regrouped/reclassified, wherever considered necessary, to conform to current

year's classification.

As per our report of even date attached

For Satendra Rawat & Co

Chartered Accountants

Firm Registration No: FRN-008298C

(CA. Satendra Rawat)

Partner

Membership No.: 074126

Place: Delhi

Date: 29.07.2020

For and on the Behalf of Board of Directors

Sd/-

**Syed Azizur Rahman
(Director)**

DIN- 00242790

Sd/-

**Bhanumathy Ramchandran
Company Secretary**

Sd/-

**Suraj Prakash Gupta
(Managing Director)**

DIN-00243846

Sd/-

**Sujeet Gupta
Chief Financial Officer**