

29th Annual Report

2020-2021

SURAJ INDUSTRIES LTD

CIN: L26943HP1992PLC016791

CORPORATE INFORMATION

Managing Director	Mr. Suraj Prakash Gupta
Whole Time Director	Mr. Ashu Malik
Non-Executive Independent Women Director	Mrs. Pooja Solanki
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 OF THE 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth Annual General Meeting (AGM) of the members of **M/s Suraj Industries Ltd** will be held on Tuesday, September 28, 2021 at 3.30 P.M. IST 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, 2021 together with the reports of Board of Directors and Auditors’ thereon.
2. To appoint a Director in place of Mr. Syed Azizur Rahman (00242790) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. 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 Ms. Pooja Solanki (DIN: 09039846) as a Women Director in the category of Non-Executive Independent Director of the Company.”

“RESOLVED FURTHER THAT Ms. Pooja Solanki shall hold the office as Independent Director for a term upto five consecutive years effective from January 23, 2021 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.”

4. 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. Ashu Malik (DIN: 07998930), as Whole Time Director of the Company designated as Key Managerial Personnel for a period of 1 (One) year with effect from June 27, 2021 at a remuneration not exceeding Rs. 80,000 /- (Rupees Eighty Thousand Only) per month.”

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

RESOLVED FURTHER THAT the remuneration payable to the Whole Time 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 Whole Time Director.”

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

Place : New Delhi

Dated : 03.09.2021

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

Sd/-

Bhanumathy Ramachandran

Company Secretary

Membership No.: ACS 9145

**Add: A-5/2, Triveni Apartments,
Vasundhara Enclave, Delhi-110096**

NOTES

- a. In view of the continuing Covid-19 pandemic and social distancing norm, the Ministry of Corporate Affairs (“MCA”) has vide it’s circular dated April 8, 2020 and April 13, 2020, May 5, 2020 and January 13, 2021 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11, Dated January 15, 2021 (referred to as “SEBI Circular”) permitted the holding of the “AGM” through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company. Instructions for attending the meeting through VC/OAVM and remote e-voting are attached.
- b. 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.
- c. 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/OAVM only.
- d. 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.
- e. 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.
- f. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday 22nd September, 2021 to Tuesday 28th September, 2021 (both days inclusive).
- g. (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.
- h. 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.

- i. Electronic copy of all documents referred to the accompanying Notice of the 29th Annual General Meeting will be available for inspection by members in electronic mode at the Company's website i.e. www.surajindustries.org.
- j. 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.
- k. 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.
- l. 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.
- m. 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 entitled to vote at the AGM.
- n. 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.
- o. 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.
- p. 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 14.09.2021 to enable the Company to keep the information ready at the Meeting.
- q. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Tuesday, 21st September, 2021 may cast their vote by remote e-Voting. The remote e-Voting period commences on, Saturday 25th September, 2021 at 10.00 a.m. (IST) and ends on Monday, 27th September, 2021 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, 21st September, 2021.
- r. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated

with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

- s. 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, within two working days 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 authorized by him in writing, who shall countersign the same.
- v. The Results declared alongwith details of the number of votes cast for and against the Resolution, invalid votes for at least three days on the Notice Board of the company at its Registered Office and its Corporate Office. Also, 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 29th AGM scheduled to be held on 28th September, 2021.
- 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 AND ATTENDING THE AGM

INSTRUCTIONS FOR REMOTE E-VOTING BEFORE THE ANNUAL GENERAL MEETING (“AGM”), PARTICIPATING IN AGM THROUGH VIDEO CONFERENCING OR OTHER AUDIO VISUAL MEANS AND E-VOTING DURING THE AGM

PART-A: GENERAL INSTRUCTIONS

1. **The e-voting period will begin at 10:00 hours on 25-09-2021 and will end at 17:00 hours on 27-09-2021. 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 21-09-2021 may cast your vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once you have voted electronically, you would not be entitled to change the same.**
2. 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.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
6. Members facing any technical issue during login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free nos.: 1800 1020 990 / 1800 22 44 30. Members facing any technical issue during login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

PART B: VOTING THROUGH ELECTRONIC MEANS (REMOTE e-VOTING)

- Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

• **LOGIN METHOD FOR E-VOTING FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE**

I. PROCEDURE TO LOGIN THROUGH WEBSITE OF NATIONAL SECURITIES DEPOSITORY LIMITED (“NSDL”)

A. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:

1. Type in the browser/Click on the following e-Services link: <https://eservices.nsdl.com>.
2. Under Section 'IDeAS', click on the button “Beneficial Owner”.
3. A new page will open. Enter your User ID and Password for accessing IDeAS.
4. On successful authentication, you will enter your IDeAS service page. On the left-side panel, under “Value Added Services” click on “Access to e-Voting”
5. Under E-voting, click on “Active E-voting Cycles” option.
6. You will see Company Name: “Suraj Industries Ltd” on the next screen. Click on the e-Voting link available against Suraj Industries Ltd or select e-Voting service provider “Central Depository Services Ltd” (CDSL) and you will be re-directed to the e-Voting page of CDSL to cast your vote without any further authentication.

B. Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:

1. To register, type in the browser/Click on the following e-Services link: <https://eservices.nsdl.com>
2. Select option “Register Online for IDeAS” available on the left-hand side of the page or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>.
3. Proceed to complete registration using your DP ID, Client ID, Mobile Number etc.
4. After successful registration, please follow steps given under Sr. No. 4 to 6 of Section IA above to cast your vote.

Users may also directly access the e-Voting module of NSDL as per the following procedure:

- (a) Type in the browser Click on the following link: <https://www.evoting.nsdl.com/>
- (b) Click on the button “Login” available under “Shareholder/Member” section.
- (c) On the login page, enter User ID (that is, 16-character demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL's e-voting platform)/through generation of OTP (in case your mobile/e-mail address is registered in your demat account) and Verification Code as shown on the screen.
- (d) On successful authentication, you will enter the e-voting module of NSDL. Click on “Active E-voting Cycles / VC or OAVMs” option under E-voting. You will see Company Name: “Suraj Industries Ltd” on the next screen. Click on the e-Voting link available against Suraj Industries Ltd or select e-Voting service provider “Central Depository Services (India) Ltd” (CDSL) and you will be re-directed to the e-Voting page of CDSL to cast your vote without any further authentication.

II. PROCEDURE TO LOGIN THROUGH WEBSITE OF CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (“CDSL”)

A. Users already registered for Easi/ Easiest facility of CDSL may follow the following procedure:

1. Type in the browser/Click on any of the following links: <https://web.cdslindia.com/myeasi/home/login> or visit www.cdslindia.com and click on Login icon, and select New System Myeasi(BO/CM/DP/Issuer/DDP) (best operational in Internet Explorer 10 or above and Mozilla Firefox).
2. Enter your User ID and Password for accessing Easi/Easiest
3. You will see Company Name: “Suraj Industries Ltd” on the next screen. Click on the e-Voting link available against Suraj Industries Ltd or select e-Voting service provider “Central Depository Services (India) Ltd” (CDSL) and you will be re-directed to the e-Voting page of CDSL to cast your vote without any further authentication.

B. Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:

1. To register, type in the browser/Click on the following link: <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
2. Proceed to complete registration using your DP ID-Client ID (BO ID), etc.
3. After successful registration, please follow steps given under Sr. No. 3 of Section IIA above to cast your vote.

Users may directly access the e-Voting module of CDSL as per the following procedure:

1. Type in the browser/Click on the following links: www.cdslindia.com and click on “e-voting”
2. Provide Demat Account Number and PAN

3. System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account.
4. On successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Suraj Industries Ltd or select e-Voting service provider “Central Depository Services (India) Ltd” (CDSL) and you will be re-directed to the e-Voting page of CDSL to cast your vote without any further authentication.

III. Procedure to login through your demat accounts/Website of Depository Participant

Individual shareholders holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL/CDSL. An option for “e-Voting” will be available once they have successfully logged-in through their respective logins. Click on the option “e-Voting” and they will be redirected to e-Voting modules of NSDL/CDSL (as may be applicable). Click on the e-Voting link available against Suraj Industries Ltd or select e-Voting service provider “Central Depository Services (India) Ltd” (CDSL) and you will be re-directed to the e-Voting page of CDSL to cast your vote without any further authentication.

If you have not updated your PAN with the Company/Depository Participant please use the first two letters of your name and the 8 digits of the sequence number in the PAN field. Sequence Number is given in the email sent to you. 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. For example, if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Important note: Members who are unable to retrieve User ID / Password are advised to use “Forgot User ID”/“Forgot Password” options available on the websites of Depositories/Depository Participants.

- **E-VOTING LOGIN METHOD FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE.**

- (1) The shareholders should log on to the e-voting website www.evotingindia.com
- (2) Click on “Shareholders” tab.
- (3) Now enter your User ID;
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (4) Next enter the Image Verification as displayed and Click on Login.
- (5) 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.
- (6) If you are a **first time user** of CDSL e-voting services follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. -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.

(7) After entering these details appropriately, click on “SUBMIT” tab.

(8) 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.

(9) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(10) **Click on the EVSN of Suraj Industries Ltd which is 210902022.**

(11) 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.

(12) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.

(13) 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.

(14) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.

(15) You can also take the print of the voting cast by clicking on “Click here to print” option on the voting page.

(16) 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.

(17) 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.

(18) **Additional Facility for Non-Individuals Shareholders and Custodians-Remote Voting**

- Non-Individuals Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- 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 emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; info@likhamiconsulting.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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.

PART C: ATTENDING THE AGM THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS (“VC/OAVM”)

1. The procedure for attending meeting is same as the instructions mentioned above for e-voting.
2. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by CSDL by using their remote e-voting login credentials and selecting the EVSN (210902022) for Company's AGM.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at secretarial@surajindustries.org by 17:00 hours on 15-09-2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. During the AGM, the Chairman may also, at his discretion, make available a chat window for a limited period, to enable you to express views/ask questions.

PART D: REMOTE e-VOTING ON THE DAY OF AGM

The procedure for remote e-voting on the day of the AGM is same as contained above in 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 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 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 : 03.09.2021**

**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**

Pursuant to the provisions of Section 149, 150 and 161(1) of the Companies Act, 2013, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Pooja Solanki (DIN: 09039846) as an Additional Women Director under the category Independent Non-executive, with effect from January 23, 2021. Ms. Pooja Solanki shall hold office upto the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto 5 (Five) consecutive years.

The Company has received a declaration of independence from Ms. Pooja Solanki. In the opinion of the Board, Ms. Pooja Solanki fulfils the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for being eligible for her appointment. Ms. Pooja Solanki is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Independent Director.

A brief profile of Ms. Pooja Solanki, including nature of her expertise, is provided as an additional information required to be furnished pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on general meetings, forming part of the Notice calling AGM as **Annexure-A**.

Except Ms. Pooja Solanki, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice calling AGM.

The Board recommends the proposed Resolution set out in Item No. 3 for the approval of members of the Company as an Ordinary Resolution.

Necessary documents in this regard are available for inspection by the Members in electronic mode under Investor Relations link of Company's Website secretarial@surajindustries.org.

ITEM NO. 4

The Board of Directors at their meeting held on June 27, 2021, appointed Mr. Ashu Malik as the Additional Director of the Company and further appointed him as the Whole Time Director of the Company for a term of One (1) year effective from June 27, 2021 with remuneration of Rs. 65,000/- per month, 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. Ashu Malik aged about 43 years is B. SC from Alcohol Tech by qualification and having 19 years of experience in Liquor Business. Taking into consideration his rich experience and in view of the increased responsibility, the Board appointed Mr. Ashu Malik as Whole Time Director of the Company with remuneration of Rs. 80,000/- per month 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. 4 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 edible oils, empty glass bottles and other products. Company has started bottling operations of the Indian Made Foreign Liquor and Country Liquor from July 2021.		
(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 2019	31st March 2020	31st March 2021
		(Amount in Rs.)		
	Revenue	85,29,027	1,29,69,423	6,99,11,260
	Other Income	18,54,021	2,24,417	5,22,443
	Total Income	10383,048	1,31,93,840	7,04,33,703
	Total Expenditure	76,59,595	1,78,33,451	6,98,01,687
	Profit/ (Loss) before Tax	27,23,453	(46,39,611)	6,32,016
	Profit/Loss after tax and adjustments	27,23,453	(46,39,611)	37,12,353

II. INFORMATION ABOUT THE APPOINTEE

MR. ASHU MALIK AS WHOLE TIME DIRECTOR

(1)	Background Details	He is B. SC from Alcohol Tech by qualification
(2)	Past Remuneration	NIL
(3)	Recognition or Awards	--
(4)	Job Profile and his suitability	He has 19 years of experience in Liquor Business which is suitable for this job profile.
(5)	Remuneration Proposed	Rs. 80,000/- 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 75000 Lacs per month to Rs 125000 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	NIL
-----	---	-----

III. OTHER INFORMATION

(1)	Reason for loss or inadequate profits	The company had adequate profit in FY 2020-21.
(2)	Steps taken or proposed to be taken for improvement	The company has diversified into bottling operations of Indian Made Foreign Liquor and Country Liquor. Mr. Ashu Malik who has more than 19 years' experience in the Liquor business has been appointed as a Whole Time Director to manage the liquor operations.
(3)	Expected increase in productivity and profits in measurable terms	At present it is difficult to estimate the same.

Accordingly, Item No. 4 is recommended for your approval as Ordinary Resolution.

Except Mr. Ashu Malik being an appointee, 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. 4.

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.

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

Place : New Delhi

Dated : 03.09.2021

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

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

“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 Director	Ms. Pooja Solanki	Mr. Syed Azizur Rahman
1.	DIN No.	09039846	00242790	07998930
2.	Date of Birth	23/02/1988	15/10/1962	16/01/1978
3.	Nationality	Indian	Indian	Indian
4.	Age	33 Years	58 Years	43 Years
5.	Date of First Appointment on the Board	23/01/2021	30/10/2015	27/06/2021
6.	Experience in specific functional area	She has a vast experience in secretarial and legal matters	He holds more than 30 years of experience in manufacturing inclusive of 19 years as Unit Head/Business head	He is having 19 years of experience in Liquor Business.
7.	No. of equity shares held in the Company (as on 31st March, 2021)	NIL	100	NIL
8.	Qualifications	Fellow member of Institute of Company Secretaries of India	Mechanical engineer	B. Sc from Alcohol Tech
9.	List of other Directorships (as on 31.03.2021)	Atlas Jewellery India Limited	Gold Coin Marketing Private Limited	NIL
10.	Membership/Chairman of Committees of the other Companies (As on 31.03.2021)	No	No	No
11.	Relationships, between Directors inter se	No	No	No
12.	Number of Board Meeting attended during the year	NIL*	5	NIL**
13.	Terms & Conditions of Appointment / Re-appointment	Terms & Conditions of appointment or re-appointment are as per the Nomination and Remuneration Policy of the	Terms & Conditions of appointment or re-appointment are as per the Nomination and Remuneration Policy of the Company	Terms & Conditions of appointment or re-appointment are as per the Nomination and Remuneration Policy of the Company

		Company		
14.	Details of Remuneration Sought to be paid	No remuneration is sought to be paid.	No remuneration is sought to be paid.	Remuneration is decided by Board of Directors on the recommendation of Nomination and Remuneration Committee which is as per the Nomination and Remuneration Policy of the Company.

***Ms. Pooja Solanki was appointed as Women Director in the category of Non-Executive Independent Director of the Company w.e.f. 23.01.2021.**

****Mr. Ashu Malik was appointed as Whole Time Director of the Company w.e.f. 27.06.2021. Therefore, during the current FY 2020-2021, no board meeting was attended by him.**

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

Place : New Delhi

Dated : 03.09.2021

**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,
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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 29th Annual Report along with the Audited Statement of Accounts for the Financial Year ended March 31, 2021.

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>2020-2021</u>	<u>2019-2020</u>
Total Income	7,04,33,703	1,31,93,840
Total Expenses	6,98,01,687	1,78,33,451
Profit/(Loss) before Extra-ordinary Items and Exceptional Items	6,32,016	(46,39,611)
Profit/(Loss) before tax	6,32,016	(46,39,611)
Tax Expenses		
Current Tax	--	--
Deferred Tax	30,80,337	--
Profit/(Loss) for the period	37,12,353	(46,39,611)
Other Comprehensive Income: Items that will not be reclassified to profit or loss Re-measurement of defined benefits plans	(14,364)	--
Total Comprehensive Income for the period	36,97,989	(46,39,611)

PERFORMANCE OF BUSINESS

During the financial year 2020-2021, the Company has made a profit of Rs. 37,12,353/- (Thirty Seven Lakh Twelve Thousand Three Hundred Fifty Three Only) as compared a loss of Rs. 46,39,611/- (Rupees Forty Six Lakh Thirty Nine Thousand Six Hundred Eleven Only) in the previous financial year.

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review, the company scaled up its trading operations by venturing into trading of edible oils in addition to Empty glass bottles and other products.

Further, the Company has entered into an Agreement with **Rajasthan State Ganganagar Sugar Mills Ltd. (RSGSM)** for:

- i. Bottling and packaging of alcoholic beverages (i.e. country liquor, Rajasthan made liquor and Indian made foreign liquor for RSGSM or third party at Ajmer, Rajasthan;

ii. Bottling and packaging of alcoholic beverages (i.e. country liquor, Rajasthan made liquor and Indian made foreign liquor for RSGSM or third party at Dungarpur, Rajasthan.

In June 2021 the Company acquired a bottling unit situated on the premises of Rajasthan State Ganganagar Sugar Mills Ltd (RSGSM) at Ajmer, Rajasthan-305001 for bottling and packaging of alcoholic beverages for RSGSM in terms of the agreement executed with RSGSM.

The company expects to get steady returns on a long-term basis from the bottling and packaging of alcoholic beverages.

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

The Board of Directors comprise of eminent and experienced professionals in the Industry. The current composition of the Board of Directors (as on the date of Board's Report) are as follows:

Sr. No.	Name of Director	Designation
1.	Mr. Suraj Prakash Gupta	Managing Director
2.	Mr. Ashu Malik	Whole Time Director
3.	Mr. Alok Ranjan	Non-Executive Independent Director
4.	Mr. Syed Azizur Rahman	Non-Executive Director
5.	Mr. NazirBaig	Non-Executive Independent director
6.	Ms. Pooja Solanki	Women Non-Executive Independent Director

None of the aforesaid Directors are disqualified under Section 164(2) of the Companies Act, 2013. Further, they are not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

Changes in the composition of the Board of Directors

The following changes occurred during FY 2020-2021 till the date of this Report:

During the year under review, the Board of Directors, pursuant to the applicable provisions of the Companies Act, 2013 read with the rules made thereunder (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, accorded its approval to the following:

- i. Appointment of Ms. Pooja Solanki (DIN: 09039846) as an Additional Director to hold office up to the date of ensuing AGM and as a Women Non-Executive Independent Director for a period of 5 (five) years, effective from January 23, 2021 on the Board subject to the approval of members of the Company. Considering her integrity, expertise and proficiency, the Board noted that her appointment would be of benefit to the company.
- ii. Appointment of Mr. Ashu Malik (DIN: 07998930) as an Additional Director of the Company w.e.f. 27.06.2021 to hold office up to the date of ensuing AGM, further he was appointed as Whole Time Director of the Company w.e.f. 27.06.2021 for a period of One(1) year effective from 27.06.2021, subject to approval of Members of the Company;

iii. Resignation of Ms. Shuchi Bahl as Women Director of the Company w.e.f. 23.01.2021.

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, Mr. Syed Azizur Rahman(DIN: 00242790) who is the longest serving member in the current term and is liable to retire by rotation and he being eligible offer himself for reappointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing Annual General Meeting.

Key Managerial Personnel

In accordance with Section 203 of the Companies Act, 2013, the Company has following Key Managerial Personnel at the end of the financial year and as on date of the Board Report.:

Sr. No.	Name of KMP	Designation
1.	Mr. Suraj Prakash Gupta	Managing Director
2.	Mr. Ashu Malik	Whole Time Director
3.	Mr. Sujeet Gupta	Chief Financial Officer
4.	Ms. Bhanumathy Ramachandran	Company Secretary

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, 2021, 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, 2021 and of the profit of the Company for the Financial year ended March 31, 2021.
- 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, 2021 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 2021, 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	4	4
2.	Mr. Syed Azizur Rahman	Non-Executive Non-Independent Director	Member	4	4
3.	Mr. NazirBaig	Non-Executive Independent Director	Member	4	4

Further, as per section 177(8) of the Companies Act, 2013 there was not any case during the period under review that any recommendation is made by the Audit Committee and the Board has not accepted it.

STATUTORY AUDITORS & THEIR REPORT

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.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the Financial Statements in this Annual Report.

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 & THEIR REPORT

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 2020-2021.

The Secretarial Audit Report in prescribed form MR-3 for Financial Year 2020-2021 forms part of the Directors' Report as "**Annexure A**".

Further, Secretarial Auditor had pointed out one observation, to which the reply of the Board of Directors is 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),

Regulations, 2015.

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 shareholder to dematerialize his shares at the earliest.

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 September 02, 2020 has appointed M/s Mohan Gupta & Co., Chartered Accountants as Internal Auditor of the Company.

ANNUAL RETURN

In accordance with the provisions of section 134(3)(a) & 92(3) of Companies Act, 2013 read with rules made thereunder, the Annual Return will be available on the website of the Company, once filed with the Ministry of Corporate Affairs and can be accessed through the link (www.surajindustries.org).

SHARE CAPITAL

During the year, the Authorised Share capital has been increased from Rs. 10,00,00,000/- (Rupees Ten Crore) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 15,00,00,000/- (Rupees Fifteen Crore Only) divided into 1,50,00,000 (One Crore Fifty Lakh) equity shares of Rs. 10/- (Rupees Ten Only) each.

Further, the Paid up Share Capital of the Company has been increased from Rs. 7,28,60,000/- (Rupees Seven Crore Twenty Eight Lakh Sixty Thousand Only) divided into 72,86,000 (Seventy Two Lakh Eighty Six Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 8,65,00,000/- (Rupees Eight Crore Sixty Five Lakh Only) divided into 86,50,000 (Eighty Six Lakh Fifty Thousand) Equity shares of Rs. 10/- (Rupees Ten) each.

Further, During the financial year 2020-2021, the Company has issued and allotted 19,89,000 Fully Convertible Warrants ('Warrants') at an issue price of Rs. 10/- per Warrant aggregating to Rs. 1,98,90,000/- (Rupees One Crore Ninety-Eight Lakh Ninety Thousand Only), convertible into equivalent number of Equity Shares of face value Rs. 10/- each within a period of 18 months from the date of allotment, on a preferential basis ('Preferential Allotment') to the person belonging to the 'Promoter & Promoter group' category.

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, 2021.

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 AND ATTENDANCE BY EACH DIRECTOR

During the financial year 2020-2021, Five (5) Board Meetings were held on 29.07.2020, 02.09.2020, 13.11.2020, 23.01.2021 and 04.02.2021. The intervening gap between any two meetings did not exceed the

time prescribed under Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended. The details of composition of Board and presence of each director in the meeting is mentioned hereunder.

S. No	Name of Director	Designation	No. of Board Meetings Held	No. of Board Meetings Attended
1.	Mr. Suraj Prakash Gupta	Managing Director	5	5
2.	Mr. Alok Ranjan	Non-Executive-Independent Director	5	5
3.	Mr. Syed Azizur Rahman	Non-Executive Non-Independent Director	5	5
4.	Mrs. ShuchiBahl*	Non-Executive Non-Independent Director	4	2
5.	Ms. Pooja Solanki**	Women Non-Executive - Independent Director	1	0
5.	Mr. NazirBaig	Non-Executive - Independent Director	5	5

*Ms. Shuchi Bahl relinquished the office of Women Director w.e.f. 23.01.2021. During this period i.e. April 01, 2020 to January 23, 2021, Four (4) meetings of Board of Directors were held.

** Ms. Pooja Solanki was appointed w.e.f. January 23, 2021. After her appointment as Director One (1) meeting of Board of Directors was held.

CORPORATE GOVERNANCE DISCLOSURE

As per the provisions of Regulation 15(2) of SEBI (LODR) Regulations, 2015, 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) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V.

Hence the Company is not required to report on Corporate Governance in accordance with regulation 34(3) and schedule V(C) to the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and therefore the disclosure is not given in the Annual Report.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct, which is applicable to the Members of the Board and all Employees in the course of day to day business operations of the Company.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated Employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with Stakeholders.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated Employees of the Company. The Code requires pre-clearance for dealing in the Company's Shares and prohibits the purchase or sale of Company Shares by the Directors and the designated Employees while in possession of Unpublished Price Sensitive Information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code.

The Board Members have affirmed compliance with the Code of Conduct for the year ended March 31, 2021. 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.

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 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, a separate meeting of the Independent Directors was held on January 23, 2021.

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, 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, 2021 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.	Ms. Pooja Solanki	Non-Executive 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
3.	Ms. Pooja Solanki	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

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 2020-2021 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

The Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable provides that the Board needs to undertake a formal Annual Evaluation of its own performance and that of its Committees and individual Directors. The Schedule IV of the Companies Act, 2013 read with the Rules issued there understates that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Board has carried out the annual evaluation of its own performance, performance of the Directors individually as well as the performance of the working of its Audit, Nomination & Remuneration and other Committees of the Board. The evaluation was carried out taking into consideration various aspects of the Board’s functioning, such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance, etc.

The Directors expressed their satisfaction with the evaluation process.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business during the financial year 2020-2021.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company’s operations in future.

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 2020-2021.

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. Suraj Prakash Gupta	Executive Director	5.09:1
2.	Mr. Alok Ranjan	Non-Executive Director	Nil
3.	Mrs. Shuchi Bahl	Non-Executive Director	Nil
4.	Mr. Nazir Baig	Non-Executive Director	Nil
5.	Mr. Syed Azizur Rahman	Non-Executive Director	Nil
6.	Ms. Pooja Solanki	Non-Executive Director	Nil

- 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	-
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- 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 31.03.2021)**
- 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 "B"**.

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

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. The Board acknowledges with gratitude the co-operation and assistance provided to your company by the government as well as Non-Government agencies. The Board wishes to place on record its appreciation to the contribution made by employees of the company during the year under review. Your Directors gives their sincere gratitude to the customers, clients, vendors and other business associates for their continued support to the Company.

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: 03.09.2021**

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

**Sd/-
Ashu Malik
Whole Time Director
DIN: 07998930
Address: Flat No. 1, First Floor,
Plot No.-18, Prem Homes Maya Kunj,
Avantika, Ghaziabad, Uttar Pradesh-201002**

Annexure "A"

Form No. MR-3

SECRETARIAL AUDIT REPORT***FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021******[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, 2021 (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, 2021 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 was taken 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, 2018;
 - 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 Edible Oils, 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:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 and SS-2);
- b) 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 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) Regulation*

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. 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.
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:

1. Special Resolution pursuant to provisions of Section 14 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 as amended from time to time, was passed by the members in the Annual General Meeting of the Company held on 29 September, 2020 for approval for changes in several regulations in existing Article of Association which contains references to specific sections of the Companies Act, 1956 which are no longer in force and making it in line with the new Companies Act, 2013.
2. Special Resolution pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013, was passed by the members in the Annual General Meeting of the Company held on 29 September, 2020 for approval 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 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).

3. Ordinary Resolution pursuant to provisions of Section 61 of the Companies Act, 2013 read with the Companies (Share Capital & Debentures) Rules, 2014, was passed by the members in the Extra Ordinary General Meeting of the Company held on 4 March, 2021 to increase its Authorized Share Capital of the Company from Rs. 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 (One Crore) equity shares of Rs.10/- (Rupees Ten Only) each to Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh) equity shares of Rs.10/- (Rupees Ten Only) each, by creation of additional 50,00,000 (Fifty Lakh) equity shares of Rs.10/- (Rupees Ten Only) each.
4. Special Resolution pursuant to provisions of Section 42 of the Companies Act, 2013, was passed by the members in the Extra Ordinary General Meeting of the Company held on 4 March, 2021 for issuance of 13,64,000 Equity Shares on Preferential Basis to the person belonging to the promoter and 19,89,000 fully convertible warrants to the person belonging to the promoter category.
5. The Board of Directors in its meeting held on 4 February, 2021 took note of the agreement executed with **Rajasthan State Ganganagar Sugar Mills Ltd. (RSGSM)** for:
 - (i) Bottling and packaging of alcoholic beverages (i.e. country liquor, Rajasthan made liquor and Indian made foreign liquor for RSGSM or third party at Ajmer, Rajasthan;
 - (ii) Bottling and packaging of alcoholic beverages (i.e. country liquor, Rajasthan made liquor and Indian made foreign liquor for RSGSM or third party at Dungarpur, Rajasthan.
6. Resolution passed by the Preferential Allotment Committee held on 26 March, 2021 for issuance of 13,64,000 equity shares and 19,89,000 fully convertible warrants to be converted into equity shares within 18 months. on preferential basis under Section 42, 62(1)(c) and other applicable provisions, if any, of Companies Act, 2013 to Mr. Suraj Gupta, Promoter on the basis of in-principle approval accorded by the BSE Limited under regulation 28(1) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 vide its letter dated March 18, 2021. Further, the warrants are not yet converted into equity shares.

**FOR MONIKA KOHLI & ASSOCIATES
COMPANY SECRETARIES**

Date: 03.09.2021
Place: New Delhi
UDIN: F005480C000889209

Sd/-
(MONIKA KOHLI)
B.Com (H), FCS, LL.B., IP
Prop.
CP No.4936
FCS No. 5480
Peer Review No. 1348/2021

Annexure 1

To,

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

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2021 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 is one case 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 prevailing second wave of COVID-19 and subsequent lockdown, we have conducted online verification and examination of records as provided by the Company and based on these records, this report is being issued.

**FOR MONIKA KOHLI & ASSOCIATES
COMPANY SECRETARIES**

Date: 03.09.2021

Place: New Delhi

UDIN: F005480C000889209

**Sd/-
(MONIKA KOHLI)
B.Com (H), FCS, LL.B., IP
Prop.
CP No.4936
FCS No. 5480
Peer Review No. 1348/2021**

Annexure-B**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENTS**

During the year under review the company scaled up its existing operations of trading of Empty Glass Bottles and other products by adding edible oils in the product basket in its trading operations.

The company has now ventured into bottling and packaging of alcoholic beverages i.e Indian Made Foreign Liquor, Country Liquor and Rajasthan Made Liquor. These operations are expected to give steady returns over a long run.

OPPORTUNITIES AND THREATS

There is huge opportunity in the sale of potable liquor. The demand for potable liquor is showing a steady increase year on year.

The business of potable liquor is subject to policies of the State Governments as it is a State subject. There is always a threat of change in Government policies in terms of “Prohibition in consumption of Liquor” as imposed in States of Gujarat and Bihar.

FINANCIAL PERFORMANCE

During the financial year 2020-2021, the Company has earned a profit of **Rs. 36,97,989/-** (Rupees Thirty Six Lacs Ninety Seven Thousand Nine Hundred Eighty Nine Only) as compared to a loss of **Rs. 46,39,611/-** (Rupees Forty Six Lacs Thirty Nine Thousand Six Hundred Eleven Only) in the last year.

OUTLOOK

The company has now ventured into bottling and packaging of alcoholic beverages i.e Indian Made Foreign Liquor, Country Liquor and Rajasthan Made Liquor. These operations are expected to give steady returns over a long run.

RISKS AND CONCERNS

The company does not foresee any major risks in its trading operations. The business of potable liquor is subject to policies of the State Governments as it is a State subject. There is always a threat of change in Government policies in terms of “Prohibition in consumption of Liquor” as imposed in States of Gujarat and Bihar.

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** is annexed with the Annual Accounts of the Company.

FINANCE COST

The financial charges for the year ended March 31, 2021 was Rs. 1,17,455. 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, 2021, the Reserves and Surplus in the Balance Sheet were negative at Rs (7,81,91,646) as compared to the negative balance of Rs. (8,68,62,135) during the Financial Year 2019-2020.

EARNING PER SHARE

Earnings per share of the company is 0.51 as against the negative EPS of 0.64 in the 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: 03.09.2021**

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

**Sd/-
Ashu Malik
Whole Time Director
DIN: 07998930
Address: Flat No. 1, First Floor,
Plot No.-18, Prem Homes Maya Kunj,
Avantika, Ghaziabad, Uttar Pradesh-201002**

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, 2021**, 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, 2021, 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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: 21.05.2021

UDIN: 21074126AAAFU1078

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, 2021.

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.
2. 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 made preferential allotment of shares and fully convertible warrants during the year and has complied with the provisions of Section 42 of the Companies Act, 2013 and the amount raised has been used for the purpose for which the funds were raised. Apart from this company has not made any private placement of shares nor any private placement or preferential allotment of 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: 21.05.2021

UDIN: 21074126AAAAFU1078

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, 2021 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, 2021, 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: 21.05.2021

UDIN: 21074126AAAAFU1078

SURAJ INDUSTRIES LTD
Balance sheet as at 31st March 2021

		Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
		ASSETS			
1.		Non-current assets			
	a.	Property, plant and equipment	2	30,816	30,816
	b.	Financial assets		-	-
	c.	Other non-current assets	3	3,97,74,000	-
	d.	Deferred Tax Asset	27	30,80,337	-
2.		Current assets			
	a.	Inventories		-	-
	b.	Financial assets			
	i	Trade Receivables	4	3,11,63,940	75,12,115
	ii	Cash and cash equivalents	5	17,74,143	28,343
	iii	Loans & Advances	6	2,50,000	8,79,519
	c.	Other current assets	7	10,83,602	7,94,411
		TOTAL ASSETS		7,71,56,838	92,45,204
		EQUITY AND LIABILITIES			
		Equity			
	a.	Equity Share capital	8	8,65,00,000	7,28,60,000
	b.	Other equity	9	(7,81,91,646)	(8,68,62,135)
		Liabilities			
1.		Non-current liabilities			
	a.	Financial liabilities			
	i	Borrowings		-	-
	ii	Other financial liabilities		-	-
	b.	Employee Benefit obligation	10	1,48,680	30,162
2.		Current liabilities			
	a.	Financial liabilities			
	i	Borrowings	11	3,53,23,646	1,24,47,168
	ii	Trade and other payables	12	3,16,12,704	98,45,067
	b.	Other current liabilities	13	17,63,454	9,24,942
		TOTAL EQUITY & LIABILITIES		7,71,56,838	92,45,204

The accompanying notes form an integral part of these financial statements

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

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

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

Sd/-
Sujeet Gupta
 Chief Financial Officer

Sd/-
Bhanumathy Ramchandran
 Company Secretary

Place: Delhi
 Date: 21.05.2021

UDIN: 21074126AAAFU1078

SURAJ INDUSTRIES LIMITED**Statement of Profit and Loss for the year ended on 31st March 2021**

Particulars	Note no.	For the year ended on 31st March 2021	For the year ended on 31st March 2020
Continuing Operations			
Revenue from operations	14	6,99,11,260	1,29,69,423
Other income	15	5,22,443	2,24,417
Total revenue		7,04,33,703	1,31,93,840
Expenses			
Purchase of Stock in Trade	16	6,44,23,566	1,27,30,253
Changes in inventories of finished goods, work in progress and stock-in trade		-	-
Employee benefit expense	17	23,85,061	23,29,853
Finance cost	18	1,17,455	1,62,049
Other expense	19	28,75,605	26,11,296
Total expenses		6,98,01,687	1,78,33,451
Profit/ (loss) before exceptional items		6,32,016	(46,39,611)
Exceptional items		-	-
Profit/ (loss) before tax		6,32,016	(46,39,611)
Tax expense			
a) Current Tax		-	-
b) Deferred tax	27	(30,80,337)	-
Total Tax Expense		(30,80,337)	-
Profit/ (loss) for the period		37,12,353	(46,39,611)
Other comprehensive income			
- Items that will not be reclassified to profit or loss Remeasurement of defined benefit plans		(14,364)	-
- 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)		(14,364)	-
Total comprehensive income for the period		36,97,989	(46,39,611)
Earnings per equity share (Basic & Diluted)		0.51	(0.64)

The accompanying notes form an integral part of these financial statements

1-34

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

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

Place: Delhi
Date: 21.05.2021

Sd/-
Sujeet Gupta
Chief Financial Officer

Sd/-
Bhanumathy Ramchandran
Company Secretary

SURAJ INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	For the year ended on 31st March 2021	For the year ended on 31st March 2020
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary items	6,32,016	(46,39,611)
Add: Non cash and Non operating items		
Provision for Employee Benefits	1,18,518	(1,94,255)
Less: OCI -Remeasurement of defined benefit plans	(14,364)	-
Operating Profit before Working Capital changes	7,36,170	(48,33,866)
Adjustments for:		
Loans & Advances & Other Current Assets	3,40,328	(6,26,411)
Trade Receivables	(2,36,51,825)	18,97,495
Trade Payable	2,17,67,637	31,79,555
Other Current Liabilities	8,38,512	(7,55,741)
Cash Generated from operations before extraordinary item and tax	30,822	(11,38,968)
Less: Taxes Paid	-	-
Net Cash from Operating Activities.....(A)	30,822	(11,38,968)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital Advances	(3,70,00,000)	
Earnest Money Deposit	(27,74,000)	-
Net Cash used in Investing Activities.....(B)	(3,97,74,000)	-
C) CASH FLOW FROM FINANCING ACTIVITIES		
Movement in Short Term Borrowings	2,28,76,478	10,40,844
Shares Issued during the year	1,36,40,000	
Share Warrant Application Money Recd	49,72,500	
Net Cash received in financing Activities.....(C)	4,14,88,978	10,40,844
D) NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	17,45,800	(98,124)
Cash & Cash Equivalents as at beginning of year	28,343	1,26,467
Cash & Cash Equivalents as at end of year	17,74,143	28,343

The accompanying notes form an integral part of these financial statements

1-34

(I) Figures in brackets represent deductions and outflows

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

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

Place: Delhi
Date: 21.05.2021

Sd/-
Sujeet Gupta
Chief Financial Officer

Sd/-
Bhanumathy Ramchandran
Company Secretary

SURAJ INDUSTRIES LIMITED**Statement of changes in equity for the period ended on 31st March 2021****A. Equity share capital****(Rs. INR)****Balance at 1 April 2020****7,28,60,000**

Add: Equity shares issued during the year

1,36,40,000

Balance at 31 March 2021**8,65,00,000****B. Other Equity****(Rs. INR)**

	Note No.	Reserve and Surplus		Equity Component of other financial instruments (share warrants)	Other Comprehensive Income (Actuarial Gain/Losses)	Total
		Capital Reserve	Retained Earnings			
Balance at 1st April 2020		2,31,68,507	(11,00,30,642)	-	-	(8,68,62,135)
Profit for the year		-	37,12,353	-	-	37,12,353
Actuarial Gain/Losses		-	-	-	(14,364)	(14,364)
Share warrants issued during the year		-	-	49,72,500	-	49,72,500
Balances as at 31st March 2021		2,31,68,507	(10,63,18,289)	49,72,500	(14,364)	(7,81,91,646)

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

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

Place: Delhi
Date: 21.05.2021

Sd/-
Sujeet Gupta
Chief Financial Officer

Sd/-
Bhanumathy Ramchandran
Company Secretary

SURAJ INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH
2021

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 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 21.05.2021

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

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
2021

Note: 2**Property, Plant and Equipment - As at 31 March 2021**

(in Lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 31.03.2020	Additions	Disposals/ adjustments	Balance as at 31.03.2021	Balance as at 31.03.2020	Charge for the year	Disposals/ adjustments	Balance as at 31.03.2021	Balance as at 31.03.2021	Balance as at 31.03.2020
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**Other Non-Current Assets**

Particulars	As at 31st March 2021	As at 31st March 2020
Capital Advances for Liquor Bottling Unit	3,70,00,000	-
Earnest Money Deposit with RSGSM	27,74,000	-
Total	3,97,74,000	-

Note: 4**Trade Receivables**

Particulars	As at 31st March 2021	As at 31st March 2020
(Unsecured & considered good, unless otherwise stated)		
Trade Receivables (age 0-6 months)	2,58,19,514	75,12,115
Trade Receivables (age more than 6 months)	53,44,426	-
Total	3,11,63,940	75,12,115

Note: 5**Cash & cash equivalents**

Particulars	As at 31st March 2021	As at 31st March 2020
Balance with banks in Current Accounts	16,63,437	18,200
Cash in Hand	1,10,706	10,143
Total	17,74,143	28,343

Note: 6
Loans & Advances

Particulars	As at 31st March 2021	As at 31st March 2020
Other advances (Unsecured, considered good)	2,50,000	8,79,519
Total	2,50,000	8,79,519

Note: 7
Other Current Assets

Particulars	As at 31st March 2021	As at 31st March 2020
TDS/TCS Receivable	41,590	-
GST Receivable	6,30,668	3,82,767
MAT Credit	4,11,344	4,11,644
Total	10,83,602	7,94,411

Note 8
Equity share capital

Equity share capital	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised (Equity shares of Rs.10 each)	1,50,00,000	15,00,00,000	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
Balance at the beginning of the year				
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>	13,64,000	1,36,40,000		
Less: Partly paid shares forfeited	0	0	0	0
Balance at the end of the year	86,50,000	8,65,00,000	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 2021		As at 31 March 2020	
	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*	13,64,000	1,36,40,000	-	-
Less: Partly paid shares forfeited	-	-	-	-
Closing Balance	86,50,000	8,65,00,000	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 2021		As at 31 March 2020	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Equity shares of Rs.10 each fully paid				
Suraj Gupta	40,39,030	46.69 %	26,75,030	36.71%
Delhi Liquors Ltd	5,62,500	6.50%	5,62,500	7.72%
Seema Kukreja	3,74,800	4.33%	3,74,800	5.14%

Other Equity**Note 9**

Particulars	As at 31 March 2021	As at 31 March 2020
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	(11,00,30,642)	(10,53,91,031)
Net Profit/(Net Loss) for the current year	37,12,353	(46,39,611)
Closing Balance	(10,63,18,289)	(11,00,30,642)
Equity Component of other financial instruments (share warrants)		
Opening Balance	-	-
Share Warrants issued during the year	49,72,500	-
Closing Balance	49,72,500	-
Other Comprehensive Income		
Actuarial Gain/Losses		
Opening Balance	-	-
Add: Actuarial Gain/ (Loss) for the year on PBO	(14,364)	-
Closing Balance	(14,364)	
Total	(7,81,91,646)	(86862135)

Non-current Liabilities**Note: 10****Employee Benefit Obligation**

Particulars	As at	As at
	31st March 2021	31st March 2020
i) Gratuity	1,48,680	30,162
Total	1,48,680	30,162

Financial Liabilities (Current)**Note: 11**

Short Term Borrowings

Particulars	As at	As at
	31st March 2021	31st March 2020
Unsecured Loans		
- From Bodies Corporate	1,62,15,000	1,22,70,000
- From Directors	1,90,00,000	-
Interest Payable	1,08,646	177168
Total	3,53,23,646	1,24,47,168

Note: 12**Trade payables**

Particulars	As at	As at
	31st March 2021	31st March 2020
Due to MSME Enterprises		
- Overdue payment	49,06,634	88,80,847
- Interest on Overdue payment	7,55,829	
- Others	6,68,531	
- Due to other than MSME Enterprises	2,52,81,710	9,64,220
Total	3,16,12,704	98,45,067

Note: 13**Other Current Liabilities**

Particulars	As at	As at
	31st March 2021	31st March 2020
Advance from Customers	-	2,38,000
Accrued Salary & Benefits	10,99,469	4,66,254
Expenses Payable	2,98,160	2,01,500
Statutory Liabilities	3,65,825	19,188
Total	17,63,454	9,24,942

Note: 14**Revenue from operations**

Particulars	For year ended	For year ended
	31st March 2021	31st March 2020
Sale of Products:		
Empty glass bottles & Other Products	93,13,510	1,29,69,423
Edible Oils	6,05,97,750	-
Total	6,99,11,260	1,29,69,423

Note: 15**Other Income**

Particulars	For year ended	For year ended
	31st March 2021	31st March 2020
Unclaimed Balances written off	5,22,443	2,24,417
Total	5,22,443	2,24,417

Note: 16**Purchase of Stock in Trade**

Particulars	For year ended	For year ended
	31st March 2021	31st March 2020
Empty glass bottles & Other Products	91,65,101	1,27,30,253
Edible Oils	5,52,58,465	-
Total	6,44,23,566	1,27,30,253

Note: 17**Employee benefit expense**

Particulars	For year ended	For year ended
	31st March 2021	31st March 2020
Salaries, Wages and Incentives	22,78,000	22,65,045
Provision for Long term employees benefits	1,07,061	64,808
Total	23,85,061	23,29,853

Note: 18**Finance Cost**

Particulars	For year ended	For year ended
	31st March 2021	31st March 2020
Interest on unsecured loan	1,17,455	1,62,049
Total	1,17,455	1,62,049

Note: 19**Other Expenses**

Particulars	For year ended	For year ended
	31st March 2021	31st March 2020
Fee & Taxes	9,47,449	4,16,427
Trading Resumption Fees paid to BSE Ltd	-	12,50,000
Legal & Professional Expenses	8,62,500	1,63,412

Postage Expenses	-	2,68,634
Advertisement	83,280	41,600
<u>Auditors Remuneration</u>		
- Statutory Audit Fees	12,500	12,500
- Internal Audit Fees	10,000	10,000
Interest payable to MSME Units	7,55,829	-
Other Expenses	2,04,047	4,48,723
Total	28,75,605	26,11,296

20 Contingent Liabilities and commitments:

I. Contingent Liabilities:

(Rs. In Lacs)

	2020-21	2019-20
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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21 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.

22 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	
		2020-21	2019-20
i)	Change in benefit obligation		
a)	Present value of obligation as at the beginning of the period	64,808	--
b)	Acquisition adjustment	--	--
c)	Interest cost	4,225	--
d)	Past service cost	--	49,648
e)	Current service cost	1,02,836	15,160
f)	Curtailment cost/(Credit)	--	--
g)	Settlement cost/(Credit)	--	--
h)	Benefits paid	--	--
i)	Actuarial (gain)/loss on obligation	14,364	--
j)	Present value of obligation as at the end of period	1,86,233	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	(1,86,233)	(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	(14,364)	--
b)	Actuarial (gain) / loss for the period - plan assets	--	--
c)	Total (gain) / loss for the period	(14,364)	--
d)	Actuarial (gain) / loss recognized in the period	(14,364)	--
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	(1,86,233)	(64,808)
b)	Fair value of plan assets as at the end of the period	--	--
c)	Funded status / Difference	1,21,425	64,808
d)	Excess of actual over estimated	--	--
e)	Unrecognized actuarial (gains) / losses	--	--
f)	Net asset / (liability) recognized in balance sheet	(1,86,233)	(64,808)
	As Current Liability (amount due within one year)	(37,553)	(34,646)
	As Non Current Liability (amount due over one year)	(1,48,680)	(30,162)
vi)	Expense recognized in the statement of profit and loss		
a)	Current service cost	1,02,836	15,160
b)	Past service cost	--	49,648
c)	Interest cost	4,225	--
d)	Expected return on plan assets	--	--
e)	Curtailement cost / (Credit)	--	--
f)	Settlement cost / (credit)	--	--
g)	Net actuarial (gain) / loss recognized in the period	--	--
h)	Expenses recognized in the statement of profit & losses	1,07,061	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	(1,86,233)	(64,808)
b)	Present value of obligation as at the beginning of the period	(64,808)	--
c)	Benefits paid	--	--
d)	Actual return on plan assets	--	--
e)	Actuarial gain/(loss) on PBO to be recognised in OCI	(14,364)	--
f)	Acquisition adjustment	--	--
g)	Expenses recognized in the statement of profit & losses	1,07,061	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	1,86,233	64,808
a)	Impact due to increase of 0.50%	(4,204)	(2,562)
b)	Impact due to decrease of 0.50 %	4,757	2,907
b)	Impact of the change in salary increase		
	Present Value of Obligation at the end of the period	1,86,233	64,808
a)	Impact due to increase of 0.50%	4,801	2,937
b)	Impact due to decrease of 0.50 %	(4,276)	(2,609)
ix)	Actuarial Assumptions:		--
	Particulars	2020-21	2019-20
	Mortality table	IALM (2012-14)	IALM (2012-14)
	Discount rate	6.42%	6.52%
	Expected rate of return on plan assets	N.A.	N.A.
	Rate of escalation in salary per annum	5.00%	5.00%
	Employee turnover up to 30 years	5.00%	5.00%
	Above 30 years but up to 44 years	3.00%	3.00%
	Above 44 years	2.00%	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.

24 Value of Imports on CIF Basis- Nil (Previous Year Nil)

25 Value of imported and indigenous raw materials, stores, spare parts and components consumed –Nil (Previous Year Nil)

26 The provision for the current Income Tax is not considered necessary for the financial year 2020-21 in view of the brought forward business losses and unabsorbed depreciation under the provisions of Income Tax Act, 1961.

27. Deferred Tax Asset/Liability

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Tax Asset		
Unabsorbed Depreciation & Business Loss as per Income Tax Act	30,52,439	3,495,443
Employee Benefit Obligation	37,420	7,842
Total	30,89,859	3,503,285
Deferred Tax Liability		
WDV of Fixed Assets	9,522	9,522
Total	9,522	9,522
Net Deferred Tax	30,80,337	3,493,763

28 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

- Suraj Prakash Gupta, Managing Director
- Bhanumathy Ramchandran, Company Secretary
- Sujeet Gupta, CFO

B) Transactions during the year with the Related Parties:

Transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
	Rs	Rs
Salary to Managing	18,00,000	18,99,483
Salary to Company Secretary	60,000	60,000
Salary to CFO	3,54,000	3,05,562
	Balance as on 31 March 2021	Balance as on 31 March 2020
Unsecured Loan received		
Suraj Prakash Gupta	1,90,00,000	--

29 BASIC AND DILUTED EARNING PER SHARE

The Basic and Diluted Earning Per Share has

Particulars	As at 31.03.2021 (Rs)	As at 31.03.2020 (Rs)
Net Profit after tax available for equity shareholders	36,97,989	(46,39,611)
No. of weighted average equity shares (Basic & Diluted)	73,08,422	72,86,000
BASIC & DILUTED EARNING PER SHARE (Rs.)		

Basic (Rs.)	0.51	(0.64)
Diluted (Rs.)	0.51	(0.64)

30 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)

	As at 31 March 2021	As at 31 March 2020
Categories of financial instruments Financial and other financial assets		
Measured at amortised cost		
Cash and bank balances	1774143	28343
Trade Receivables	31163940	7512115
Loans & Advances	250000	879519
Other Current assets	1083602	794411
Other Non Current assets	39774000	--
Total	74045685	1702273
Financial liabilities		
Measured at amortised cost		
Borrowings- Current	35323646	12447168
Trade payables	31612704	9845067
Total	66936350	22292235

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

- 31 Operating Lease:** There is no Operating Lease exists.
- 32 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.
- 33** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

34 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

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

Place: Delhi
Date: 21.05.2021

For and on the Behalf of Board of Directors

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

Sd/-
Sujeet Gupta
Chief Financial Officer

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

Sd/-
Bhanumathy Ramchandran
Company Secretary