

27<sup>th</sup>  
ANNUAL REPORT  
2018 - 2019

***SURAJ INDUSTRIES LTD***

CIN : L26943HP1992PLC016791

## CORPORATE INFORMATION

<b>Chairman and Whole Time Director</b>	Mr. Atul Jain
<b>Non-Executive Non Independent Director</b>	Mrs. Shuchi Bahl
<b>Non-Executive Non Independent Director</b>	Shri. Syed Azizur Rahman
<b>Non-Executive Independent Director</b>	Shri. Surendra Mohan Sikka
<b>Non-Executive Independent Director</b>	Shri. Nazir Baig
<b>Chief financial officer</b>	Mr. Atul Rastogi
<b>Company Secretary &amp; Compliance Officer</b>	Mrs. Bhanumathy Ramachandran
<b>Banker</b>	Punjab National Bank
<b>Auditor</b>	M/s Satendra Rawat & Co, Chartered Accountants
<b>Secretarial Auditor</b>	Monika Kohli & Associates Practicing Company Secretaries
<b>Registered Office</b>	Plot No. 2, Phase III Sansarpur Terrace, Distt. Kangra, Himachal Pradesh, 173212 Contact No-01970-256414
<b>Corporate Office</b>	F-32/3, First Floor, Okhla Industrial Area, Phase – II, New Delhi-110020 Contact No-011-42524455
<b>Share Transfer Agent</b>	Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3 <sup>rd</sup> Floor, 99, Madangir, New Delhi-110062 Contact No-011-29961281/82

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## **NOTICE**

Notice is hereby given that the Twenty Seventh Annual General Meeting (AGM) of the members of **M/s Suraj Industries Ltd** will be held on Saturday, July 27, 2019 at 2.00 P.M. at the Registered Office of the Company at 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 31<sup>st</sup> March, 2019 and 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 Sections 196, 197, 198, 203 read with Schedule V, the Companies (Meeting of Board and its Powers) 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) , the consent of the members be and is hereby accorded for the re-appointment of Mr. Atul Jain, as Whole-Time Director of the Company, designated as Key Managerial Personnel at a remuneration of Rs. 200,000/- per month (Rupees Two Lac) for a period of One (1) year effective from May 29, 2019.

**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** in the absence or inadequacy of profits in any financial year during the currency of tenure of Whole Time Director, the remuneration payable to the Whole Time Director shall not exceed the maximum limit prescribed under Section II Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution.

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

**“RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 100 Crores (Rupees One Hundred Crore only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors (or a Committee thereof constituted for this purpose) be and are hereby authorized to negotiate and finalize all the terms and conditions etc. as it may consider fit in the interest of the company and to execute all agreements, deeds, undertakings, etc. and to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, necessary, desirable or expedient for giving effect to this Resolution.”

### **NOTES:**

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

**THE INSTRUMENT APPOINTING THE PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED HERewith.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013 read with Rule 19 of Companies (Management

and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percentage of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by Member holding more than 10 (ten) percentage of the total share capital the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.

Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

During the period beginning 24 hours before the time fixed for the commencement of meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company. Provided not less than 3 days' notice in writing of the intention so to inspect is given to the Company

- b) 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 requested to intimate such changes to the Company or Beetal Financial and Computer Services Private Limited.
- c) 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 Beetal Financial and Computer Services Private Limited for further assistance.
- d) In case joint holders are attending the meeting, the Member whose name appears as First holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- e) Members/ Proxies should fill the Attendance Slip for attending the meeting and bring their Attendance Slip along with their copy of the annual report to the meeting.
- f) The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special businesses set out in Item No 3 and 4 is annexed hereto.
- g) All documents referred to in the notice are open for inspection at the registered office of the Company during business hours on the working days upto the date of the meeting and will also be available at the meeting venue on the date of the meeting.
- h) The Company has a dedicated E-mail address [secretarial@surajindustries.org](mailto: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](http://www.surajindustries.org) has a dedicated section on Investors.
- i) The Securities and Exchange Board of India (SEBI) vide Circular (SEBI/HO/MIRSD/DOP1/CIR/P/2018/73) dated April 20, 2018 has mandated the submission of Permanent Account Number (PAN) and Bank details by every participant in securities market. Members holding shares in electronic form are mandatorily required to submit their PAN and Bank details to their depository participants with whom they are maintaining their D-mat accounts. Members holding shares in physical form can submit their PAN and Bank details to the Company/ RTA. Shareholders who have not updated their details are requested to send their PAN and Bank details in terms of the above said SEBI Circulars.
- j) Member(s) who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices etc. from the Company electronically.
- k) Member(s) may also note that the Notice of the Meeting and the Annual Report for the Financial Year 2018-19 will also be available on the Company's website [www.surajindustries.org](http://www.surajindustries.org) for download.
- l) 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.
- m) As per Section 118 (10) of the Companies Act, 2013 read with Secretarial Standards for general meeting issued by the Institute of Company Secretaries of India **"No gifts, gift coupons or cash in lieu of gifts shall be distributed to members at or in connection with the meeting"**.
- n) 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.
- o) Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain closed from Monday, July 22 2019 to Saturday, July 27 2019 (both days inclusive)

#### **Voting Options:**

The business set out in the Notice of the AGM may be transacted through electronic voting system from a place other than the venue of the meeting (remote e-voting) or through Polling Paper at the AGM. Information relating to e-Voting facility and voting at the AGM is given below:

**(1) Voting through electronic means**

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2016 and **Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015**, the Company is pleased to provide facility to the members to exercise their right to vote on resolutions proposed to be considered at AGM by electronic means and the items of business given in the Notice of the AGM may be transacted through e-Voting Services. 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).
- II. The facility for voting through poll shall be made available at the meeting and the member(s) attending the meeting who have not cast their vote by remote e-voting shall be entitled to cast their vote at the meeting through poll. **No voting by show of hands will be allowed at the Meeting.**
- III. Members who have cast their vote by remote e-Voting prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences at 10:00 A.M on July 24, 2019 and ends at 5:00 P.M on July 26, 2019 during this period members of the Company holding shares either in physical form or in dematerialized form, as on the Cut-off date July 20, 2019 ("**Cutoff date**"), may cast their vote by remote e-Voting. No remote e-Voting shall be allowed beyond the aforesaid date and time and remote e-Voting module shall be disabled by CDSL upon expiry of aforesaid period. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The instructions for remote e-Voting are as under:

**A. In case of members receiving an e-mail from CDSL**

- i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- ii. Click on "Shareholders" tab.
- iii. Now enter your User ID;
  - a) For CDSL: 16 digits beneficiary ID
  - b) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a **first time user** follow the steps given below:

**For members holding shares in Demat Form and Physical Forms**

<b>PAN*</b>	<b>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</b> - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<b>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.</b> 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).

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. 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.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- x. Click on the EVSN of Suraj Industries Ltd which is 190613005**
- xi.** 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.
- xii.** Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- xiii.** 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.
- xiv.** Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- xv.** You can also take out print of the voting cast by clicking on “Click here to print” option on the Voting page.
- xvi.** 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.
- xvii.** Note for –Non Individual Shareholders and Custodians:
- Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned certified true copy of the Board Resolution /Power of Attorney (POA)/Authority letter etc. which they have issued in favor of the Custodian, if any should be uploaded in PDF format in the system for the scrutinizer to email at [csscrutinizer@gmail.com](mailto:csscrutinizer@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) to verify the same.
- xvii.** In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xviii.** Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**B. In case of members receiving physical copies of the Notice of the AGM**

- (1) (i) Initial Password, along with User ID and EVSN is provided at the bottom of Attendance Slip.  
(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xvi) above to cast vote.
- (2) **Voting at AGM**
- (3) The members who have not cast their vote by remote e-Voting can exercise their voting rights at the AGM via polling papers. The Company will make arrangements of Polling Papers in this regard at the AGM venue.
- (4) **Other Instructions**
- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-Voting user manual for Shareholders available at the Downloads section of [www.evoting.cdsl.com](http://www.evoting.cdsl.com) or call at toll free no.: 1800225533.
  - II. If you are already registered with CSDL for remote e-Voting, you can use your existing User ID and Password for casting your vote.
  - III. You can also update your mobile number and Email ID in the user profile details of the folio which may be used for sending future communication(s).
  - IV. Voting rights (for voting through remote e-Voting as well as Polling Paper) shall be reckoned on the paid up value of the shares registered in the name of the members of the Company as on Cut-off date i.e. July 20, 2019.
  - V. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of the AGM and holding shares as of the Cut-off date i.e. July 20, 2019 may obtain the User ID



and Password by sending a request (along with Name, Folio No./ DP ID & Client ID, as the case may be and shareholding) at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).or RTA at [beetalrta@gmail.com](mailto:beetalrta@gmail.com)

However, if you are already registered with CDSL for remote e-Voting then you can use your existing User ID and Password for casting your vote. If you forgot your Password, you can reset your Password by using "Forgot User Details / Password" option available on [www.evoting.cdsl.com](http://www.evoting.cdsl.com) or contact **CDSL on toll free no.: 1800225533**.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [tohelpdesk.evoting@cdslindia.com](mailto:tohelpdesk.evoting@cdslindia.com).

- VI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM through Polling Paper. A person who is not a member as on the Cut-off date should treat this Notice for information purpose only.
  - VII. Mr. Deepak Kukreja, a Practicing Company Secretary (FCS No. 4140, C.P. No.: 8265) Partner, DMK Associates, Company Secretaries, has been appointed as "Scrutinizer" to scrutinize the remote e-Voting and Poll 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.
  - VIII. The Chairman shall at the AGM , at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of Polling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
  - IX. The poll process shall be conducted and a report thereon shall be prepared in accordance with the provisions of the Companies Act, 2013 read with the relevant rules made thereunder. In such an event, votes cast under Poll taken together with the votes cast through remote e-voting shall be counted for the purpose of passing of resolution(s).
  - X. The Scrutinizer, after scrutinizing the votes cast at the AGM and through remote e-Voting, will, not later than forty eight (48) hours of conclusion of the AGM, make a consolidated Scrutinizer's Report and submit the same to the Chairman or a person authorised by him in writing.
  - XI. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.surajindustries.org](http://www.surajindustries.org) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him and the results shall also be communicated to the Stock Exchange where your company is listed. The results shall be displayed at the Registered Office at Plot No. 2, Phase-III, Sansarpur Terrace, Distt. Kangra, Himachal Pradesh-173212.
  - XII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed at the 27<sup>th</sup> AGM scheduled to be held on Saturday July 27, 2019.
- o) The route map of the venue for the Annual General Meeting is attached herewith.
- p) The relevant details of Directors proposed to be appointed/ reappointed, as required under Reg. 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards-2 on General Meetings are also annexed as **Annexure-A**.

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

**Place : New Delhi  
Dated : 20.06.2019**

**Sd/-  
Bhanumati Ramchandran  
Company secretary  
Membership No.: ACS 9145**

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

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

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



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

The Board of Directors at their meeting held on May 30, 2019, re-appointed Mr. Atul Jain as Whole Time Director of the Company for a term of One(1) year effective from May 29, 2019 to May 28, 2020, based on the recommendation of the Nomination and Remuneration Committee of the Board and subject to the approval by the Shareholders of the Company.

Mr. Atul Jain holds a Bachelor of engineering (Chemicals) degree from Manipal Institute of Technology. He is a qualified Chemical Engineer and has 29 years of rich experience. He has already taken steps to re-commence the business activity of the Company and in exploring new business avenues as well. Taking into consideration his rich profile and in view of the increased responsibility, the Board proposed the re-appoint Mr. Atul Jain as Whole Time Director of the Company subject to requisite approval.

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

Pursuant to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year during the currency of the tenure of the Whole Time Director, the Company has Nil Profits or the Profits are inadequate, the Whole Time Directors shall be paid remuneration as mentioned herewith.

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

**I. GENERAL INFORMATION**

(1)	Nature of Industry	Suraj Industries Ltd.
(2)	Date or expected date of commencement of commercial production	Company is already engaged in trading of empty glass bottles and other products.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable (As the Company is already in operation)
(4)	Foreign investments or collaborators, if any	Nil
(5)	Financial performance of the Company for the last 3 years is given below:	

Particulars	Financial Year Ended		
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018
	(Amount in Rs.)		
Revenue	-	3,15,536	85,29,027
Other Income	-	-	18,54,021
Total Income	-	3,15,536	10383,048
Total Expenditure	15,00,831	15,44,884	76,59,595
Profit (Loss) before Tax	(15,00,831)	(12,29,348)	27,23,453
<b>Profit/Loss after tax and adjustments</b>	<b>(15,00,831)</b>	<b>(12,29,348)</b>	<b>27,23,453</b>

**II. INFORMATION ABOUT THE APPOINTEE****MR. ATUL JAIN AS WHOLE TIME DIRECTOR**

(1)	Background Details	Mr. Atul Jain is Chemical Engineer by qualification.
(2)	Past Remuneration	2,00,000
(3)	Recognition or Awards	--
(4)	Job Profile and his suitability	He has 29 years of experience in industrial and service sector.
(5)	Remuneration Proposed	Rs. 2,00,000/- per month
(6)	Comparative remuneration profile w.r.t industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t to the country of his origin)	The comparative remuneration ranges from Rs 1 Lac per month to Rs 3 Lacs per month based on the information available in public domain.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	He has no pecuniary relationship, directly or indirectly with the Company, or relationship with the Managerial Personnel.

**III. OTHER INFORMATION**

(1)	Reason for loss or inadequate profits	The Company has earned profits during the last financial year.
(2)	Steps taken or proposed to be taken for improvement	The company is exploring various business avenues for which Mr Atul Jain has been appointed as a Whole Time Director. He would evaluate these business proposals and implement them.
(3)	Expected increase in productivity and profits in measurable terms	At present it is difficult to estimate the same.

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

None of the Directors, key managerial persons or their relatives in any way are concerned or interested in this resolution except to the extent of their shareholding.

Necessary documents in this regard are available for inspection by the members at the registered office of the company during the business hours on any working day upto the date of Annual General Meeting.

**ITEM No. 4**

The Company is exploring avenues for making investments/giving loans to other bodies corporate and persons having good business potential in the beneficial interest of the Company.

Pursuant to the provisions of section 186 of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account. Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained for increasing the limit for making inter-corporate investments/loans/guarantee or providing any security upto a sum of Rs. 100 Crore (Rupees One Hundred Crores Only).

Your Directors therefore, recommend the Special Resolution for approval of the shareholders.

None of the Directors, Manager, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

Necessary documents in this regard are available for inspection by the members at the registered office of the company during the business hours on any working day.

**Place** : New Delhi  
**Dated** : 20.06.2019

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

**Sd/-  
Bhanumati Ramchandran  
Company secretary  
Membership No.: ACS 9145**

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

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

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

**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&amp;3

S.No.	Particulars	Name of Directors	
		Mrs. Syed Azizur Rahman	Mr. Atul Jain
1.	DIN No.	00242790	00479852
2.	Date of Birth	15 <sup>th</sup> October, 1962	11 <sup>th</sup> December, 1967
3.	Age	56 Years	51 Years
4.	Date of Appointment on the Board	30 <sup>th</sup> October 2015	29 <sup>th</sup> May, 2018
5.	Experience in specific functional area	He has more than 30 years of experience in manufacturing inclusive of 19 years as Unit Head/Business head.	He has 29 Years of experience working in diverse industries
6.	No. of equity shares held in the Company (as on 31st March, 2019)	100	-
7.	Qualifications	Mechanical Engineer	Chemical Engineer
8.	List of other Directorships	<ul style="list-style-type: none"> <li>• Shri Gang Industries and Allied Products Limited</li> <li>• Gold Coin Marketing Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• LV Global Private Limited</li> <li>• Makhan Chor Portfolios Private Limited</li> <li>• Millenium Breweries and Allied Products Limited</li> <li>• Cybersys Infotech Limited</li> </ul>
9.	Membership/Chairman of Committees of the other Companies	<u>Shri Gang Industries and Allied Products Limited</u> <ul style="list-style-type: none"> <li>• Audit Committee- Member</li> <li>• Stakeholders Relationship Committee- Member</li> </ul>	-
10.	Relationships, between Directors inter se	No	No
11.	Number of Board Meeting attended during the year	5	4

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

**Place : New Delhi  
Dated : 20.06.2019**

**Sd/-  
Bhanumati Ramchandran  
Company secretary  
Membership No.: ACS 9145**

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

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

**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 27<sup>th</sup> Annual Report along with the Audited Statement of Accounts for the Financial Year ended March 31, 2019.

### FINANCIAL RESULTS OF THE COMPANY

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

(in Rs.)

	<b>2018-2019</b>	<b>2017-2018</b>
Income	<b>1,03,83,048</b>	<b>3,15,536</b>
Net Profit (Loss) before extraordinary items and tax	<b>27,23,453</b>	<b>(12,29,348)</b>
<b>Provision for Taxation</b>	-	-
Income Tax	-	-
Net Profit/(Loss) after tax for the year	<b>27,23,453</b>	<b>(12,29,348)</b>
Additional Depreciation as per Schedule II of Companies Act, 2013 charged against reserves.	-	-
Profit/ (Loss) Brought Forward	<b>(10,81,14,484)</b>	<b>(10,68,85,136)</b>
Net Profit/ (Net Loss) Carried to Balance Sheet	<b>(10,53,91,031)</b>	<b>(10,81,14,484)</b>

### PERFORMANCE OF BUSINESS:

During the financial year 2018-19, the Company has earned a Profit of **Rs. 27,23,453/-** (Rupees Twenty Seven Lacs Twenty Three Thousand Four Hundred Fifty Three Only) as compared to loss of **Rs. 12,29,348/-** (Rupees Twelve Lacs Twenty Nine Thousand Three Hundred Forty Eight Only) in the last year.

### STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review, the company scaled up its business in trading of Empty glass bottles and other products. The company is exploring various business avenues to scale up its operations which can give it steady returns in the long run.

### DIVIDEND

Due to the present financial position, your Directors are unable to recommend any dividend for the year under review.

### AMOUNT TRANSFERRED TO RESERVES

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Narendra Singh Bisht (01881694), Independent Director of the Company resigned on 13<sup>th</sup> July, 2018 due to pre-occupation as he was unable to devote his time to the affairs of the Company.

Pursuant to the provision of Sections 161(1) of Companies Act, 2013, Mr. Atul Jain was appointed as Additional Director of the Company w.e.f. May 29, 2018. Later on, He was designated as Whole Time Director of the Company as per the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act with the approval of Shareholders in their meeting held on September 27, 2018 for a period of One year.

Pursuant to the provisions of section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Syed Azizur Rahman (DIN: 00242790), Director of the Company, is liable to retire by rotation and being eligible, offer himself for re-appointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM.

Pursuant to the provision of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act, the Board of Directors at its meeting held on 30<sup>th</sup> May, 2019 has re-appointed Mr. Atul Jain as Whole Time Director of the Company subject to the approval of the members with effect from May 29, 2019.

The Board of Directors at its meeting held on April 27, 2019 has appointed Mr. Atul Rastogi, Chief Financial Officer of the Company in pursuance of the provisions of 203 of Companies Act, 2013, in place of Mr. Sujeet Gupta, Chief Financial Officer of the Company who has resigned on April 20, 2019.

### DIRECTORS RESPONSIBILITY STATEMENT

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

- i) In the preparation of the Annual Accounts for the year ended March 31, 2019, 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, 2019 and of the profit of the Company for the Financial year ended March 31, 2019.
- 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) The annual accounts have been prepared on a 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**

The details of the Audit Committee including its composition and terms of reference are mentioned in the Corporate Governance Report which forms part of the Directors' Report.

The Board, during the year under review, had accepted all the recommendations made to it by the Audit Committee.

## **AUDITORS**

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

## **AUDIT REPORT**

The Auditors Report given by Auditors on the Financial Statement of the Company has no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

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

## **SECRETARIAL AUDITOR**

Pursuant to provisions of section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company had appointed Ms. Monika Kohli, Company Secretary in Practice to undertake the Secretarial Audit of the Company for financial year 2018-19.

## **SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report in prescribed form MR-3 for Financial Year 2018-19 forms part of the Annual Report as "**Annexure A**" to the Directors' Report.

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

### **Secretarial Auditors Remark – 1**

*In terms of Section 203 of the Companies Act, 2013, the company had appointed as Mr. Atul Jain as a Whole Time Director of the Company w.e.f. May 29, 2018.*

## **Board's Reply**

The Management had series of discussion with the few persons to fill the post of the Whole Time Director and thereafter on the recommendation of Nomination & Remuneration Committee, Mr. Atul Jain was appointed as Whole Time Director of the Company with effect from May 29, 2018 and accordingly the company has complied the provisions of Section 203 of the Act, 2013.

### **Secretarial Auditors Remark – 2**

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

## **Board's Reply**

The Company had made request to all the shareholders including Promoter and Promoter Group through notice of last Annual General Meeting asking to dematerialize their shares. Similar request to all shareholders including Promoter and Promoter Group is being made in the notice of ensuing Annual General Meeting which is being sent to all the shareholders. The promoter's Shareholding upto the extent of 90.83% has already been dematerialized. The Management has been following up with the Promoter and Promoter Group to get their shares dematerialized to make the Company compliant as per LODR.

### **Secretarial Auditors Remark – 3**

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

- a) Pursuant to Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 *the Company was having two Independent Directors instead of three with effect from May 29, 2018 to March 31, 2019, not being 50% Independent Directors in case the company is not having any regular non-executive Chairman.*

## **Board's Reply**

The Management is in the process of re-constituting the Board of the Company in order to have the optimum combination of Directors and its Committee(s) to comply with the provisions of the SEBI (LODR) Regulations, 2015, although this proviso is not applicable on the Company

## **EXTRACT OF THE ANNUAL RETURN**

Pursuant to the provisions of section 92(3) of the Companies



Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form MGT 9 is enclosed as **Annexure-B** to this Directors' Report and also available on the website of the Company at <http://www.surajindustries.org>".

### **SHARE CAPITAL**

The paid up capital as on March 31, 2019 is Rs.7,28,60,000/-. There is no change in the issued & subscribed capital of the Company during the year.

### **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, 2019.

### **DETAILS OF SUBSIDIARIES/ JOINT VENTURE AND ASSOCIATES COMPANY**

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

### **NUMBER OF BOARD MEETING**

During the financial year 2018-19, five Board meetings were held. The intervening gap between any two meetings did not exceed 120 days, as prescribed under Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of all the Board held are given in the Corporate Governance Report.

### **CORPORATE GOVERNANCE DISCLOSURES**

As a responsible corporate citizen, the Company is committed to maintain the highest standards of Corporate Governance and believes in adhering to the best corporate practices prevalent globally.

A detailed report on Corporate Governance is attached as **Annexure "C"**. A certificate from a Practising Company Secretary confirming:

a) compliance with the conditions of Corporate Governance, as stipulated in **Regulation 34(3) read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**, and

b) a Certificate from Practising Company Secretary certifying that None of the Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company pursuant to **Regulation 34(3) read with Schedule V Para C clause (10)(i) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**, is attached to the Corporate Governance Report.

Your Company gives due emphasis on the adaptability to such procedures so as to ensure transparency, accountability & integrity in all respect.

### **CODE OF CONDUCT**

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and

adopted a code of conduct. The code is applicable to the members of the Board and all employees of the Company.

The Board Members have affirmed compliance with the Code of Conduct for the year ended March 31, 2019. Further, the Code of Conduct is also available on our website <http://www.surajindustries.org>

### **PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE**

The company is not required to form "Internal Complaint Committee" under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as the Company had only three employees during the period under review.

### **DECLARATION BY INDEPENDENT DIRECTOR(S)**

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

### **MEETING OF INDEPENDENT DIRECTORS**

In terms of requirements under Schedule IV of the Companies Act, 2013 and **Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, a separate meeting of the Independent Directors was held on March 29, 2019.

The Independent Directors at the meeting reviewed the following:-

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

### **COMMITTEE**

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

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

The details of composition and terms of reference of these committees are mentioned in the Corporate Governance Report annexed to this Directors' Report.

**NOMINATION & REMUNERATION POLICY**

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

The details of the policy are mentioned in Corporate Governance Report. 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 2018-19 in terms of Chapter V of the Companies Act, 2013. Further, the Company is not having any unpaid or unclaimed deposits at the end of the Financial Year.

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

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

**RISK MANAGEMENT**

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

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the annual evaluation of performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees and Stakeholder Relationship

Committee has been made. The evaluation was carried out on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its shareholders etc.

The Directors expressed their satisfaction with the evaluation process.

**THE CHANGE IN THE NATURE OF BUSINESS, IF ANY**

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

**SIGNIFICANT AND MATERIAL ORDERS**

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. However, the Company has received In-principle approval from BSE Limited for Revocation of Suspension in trading of equity shares of the Company vide its letter no. LIST/COMP/SK/665/2018-19 dated July 11, 2018 which is valid for One Year i.e. upto July 10, 2019 subject to submission of certain documents and fees. The Company has already paid the requisite fees and is in the process of submitting the required documents.

**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 2018-19

**PARTICULARS OF MANAGERIAL REMUNERATION AND EMPLOYEES****1. Disclosure in terms of Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-**

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

Sr No.	Name of Director	Category of Director	Ratio to Median Remuneration
1.	Mr. Atul Jain	Executive Director	0.88:1
2.	Mr. Narendra Singh Bisht	Non-Executive Director	Nil
3.	Mr. Surendra Mohan Sikka	Non-Executive Director	Nil
4.	Mrs. Shuchi Bahl	Non-Executive Director	Nil
5.	Mr. Nazir Baig	Non-Executive Director	Nil
6.	Mr. Syed Azizur Rahman	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. Bhanumati Ramchandran	Company Secretary	-
2.	Mr. Sujeet Kumar Gupta	Chief Financial Officer	-

- 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:
- Percentage increase in the managerial remuneration for the year: **NIL (no managerial remuneration was paid in the last financial year)**
- 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.

**1. 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 "D"**.

**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.

**MAINTENANCE OF COST RECORDS**

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

**ACKNOWLEDGEMENTS**

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

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

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

**Place: New Delhi  
Date: 20.06.2019**

**Sd/-  
Atul Jain  
Whole Time Director  
DIN: 00479852  
Add: Flat 001, Tower 15, The Close South  
Nirvana Country Sector 50, South City- II,  
Gurgaon-122018**

Annexure-A

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

**[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 LIMITED**  
**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 LIMITED (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, 2019 (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, 2019 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, ODI and ECB was taken 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period);**
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014**(Not applicable to the Company during the Audit Period)**
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period) ;**
- g) 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);**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

The Company is engaged in the trading of Empty Glass bottles and other products. Further as per the information provided 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;
- 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.
- c) 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. *In terms of Section 203 of the Companies Act, 2013, the company had appointed Mr. Atul Jain as a Whole Time Director of the Company w.e.f. May 29, 2018.*

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

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

(a) Pursuant to Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 *the Company was having two Independent Directors instead of three with effect from May 29, 2018 to March 31, 2019, not being 50% Independent Directors in case the company is not having any regular non-executive Chairman*

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 except the observations made above.
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting in compliance of the Act.

3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings.

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

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

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

- a. *The Company has received **In-principle approval from BSE Limited for Revocation of Suspension in trading of equity shares** of the company vide its letter no. LIST/COMP/ SK/665/2018-2019 dated July 11, 2018 which is valid for One Year i.e. upto July 10, 2019 subject to submission of certain documents and fees. The Company has paid the requisite fees and is in the process of submitting the required documents..*

**FOR MONIKA KOHLI & ASSOCIATES  
COMPANY SECRETARIES**

**Sd/-  
(MONIKA KHOLI)  
FCS, LL.B.  
Prop.  
CP No. 5480  
FCS No. 4936**

**Date: 20.06.2019  
Place: New Delhi**

To,  
THE MEMBERS,

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

**Sub: Our Secretarial Audit for the Financial Year ended March 31, 2019 of even date is to be read along with this letter.**

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

**FOR MONIKA KOHLI & ASSOCIATES  
COMPANY SECRETARIES**

Sd/-  
(MONIKA KHOLI)  
FCS, LL.B.  
Prop.  
CP No. 5480  
FCS No. 4936

Date: 20.06.2019  
Place: New Delhi

## Form No. MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

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

## I. REGISTRATION &amp; OTHER DETAILS:

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Empty Glass Bottles & Other Products	46909	43.72
2	Services Rendered	82990	56.28

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

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

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

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

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	NIL	2860050	2860050	39.25	2675040	185010	2860050	39.25	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	85000	85000	1.17	NIL	85000	85000	1.17	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub- total (A) (1):-</b>	NIL	2945050	2945050	40.42	2675040	270010	2945050	40.42	NIL

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(2) Foreign</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) NRIs –Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other- Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub- total (A) (2):-</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total Shareholding of Promoter A = (A)(1)+(A)(2)</b>	<b>NIL</b>	<b>2945050</b>	<b>2945050</b>	<b>40.42</b>	<b>2675040</b>	<b>270010</b>	<b>2945050</b>	<b>40.42</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	100	100	0.00	NIL	100	100	0.00	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(1):-</b>	<b>NIL</b>	<b>100</b>	<b>100</b>	<b>0.00</b>	<b>NIL</b>	<b>100</b>	<b>100</b>	<b>0.00</b>	<b>NIL</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	100	1006500	1006600	13.82	200	1006400	1006600	13.82	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7900	1951350	1959250	26.89	19400	1939350	1958750	26.88	(0.01)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	NIL	1375000	1375000	18.87	NIL	1375500	1375500	18.88	0.01
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(2):-</b>	<b>8000</b>	<b>4332850</b>	<b>4340850</b>	<b>59.58</b>	<b>19600</b>	<b>4321250</b>	<b>4340850</b>	<b>59.58</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>8000</b>	<b>4332950</b>	<b>4340950</b>	<b>59.58</b>	<b>19600</b>	<b>4321350</b>	<b>4340950</b>	<b>59.58</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>8000</b>	<b>7278000</b>	<b>7286000</b>	<b>100.00</b>	<b>2694640</b>	<b>4591360</b>	<b>7286000</b>	<b>100.00</b>	<b>NIL</b>

## ii) Shareholding of Promoter-

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

## iii) Change in Promoters' Shareholding

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

## iv) Shareholding Pattern of top ten Shareholders:

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

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



Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	350000	4.80	350000	4.80
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	350000	4.80	350000	4.80
<b>4.</b>	<b>Sanjeev Kumar</b>				
	At the beginning of the year	300000	4.12	300000	4.12
	Date wise Increase / Decrease in Shareholding during the year: Less: Transfers on 29.03.2019	-	-	300000	4.12
	At the end of the year	-	-	-	-
<b>5.</b>	<b>Sandeep Agrawal</b>				
	At the beginning of the year	235300	3.23	235300	3.23
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	235300	3.23	235300	3.23
<b>6.</b>	<b>Deepak Kukreja</b>				
	At the beginning of the year	160000	2.20	160000	2.20
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	160000	2.20	160000	2.20
<b>7.</b>	<b>Shanti Devi</b>				
	At the beginning of the year	100000	1.37	100000	1.37
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	100000	1.37	100000	1.37
<b>8.</b>	<b>Rohit Prasad</b>				
	At the beginning of the year	86300	1.18	86300	1.18
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	86300	1.18	86300	1.18
<b>9.</b>	<b>VRV Foods Limited</b>				
	At the beginning of the year	81200	1.11	81200	1.11
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	81200	1.11	81200	1.11
<b>10.</b>	<b>Ratan Lal Bansal</b>				
	At the beginning of the year	50000	0.69	50000	0.69
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	50000	0.69	50000	0.69

## v) Shareholding of Directors and Key Managerial Personnel:

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	11354000	-	11354000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>11354000</b>	-	<b>11354000</b>
<b>Change in Indebtedness during the financial year</b>	-			
* Addition	-	1406324	-	1406324
* Reduction	-	1354000	-	1354000
<b>Net Change</b>	-	<b>52324</b>	-	<b>52324</b>
<b>Indebtedness at the end of the financial year</b>	-			
i) Principal Amount	-	11375000	-	11375000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	31324	-	31324
<b>Total (i+ii+iii)</b>	-	<b>11,406,324</b>	-	<b>11,406,324</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rs.)

S. No	Particulars of remuneration	Name of MD/ WTD/Manager
		<b>Mr, Atul Jain (Whole Time Director)</b>
<b>1.</b>	<b>Gross Salary</b>	
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	20,19,355
	(b) Value of perquisites u/s 17(2) Income –Tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income Tax- Act, 1961	-
<b>2</b>	Stock option	-
<b>3</b>	Sweat Equity	-
<b>4</b>	Commission	-
	-as % of profit	-
	Others specify	-
<b>5</b>	Others, please specify	-
	<b>Total</b>	<b>20,19,355</b>

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

(In Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	60,000	2,12,445	2,72,445
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>60,000</b>	<b>2,12,445</b>	<b>2,72,445</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There are no penalties/punishment/compounding of offences under Companies Act for the year ending March 31, 2019.

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

Place: New Delhi

Date: 20.06.2019

Sd/-  
Atul Jain

Whole Time Director

DIN: 00479852

Registered office:

Plot No. 2, Phase III Sansarpur Terrace,  
Kangra, Himachal Pradesh-173212

Add: Flat 001, Tower 15, The Close South  
Nirvana Country Sector 50, South City- II,  
Gurgaon-122018

## REPORT ON CORPORATE GOVERNANCE

**“Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.”**

As per Listing Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company is not required to comply with the Requirement of Para C, D and E of Schedule V. However, your Company is voluntarily complying with the requirements of Para C, D and E of Schedule V to the extent possible as a part of its good corporate governance practice.

A good Corporate Governance is a system by which Companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the Management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor’s confidence and commitment to the Companies. Your company has been practicing the principles of Good Corporate Governance for the last many years.

The Company has a mission to provide sustainable advanced solution and service to our customers, long term partnership with its investors, maximizing value to our stakeholders, clients, suppliers and its employees.

This has been articulated through the Company’s Code of Business Conduct and Ethics, Corporate Governance guidelines, charters of various sub-committees of the Company’s Disclosure policies. These policies seek to focus on enhancement of long term stakeholder’s value without comprising on Ethical Standards and Corporate Social Responsibilities.

### 1) **COMPANY’S PHILOSOPHY**

Company’s Philosophy on Corporate Governance is founded upon a rich legacy of fair ethical and transparent Governance practices, many of which were in place even before they were mandated by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company believes in adopting best practices in the area of corporate governance and follows the principles of full transparency and accountability by providing information on various issues concerning the Company’s business and financial performance to its shareholders. The Company’s activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. The Company will continue to focus its resources, strengths and strategies to achieve growth in business.

The Board considers itself as the Trustee of its Shareholders. During the period under review, the Board continued its pursuit by adopting and monitoring of corporate strategies, prudent business plans, major risks and ensuring that the Company pursues policies and procedures to satisfy its social, legal and ethical responsibilities.

### 2) **BOARD OF DIRECTORS**

#### a) **Composition and Category of the Board**

The Composition of the Board of Directors is in conformity with the code of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on March 31, 2019 our Board comprised of Five Directors, One Executive and Four Non-Executive Directors, out of which two are Independent Directors.

Details of the Board of Directors and the Directorships/ Membership in the Board/ Board Committees, respectively of other companies (Excluding Suraj Industries Ltd) are the following:

Sl. No	Name of Directors	Category of Director	Number of shares held by directors	Relationship With Other Directors	No. of Directorship in other Companies (except Listed Companies)	No. of Committee positions held in other Companies		Directorship in listed entity (category of Directorship)
						Chairman	Member	
1.	Mr. Narendra Singh Bisht*	Non-Executive Independent Director	-	None	9	3	3	1
2.	Mr. Syed Azizur Rahman	Non-Executive Non Independent Director	100	None	1	-	2	1
3.	Ms. Shuchi Bahl	Non-Executive Non Independent Director	185000	None	2	-	1	1

Sl. No	Name of Directors	Category of Director	Number of shares held by directors	Relationship With Other Directors	No. of Directorship in other Companies (except Listed Companies)	No. of Committee positions held in other Companies		Directorship in listed entity (category of Directorship)
						Chairman	Member	
4.	Mr. Nazir Baig	Non-Executive Independent Director	100	None	2	-	-	-
5.	Mr. Surendra Mohan Sikka	Non-Executive Independent Director	-	None	2	-	3	1
6.	Mr. Atul Jain**	Executive Director	-	None	4	-	-	-

Changes in Directorship during the year:

\* Mr. Narendra Singh Bisht was Non-Executive Independent Director of the Company, who resigned on July 13, 2018. In his place Mr. Surendra Mohan Sikka was appointed as Non-Executive Independent Director w.e.f. July 13, 2018.

\*\* Mr. Atul Jain was appointed as Whole Time Director of the Company on May 29, 2018.

#### b) Meeting of Board of Directors

During the Financial Year 2018-19, Five (5) Board Meetings were held i.e on 29<sup>th</sup> May 2018, 13<sup>th</sup> July 2018, 14<sup>th</sup> August 2018, 14<sup>th</sup> November 2018, 14<sup>th</sup> February 2019 & the maximum gap between two consecutive meetings did not exceed 120 Days.

The attendance record of each Director is as under:

S. No	Name of Director	No. of Board Meeting Held	No. of Board Meeting Attended	Attendance at last Annual General Meeting held on 27 September, 2018
1.	Mr. Narendra Singh Bisht*	2	2	Yes
2.	Mr. Syed Azizur Rahman	5	5	Yes
3.	Mr. Nazir Baig	5	5	Yes
4.	Ms. ShuchiBahl	5	2	Yes
5.	Mr. Atul Jain**	4	4	No
6.	Mr. Surendra Mohan Sikka	5	4	Yes

\* Mr. Narendra Singh Bisht has resigned on 13<sup>th</sup> July 2018. During this period i.e. April 01, 2018 to July 13, 2018, Two (2) meetings were held.

\*\* Mr. Atul Jain was appointed on 29<sup>th</sup> May 2018.

None of the Directors of the Board serve as Members of neither more than 10 committees nor do they are Chairman of more than 5 committees as per regulation 26 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

#### c) Independent Director

The details of the methodology adopted by the Company for familiarizing the Independent Directors with the business and operations of the Company is uploaded on the website and can be accessed on <http://www.surajindustries.org/investor-relations.html>.

##### Familiarization Programs for Independent Directors

In compliance with the provisions of Regulation 25(7) of the SEBI Listing Regulations, 2015, All Independent Directors are familiarized about the company, through various programs from time to time, including the following:

- nature of the industry in which the company operates;
- business model of the company;
- roles, rights, responsibilities of independent directors; and
- any other relevant information.

The policy on the familiarization program for Independent Directors has been uploaded on the Company's website at the <http://www.surajindustries.org/investor-relations.html>.

**d) Non-Executive Directors' compensation and disclosures**

No remuneration or sitting fees has been paid to the Non-Executive Directors. No stock options were granted to Non-Executive Directors or Independent Directors during the year under review.

During the year, Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company which has potential conflict with the interest of the Company at large, other than holding shares of the Company.

**e) The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:**

<b>Name of Directors</b>	<b>Designation</b>	<b>Area of Expertise</b>
Mr. Atul Jain	Whole Time Director	He is a qualified Chemical Engineer. He has 29 years of experience in Industrial and Service Sector. He has been engaged to explore new business avenues and implement them after proper evaluation.
Ms. Shuchi Bahl	Director	She is MBA by qualification and a young and budding entrepreneur.
Mr. Syed Azizur Rahman	Director	He is a qualified Mechanical Engineer. He has 29 years of experience in manufacturing and commercial functions inclusive of 19 years as Unit Head/Business head
Mr. Nazir Baig	Director	He has 27 years of experience in commercial matters and has worked in various companies engaged in manufacturing and trading of FMCG products & other Commodities.
Mr. Surendra Mohan Sikka	Director	He has more than 46 years of experience in the Alcoholic Beverages industry and has worked with pioneers in the industry. He has successfully commissioned and managed large industrial projects.

**Details Reasons for resignation of an Independent Director:**

Due to pre-occupation, Mr. Narendra Singh Bisht could not devote his time in the affairs of the Company and accordingly submitted his intension for resignation from the post of Non-Executive Independent Director w.e.f. 13<sup>th</sup> July 2018.

**3. AUDIT COMMITTEE**

The Company has duly constituted Audit Committee in conformity with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of Companies Act, 2013 as on March 31, 2019.

The primary objective of Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Audit Committee has **powers to**

- investigate any activity within its terms of reference
- seek information from any employee
- Obtain outside legal or other professional advice, and
- secure attendance of outsiders with relevant expertise wherever it considers necessary

The terms of reference of the Audit Committee includes inter-alia the following:

- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;

- c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
  - reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the listed entity with related parties
  - Scrutiny of inter-corporate loans and investments.
  - Evaluation of internal financial controls and risk management systems
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
  - To review the functioning of the whistle blower mechanism
  - Carrying out any other function as is mentioned in the terms of reference of the audit committee
  - Review the management discussion and analysis of financial condition and results of Operations.
  - Management letters / letters of internal control weaknesses issued by the statutory auditors
  - Internal audit reports relating to internal control weaknesses
  - To investigate on any other matter referred by the Board.

#### Composition and Attendance of Audit Committee

Four Audit committee meetings were held during the year, i.e., 29<sup>th</sup> May 2018, 14<sup>th</sup> August 2018, 14<sup>th</sup> November 2018, 14<sup>th</sup> February 2019. The Composition of Audit Committee during the Financial Year 2018-19 is as follows.

Sl. No	Name of Members	Designation	No. of Meeting	
			Held	Attended
1.	Mr. Narendra Singh Bisht*	Chairman	1	1
2.	Mr. Nazir Baig	Member	4	4
3.	Mr. Syed Azizur Rahman	Member	4	4
4.	Mr. Surendra Mohan Sikka**	Member	3	3

\* Mr. Narendra Singh Bisht ceased to be a member and Chairman w.e.f. 13<sup>th</sup> July, 2018, During his period i.e. April 01, 2018 to 29<sup>th</sup> May, 2018, Only One (1) meeting was held.

\*\* Mr. Surendra Mohan Sikka was appointed as member of Audit Committee w.e.f. July 13, 2018 as Non-Executive Independent Director.

**NOTE:** After the resignation of Mr. Narendra Singh Bisht (Member and Chairman), the Company has not appointed any regular Chairman.

### 3. NOMINATION & REMUNERATION COMMITTEE

The Company has duly constituted Nomination and Remuneration Committee in confirmation with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of Companies Act, 2013 as on March 31, 2019.

The terms of reference of the Nomination and Remuneration Committee inter-alia the following:



- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
- Devising a policy on diversity of board of directors
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

#### **Composition and Attendance of Nomination and Remuneration Committee**

During the year Two (2) Nomination and Remuneration committee meetings were held on 29.05.2018, 13.07.2018.

The Composition of Nomination and Remuneration Committee during the Financial Year 2018-19 is as follows:

Sl. No	Name of Members	Designation	No. of Meetings	
			Held	Attended
1.	Mr. Narendra Singh Bisht	Member	2	2
2.	Mr. Nazir Baig	Member	2	2
3.	Mr. Shuchi Bahl	Member	2	2

#### **Performance Evaluation criteria for Independent Directors**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has adopted Performance Evaluation Policy formulated and recommended by the Nomination & Remuneration committee to evaluate performance of each Director, the Board as a whole, its Committees and the Chairperson. Annual Evaluation of the performance of the Board, its committee & of Individual directors has been made.

A structured questionnaire was prepared for the Directors considering various factors for evaluation including contribution to the Board work, domain expertise, strategic vision, industry knowledge, participation, effectiveness and quality of discussions etc.

Performance of the Board was evaluated by each Director on the parameters such as its roles and responsibilities, business risks, contribution to the development of strategy and effective risk management, understanding of operational programs, availability of quality information in a timely manner etc. Independent directors also carried out evaluation of the Board performance.

Board Committees was evaluated by the respective committee members on the parameters such as role and responsibilities, effectiveness of the Committee vis-a-vis assigned role, appropriateness of committee composition, timely receipt of information by the Committee, knowledge updation by the committee members etc.

Performance of the Chairperson was evaluated by the Independent Directors on the parameters of demonstration of effective leadership, contribution to the Boards' work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings etc.

Directors were also evaluated individually by all other Directors (except the Director himself/herself) on the parameters of his / her preparedness at the Board meetings, devotion of time and efforts to understand the Company and its business, quality in contributions at the Board meetings, application of knowledge and experience while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board Members, Senior Management and Key Managerial Personnel. Nomination and Remuneration Committee and the Board carry out evaluation of the individual Directors.

Separate meeting of the Independent Directors was held on March 29, 2019, inter alia, to review and carry out the performance evaluation of non-Independent Directors, the Chairperson and the Board. The Directors expressed their satisfaction with the entire evaluation process.

The performance evaluation criterion of Independent Directors has been uploaded on the Company's website at given below link: <http://www.surajindustries.org/investor-relations.html>.

**4. REMUNERATION OF DIRECTORS:**

(In Rupees)

<b>Non-Executive Directors</b>	<b>Name of Directors</b>	<b>Salary</b>	<b>Benefits</b>	<b>Bonus</b>	<b>Stock Option</b>	<b>Pension</b>
	Mr. Surendra Mohan Sikka	-	-	-	-	-
	Mr. Syez Azizur Rahman	-	-	-	-	-
	Mrs. Shuchi Bahl	-	-	-	-	-
	Mr. Nazir Baig	-	-	-	-	-
	Mr. Narendra Singh Bisht*	-	-	-	-	-
<b>Executive Directors</b>	Mr. Atul Jain**	20,19,355	-	-	-	-

\* Mr. Narendra Singh Bisht has Resigned as a Member of the Board effective from 13<sup>th</sup> July, 2018.

\*\* Mr. Atul Jain (Whole Time Director) of the Company was appointed on the Board w.e.f. May 29, 2018.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 178 of Companies Act, 2013.

The Stakeholder Relationship Committee is made for redressing the grievances of Stakeholder efficiently and effectively.

As per the current status of the company as on March 31<sup>st</sup> 2019 the company has redressed all the grievances received from Stakeholders.

The terms of reference of the Stakeholders relationship Committee are as under:

- The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, consolidation/subdivision of share certificates etc.

Details of shares transfer/transmissions approved by the committee are placed at the Board Meetings from time to time.

**Composition and Attendance of Stakeholders Relationship Committee**

During the year Fifteen (15) Stakeholder Relationship Committee meetings were held, i.e. on 26.04.2018 & 17.08.2018, 19.08.2018, 12.09.2018, 24.09.2018, 13.10.2018, 31.10.2018, 14.11.2018, 24.11.2018, 08.12.2018, 14.12.2018, 05.01.2019, 22.01.2019, 11.03.2019, 28.03.2019. The Composition of Stakeholders Relationship Committee during the Financial Year 2018-19 is as follows.

<b>Sl. No</b>	<b>Name of Members</b>	<b>No. of Meeting Held</b>	<b>No. of Meeting Attended</b>
1.	Mr. Narendra Singh Bisht	1	1
2.	Mr. Nazir Baig*	15	15
3.	Mr. Syed Azizur Rahman	15	15
4.	Mr. Surendra Mohan Sikka**	14	14

\* Mr. Narendra Singh Bisht ceased to be a member and Chairman w.e.f.13<sup>th</sup> July, 2018, During his period i.e. April 01, 2018 to 13<sup>th</sup> July, 2018, Only One (1) meeting was held.

\*\* Mr. Surendra Mohan Sikka was appointed as Non-Executive Independent Director on 13<sup>th</sup> July 2018.

**NOTE:** After the resignation of Mr. Narendra Singh Bisht (Member and Chairman), the Company has not appointed any regular Chairman.

**Compliance Officer**

Ms. Bhanumati Ramchandran, Company Secretary cum compliance officer of the company. The corresponding address of Company Secretary & Compliance Officer is as follows:

**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

**E-mail ID:** [secretarial@surajindustries.org](mailto:secretarial@surajindustries.org) **Website:** <http://www.surajindustries.org>

The Company welcomes all the shareholders to communicate with the Company as per the above details or through the Company's Registrar and Share Transfer Agent, whose particulars are given in this report.

The investor complaints that were received during the year have been resolved within stipulated time.

During the year under review 0 investor complaints were received therefore as at 31<sup>st</sup> March, 2019 there were no pending Complaints.

## 6. GENERAL MEETING

The last three Annual General Meetings of the Company were held as under:-

Year	Location	Date	Time	Items approved by Special Resolution
2016	Plot No. 2, Phase-III, Sansarpur Terrace, Kangra, Himachal Pradesh-173212	28.09.2016	3:30 P.M.	None
2017	Plot No. 2, Phase-III, Sansarpur Terrace, Kangra, Himachal Pradesh-173212	27.09.2017	2:00 P.M.	To borrow money with or without security in excess of the aggregate of the paid up share capital and free reserves of the company upto an aggregate amount of Rs. 100 crores.
2018	Plot No. 2, Phase-III, Sansarpur Terrace, Kangra, Himachal Pradesh-173212	27.09.2018	2:00 P.M.	None

### (II) Extra-Ordinary General Meeting (EGM) held during the financial year 2018-19:

During the year under review, no Extra Ordinary General Meeting was held.

#### **Postal Ballot**

During the year under review no resolution was passed through postal ballot.

## 7. MEANS OF COMMUNICATION

In accordance with the Listing Regulations, the quarterly / half yearly / annual results are regularly submitted to the BSE Limited with whom the Company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the Company. The results are being generally published in the Financial Express (English) and Jansatta (Hindi) newspapers in the state of Himachal Pradesh in terms of the **SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**.

The official news releases, including quarterly, half yearly and annual results and presentations are posted on Company's website <http://www.surajindustries.org/investor-relations.html>. Various sections of the Company's website keep the investors updated on the key and material information of the Company by providing timely information like Board profile, press release, financial results, annual reports, shareholding pattern, stock information etc.

## 8. GENERAL SHAREHOLDER INFORMATION

Sl. No.	Event	Details
a)	<b>Annual General Meeting</b> Date Time Venue	July 27, 2019 2:00 P.M. Plot No. 2, Phase III, Sansarpur Terrace, Distt. Kangra, Himachal Pradesh-173212
b)	<b>Financial Year</b>	2018-2019
c)	<b>Dividend Payment date</b>	N.A.
d)	<b>Date of Book Closure</b>	July 22, 2019 to July 27, 2019
e)	<b>Name and address of Stock Exchanges at which shares of the Company are listed</b>	BSE Limited, PhirozeJeejeebhoy Towers, Dadal Street, Mumbai- 400001

The Company has paid the listing fees for Financial Year 2018-19 to the Stock Exchanges where the shares of Company are listed.

**Stock Code :** 526211

**ISIN :** INE170U01011

**f) Stock Market Data**

The trading in company's equity shares are suspended by the BSE Limited due to certain non-compliance of Listing Agreement. However, the Company has made good all the previous non-compliances and requested the BSE to grant permission for trading in equity shares of the Company. Therefore, no stock market data is available.

**g) Share price performance in comparison to broad based indices.**

The trading in Company's equity shares are suspended by the BSE Limited due to certain non-compliance of Listing Agreement. Therefore, price performance in comparison to broad based indices can not be done.

**h) Reasons for suspension of trading in equity shares**

The trading has been suspended due to non-payment of listing fees & certain non-compliance of listing agreement. The Company has since then paid the listing fees that was due and has completed the pending compliances and submitted all the documents with BSE Limited for revocation of suspension of trading.

**i) Registrar and Share Transfer Agent**

M/s Beetal Financial & Computer Services (P) Ltd is the Registrar and Share Transfer Agent of the Company, to whom communications regarding change of address, transfer of shares, change of mandate etc. can be addressed by the shareholders holding shares in the physical mode, as per the details mentioned below:

Beetal Financial & Computer Services (P) Ltd

Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, New Delhi- 110062

Ph: 011-29961281-83 E-mail ID: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)

**j) Share Transfer System**

As per Regulation 40 of SEBI (Listing Obligations and Regulations Requirement) Regulations, 2015 transfers of Shares in physical form are registered and dispatched within 15 days from the date of their receipt, subject to the documents being valid and complete in all respects. In case of objection, the same are also dispatched within 3 weeks. The Share Transfer Committee meets frequently to consider the transfer applications and other proposals.

**k) Distribution of Shareholding as on March 31, 2019**

No. of equity shares held	No. of Share holders	% of shareholders	No. of shares held	% of shareholding
Up to 5000	15354	98.88	1660670	22.79
5001 to 10000	85	0.55	69000	0.95
10001 to 20000	20	0.13	30300	0.42
20001 to 30000	7	0.05	16000	0.22
30001 to 40000	2	0.01	6800	0.09
40001 to 50000	33	0.21	163300	2.24
50001 to 100000	3	0.02	25700	0.35
100001 to above	24	0.15	5314230	72.94
<b>Grand Total</b>	<b>15528</b>	<b>100.00</b>	<b>7286000</b>	<b>100.00</b>

The Shareholding Pattern as on 31<sup>st</sup> March, 2019 is as under:

S. No	Category	No. of Shares Held	% of Shareholding
<b>A)</b>	<b>Promoters Holding</b>	29,45,050	40.42
<b>B)</b>	<b>Non Promoter Holding</b>		
1.	<b>Bank/Financial Institution</b>	100	0.00
2.	<b>Others</b>	-	-
i)	<b>Bodies Corporate</b>	10,06,600	13.82
ii)	<b>Indian Public</b>	33,34,250	45.76
iii)	<b>NRIs/OCBs</b>	-	-
	<b>Total</b>	72,86,000	100

**Dematerialization of Shares**

The Company has been allotted ISIN i.e. INE170U01011 by CDSL and IN8170U01010 by NSDL i.e. for dematerialization of the Company's Shares.

The Number of Equity Shares held in dematerialized form are 2694640.

**m) Outstanding GDRs/ADRs/Warrants or Convertible Instruments, conversion**

**Date and likely impact on Equity** : Not Applicable

**n) Commodity Price Risks**

The Company does not have any commodity price risks.

**Plant Location:** Plot No. 2, Phase III Sansarpur Terrace, Distt. Kangra, Himachal Pradesh-173212.

**Address for correspondence:**

**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

- o)** Since, the Company is suspended by the Stock Exchange, therefore, during the current financial year no credit rating has been obtained for all the securities and debt instruments.

**9. OTHERS DISCLOSURES****a) Materially Significant Related Party Transactions**

During FY 2018-19, the Company has not entered into any materially significant transactions with the related party viz. promoters, directors, management, their relatives or subsidiaries that may have potential conflict with the interests of Company at large. Members may refer to Disclosures of transactions with related parties i.e. Promoters, Directors, Relatives, or Management made in the Balance Sheet in Notes to the Accounts.

In terms of Regulation 23 of SEBI (Listing Obligations And Disclosure Regulations), 2015, the Company has formulated a policy on dealing with Related Party Transactions which is disclosed on Company's website (Web link: <http://www.surajindustries.org/policy.html>).

**b) Accounting Standards**

The Company has followed the Accounting Standards laid down by the Companies Act, 2013.

**c) Details of Non-Compliances**

During the last three (3) years, there were no structures or penalties imposed on the Company either by the Stock Exchanges or SEBI or any other statutory authority for non-compliance of any matter related to capital markets. However, the trading in the Company's Shares has been suspended by the Stock Exchange due to certain non-compliance of Listing Agreement.

**d) Details of Vigil Mechanism**

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014, every listed company shall establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed and Such vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee.

For the above mentioned purpose your company has created Vigil Mechanism under the auspices of Audit committee to provide Protection and heard genuine concerns of employees and its Directors and to make transparency and comply the code of conduct of the company efficiently and accurately.

Your company has uploaded the Vigil Mechanism Policy which has disclosed on Company's website (Web link: <http://www.surajindustries.org/policy.html>).

Till the date audit committee has not received any Complaints from its directors and employees and Your Company is affirming that till the date no person has denied to access to Audit Committee.

**e) Details of compliances with mandatory requirements of the Listing Regulations**

During the year, the Company had complied with all applicable mandatory corporate governance requirements of the Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

**f) Adoption of the non-mandatory requirements as specified in Part E of Schedule II of Listing Regulations, 2015**

The Company has not yet adopted any of the non-mandatory requirements as specified in Part E of Schedule II of Listing Regulations, 2015.

**g) Certificate on Corporate Governance:**

The Company has obtained **Certificate on Corporate Governance** as stipulated Regulation 34 read with Para E of Schedule V of **SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015** from M/s Manoj Verma & Associates, Company Secretary in Practice.

**h) Prohibition of Insider Trading:**

In accordance with SEBI (Prohibition of Insider Trading) Regulation, 2015, the Board of Directors has adopted the Insider Trading policy for prevention of insider trading to be followed by Directors, Employees and other connected persons.

**i) Policy on Material Subsidiary**

In term of Regulation 16 of SEBI (Listing Obligations and Disclosure Regulations) 2015, the Company has formulated a policy for material subsidiary which is disclosed on Company's website (Web link: <http://www.surajindustries.org/policy.html>)

Particulars of Policy	Web Address
Vigil Mechanism Policy	<a href="http://www.surajindustries.org/policy.html">http://www.surajindustries.org/policy.html</a>
Nomination & Remuneration Policy	<a href="http://www.surajindustries.org/policy.html">http://www.surajindustries.org/policy.html</a>
Policy on Board Diversity	<a href="http://www.surajindustries.org/policy.html">http://www.surajindustries.org/policy.html</a>
Policy for Determining Material Subsidiary	<a href="http://www.surajindustries.org/policy.html">http://www.surajindustries.org/policy.html</a>
Related Party Transaction Policy	<a href="http://www.surajindustries.org/policy.html">http://www.surajindustries.org/policy.html</a>
Criteria for making Payment to Non-Executive Directors	<a href="http://www.surajindustries.org/policy.html">http://www.surajindustries.org/policy.html</a>
Determining Materiality of Information	<a href="http://www.surajindustries.org/policy.html">http://www.surajindustries.org/policy.html</a>
Archival Policy	<a href="http://www.surajindustries.org/policy.html">http://www.surajindustries.org/policy.html</a>
Policy for preservation of Documents	<a href="http://www.surajindustries.org/policy.html">http://www.surajindustries.org/policy.html</a>
Insider Trading Policy	<a href="http://www.surajindustries.org/policy.html">http://www.surajindustries.org/policy.html</a>

**j)** Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A): N.A. as during the financial year no such preferential allotment or qualified institutions placement took place.

**k)** A Certificate from **M/s Manoj Verma & Associates**, Company Secretary in Practice has been received certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

**l)** M/s Satendra Rawat & Company (Firm Registration Number: 008298C) has already been appointed as Statutory Auditor of the Company. The Total fees for all services paid by your company to such Firm is Rs. 12500 per annum.

**10. CEO/CFO Certification**

As the Company doesn't have any CEO as on date Mr. Atul Rastogi, Chief Financial Officer & Mr. Atul Jain, Whole Time Director of the Company has signed and submitted the certificate, in terms of **Regulation 17 (8) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015**, to the Board.

**11. MANAGEMENT DISCUSSION AND ANALYSIS**

A report on Management Discussion and Analysis is a part of Corporate Governance Report as **Annexure D**.

**12. CODE OF CONDUCT**

The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to Directors (including Senior Management of the Company) have been sent to all the Directors and Senior Management Personnel. The Code is also disclosed on the website of the Company (Web Link: <http://www.surajindustries.org/investor-relations.html>)

The Members of the Board of Directors and Senior Management personnel have affirmed the compliance with the Code applicable to them during the financial year ended 31<sup>st</sup> March, 2019.

**Declaration Affirming Compliance of provisions of the Code of Conduct**

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the Senior Management Personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the period ended March 31, 2019.

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

**Place: New Delhi**

**Date: 20.06.2019**

**Sd/-**

**Atul Jain**

**Whole Time Director**

**DIN: 00479852**

**Add: Flat 001, Tower 15, The Close South  
Nirvana Country Sector 50, South City- II,  
Gurgaon-122018**

**Registered office:**

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

**Corporate office:**

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

During the year under review, the company has scaled up its business in trading of Empty Glass Bottles and other products.

### OPPORTUNITIES AND THREATS

The company is exploring various business avenues to scale up its operations which can give it steady returns in the long run.

### FINANCIAL PERFORMANCE

During the financial year 2018-19, the Company has earned a Profit of **Rs. 27,23,453/-** (Rupees Twenty Seven Lacs Twenty Three Thousand Four Hundred Fifty Three Only) as compared to loss of **Rs. 12,29,348/-** (Rupees Twelve Lacs Twenty Nine Thousand Three Hundred Forty Eight Only) in the last year

### OUTLOOK

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

### RISKS AND CONCERNS

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

### CASH FLOW ANALYSIS

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

### FINANCE COST

The financial charges for the year ended March 31, 2019 was Rs. 34,804.

### PROFIT & LOSS ACCOUNT

As on March 31, 2019, there was debit balance of Rs. 1053.91 lacs in the Profit & Loss Account as against Rs. 1081.14 lacs of last year.

### EARNING PER SHARE

Earnings per share of the company are 0.37 as against the EPS of (0.17) of previous year.

### INTERNAL CONTROLS AND THEIR ADEQUACY

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

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES /INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company has only two employees apart from a Director. The Human /Industrial Relations remained cordial.

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

**Place: New Delhi  
Date: 20.06.2019**

Sd/-  
Atul Jain  
Whole Time Director  
DIN: 00479852  
Add: Flat 001, Tower 15, The Close South  
Nirvana Country Sector 50, South City- II,  
Gurgaon-122018

**CORPORATE GOVERNANCE CERTIFICATE****To the Members of Suraj Industries Ltd**

We have examined the compliance of the conditions of Corporate Governance by **M/s Suraj Industries Ltd** for the year ended on March 31, 2019 as stipulated in **Regulation 34(3), Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company. However the provisions of Regulation 15 (2) of SEBI (LODR) Regulations, 2015, Para C, D, E of Schedule V for Corporate Governance does not apply to the Company as the Paid-up share capital of the Company is Rs 7,28,60,000 (i.e. less than Rs. 10 Crore) and Net Worth is negative (i.e. less than Rs. 25 Crores) as on the last day of the previous financial year. Company is voluntarily complying with these Regulations to the extent possible as a part of good Corporate Governance practice

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in **Regulation 34(3), Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliances are neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Manoj Verma & Associates  
Company Secretaries**

Sd/-  
**Manoj Kumar Verma**  
Practicing Company Secretary  
CP- 8275  
FCS-7632

Place: New Delhi  
Date : 20.06.2019

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members,  
**M/s Suraj Industries Ltd**  
Plot No. 2, Phase-III, Sansarpur Terrace,  
Kangra, Himachal Pradesh-173212

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s Suraj Industries Ltd. having CIN: L26943HP1992PLC016791** and having registered office at **Plot No. 2, Phase-III, Sansarpur Terrace, Kangra, Himachal Pradesh-173212** (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company, Directors & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. ATUL JAIN	00479852	29/05/2018
2.	Mr. NAZIR BAIG	07468989	27/09/2017
3.	Mr. SYED AZIZUR RAHMAN	00242790	30/10/2015

Sr. No.	Name of Director	DIN	Date of Appointment
4.	Ms. SHUCHI BAHL	02332887	14/02/2015
5.	Mr. SURENDRA MOHAN SIKKA	07018508	14/12/2017

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For MANOJ VERMA & ASSOCIATES  
COMPANY SECRETARIES**

Sd/-  
**(MANOJ KUMAR VERMA)**  
**PRACTICING COMPANY SECRETARY**  
FCS- 7632  
C P- 8275

**Place: New Delhi**  
**Date: 20.06.2019**

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**CEO AND CFO COMPLIANCE CERTIFICATE**  
{UNDER REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015}

To,  
**The Board of Directors,**  
**Suraj Industries Ltd**

We hereby certify that:-

- a) We have reviewed the financial statements including the cash flow statement of the Company for the year ended as on March 31, 2019 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements including cash flow statement present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) Based on our observance and on the basis of submissions received through sub-certification process, We hereby certify that internal controls and financial reporting are established, maintained and are effective considering the nature and size of the business requirement. Further, no deficiencies have been observed in design or operation of such internal controls for the period covered by this report.
- d) During the period under review, no significant changes were observed in the internal controls over financial reporting and accounting policies of the Company. Furthermore, no instance of fraud has been found by management or employees having a significant role in the Company's internal control system over financial reporting.

**Place: New Delhi**  
**Date: 20.06.2019**

**Atul Rastogi**  
**CFO**  
**Add: Purana Ganj Sarafa Bazar Teh Sadar Rampur,**  
**Uttar Pradesh-244901**

**Atul Jain**  
**Whole Time Director**  
**DIN: 00479852**  
**Add: Flat 001, Tower 15, The Close**  
**South Nirvana Country Sector 50, South**  
**City- II, Gurgaon-122018**

**Note:**

As the Company doesn't have any CEO as on date **Mr. Atul Rastogi**, Chief Financial Officer & **Mr. Atul Jain**, Whole Time Director of the Company have submitted the certificate, in terms of **Regulation 17(8) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015**, to the Board.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Suraj Industries Limited

### Report on the Financial Statements

We have audited the accompanying standalone IndAS Financial Statements of Suraj Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit & Loss, the Statement of Changes in Equity and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone IndAS Financial Statements").

### Management's Responsibility for the Standalone IndAS Financial Statements

The company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone IndAS Financial Statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IndAS) prescribed under section 133 of the Act, read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgment 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 standalone IndAS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone IndAS Financial Statements based on our audit. We have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit of the standalone IndAS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone IndAS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone IndAS Financial Statements. The procedures selected depend

on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IndAS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone IndAS Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone IndAS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IndAS Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone IndAS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IndAS, of the financial position of the Company as at March 31, 2019, and its financial performance including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said order.
2. As required by section 143(3) of the Act, 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 purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit & Loss, the Statement of Changes in Equity and Cash Flow statement dealt with by this report are in agreement with the books of accounts;
  - (d) In our opinion, the aforesaid Standalone IndAS Financial Statements comply with the Accounting Standards specified in Section 133 of the Act.
  - (e) On the basis of written representation received from the Directors as on March 31, 2019 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2019 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

control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

- (g) 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, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us-
- (i) The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in notes to the Standalone IndAS Financial Statements.
  - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

**For Satendra Rawat & Co**  
**Chartered Accountants**  
**FRN- 008298C**

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

**Date: 30.05.2019**  
**Place: New Delhi**

#### **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date for the year ended March 31, 2019)

1. a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) During the year, Fixed assets of the Company have been physically verified by the management which, in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. As mentioned to us no material discrepancies were noticed by the management on such verification.
  - 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. The company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
  4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
  5. The Company has not accepted any deposits from the public within the meaning of Sections 73 and 74 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 in respect of the Vanaspati segment, under section 148 of the Act. 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. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
  10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation provided to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have been informed of any such case by the management.
  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. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.



13. According to the information and explanations given to us and based on our examination of the records of the Company has not entered into any transactions with the related parties as specified in sections 177 and 188 of the Act.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
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 & Co**  
**Chartered Accountants**  
**FRN- 008298C**

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

**Date: 30.05.2019**  
**Place: New Delhi**

#### **Annexure – B to the Independent Auditor’s Report**

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, 2019 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.

#### **Auditor’s 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 issued by the Institute of Chartered Accountants of India. Those Standards and 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 procedure 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 assessed risk. The procedure selected depends on the auditor’s judgement, including the assessment of the risk of material misstatement of the Standalone IndAS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we obtained is sufficient and appropriate to provide the 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 controls 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 controls over financial reporting includes those policies and procedures that (1) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the asset of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure 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 Limitation of internal financial controls over financial reporting**

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatement 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 control system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal controls 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 ICAI.

**For Satendra Rawat & Co  
Chartered Accountants  
FRN- 008298C**

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

**Date: 30.05.2019  
Place: New Delhi**

**BALANCE SHEET AS AT 31ST MARCH 2019**

<b>Particulars</b>			<b>Note No.</b>	<b>As at</b>	
				<b>31st March 2019</b>	<b>31st March 2018</b>
<b>ASSETS</b>					
1		<b>Non-current assets</b>			
	a	Property, plant and equipment	2	30,816	30,816
	b	Financial assets		-	-
	c	Other non-current assets		-	-
2		<b>Current assets</b>			
	a	Inventories		-	-
	b	Financial assets			
	i	Trade Receivables	3	9,409,610	-
	ii	Cash and cash equivalents	4	126,467	52,835
	iii	Loans & Advances	5	807,519	2,008,413
	c	Other current assets	6	240,000	99,000
<b>TOTAL ASSETS</b>				<b>10,614,412</b>	<b>2,191,064</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
	a	Equity Share capital	7	72,860,000	72,860,000
	b	Other equity	8	(82,222,524)	(84,945,977)
<b>Liabilities</b>					
1		<b>Non-current liabilities</b>			
	a	Financial liabilities			
	i	Borrowings		-	-
	ii	Other financial liabilities		-	-
	b	Employee Benefit obligation	9	224,417	91,117
2		<b>Current liabilities</b>			
	a	Financial liabilities			
	i	Borrowings	10	11,406,324	11,354,000
	ii	Trade and other payables	11	6,665,512	2,163,269
	iii	Security Deposits	12	-	500,000
	b	Other current liabilities	13	1,680,683	168,655
<b>TOTAL EQUITY &amp; LIABILITIES</b>				<b>10,614,412</b>	<b>2,191,064</b>

The accompanying notes form an integral part of these financial statements

1-33

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: 30.05.2019

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

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

Sd/-  
**Bhanumathy Ramchandran**  
Company Secretary

Sd/-  
**Atul Jain**  
(Whole Time Director)  
DIN-00479852

Sd/-  
**Atul Rastogi**  
Chief Financial Officer

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2019

<i>Particulars</i>	<i>Note no.</i>	<i>For the year ended on 31st March 2019</i>	<i>For the year ended on 31st March 2018</i>
<b>Continuing Operations</b>			
Revenue from operations	14	8,529,027	315,536
Other income	15	1,854,021	-
<b>Total revenue</b>		<b>10,383,048</b>	<b>315,536</b>
<b>Expenses</b>			
Purchase of Stock in Trade		3,647,941	307,954
Changes in inventories of finished goods, work in progress and stock-in-trade		-	-
Employee benefit expense	16	2,425,100	289,630
Finance cost	17	34,804	-
Depreciation and amortisation expense		-	-
Other expense	18	1,551,750	947,299
<b>Total expenses</b>		<b>7,659,595</b>	<b>1,544,884</b>
<b>Profit/ (loss) before exceptional items</b>		<b>2,723,453</b>	<b>(1,229,348)</b>
<b>Exceptional items</b>		-	-
<b>Profit/ (loss) before tax</b>		<b>2,723,453</b>	<b>(1,229,348)</b>
<b>Tax expense</b>			
a) Current tax	25	-	-
b) Deferred tax	26	-	-
<b>Total Tax Expense</b>		-	-
<b>Profit/ (loss) for the period</b>		<b>2,723,453</b>	<b>(1,229,348)</b>
<b>Other comprehensive income</b>			
- Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		-	-
- Income tax relating to items that will not be reclassified to profit or loss			
Revaluation of Financial Instruments		-	-
- Items that will be reclassified to profit or loss			
- Income tax relating to items that will be reclassified to profit or loss			
<b>Other Comprehensive income (net of Tax)</b>		-	-
<b>Total comprehensive income for the period</b>		<b>2,723,453</b>	<b>(1,229,348)</b>
<b>Earnings per equity share (Basic &amp; Diluted)</b>		<b>0.37</b>	<b>(0.17)</b>

The accompanying notes form an integral part of these financial statements

1-33

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: 30.05.2019

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

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

Sd/-  
**Bhanumathy Ramchandran**  
Company Secretary

Sd/-  
**Atul Jain**  
(Whole Time Director)  
DIN-00479852

Sd/-  
**Atul Rastogi**  
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31ST MARCH 2019****A. Equity share capital****(Rs. INR)**

<b>Balance at 1 April 2018</b>	<b>72,860,000</b>
Changes in equity share capital during the year	-
<b>Balance at 31 March 2019</b>	<b>72,860,000</b>

**B. Other Equity****(Rs. INR)**

	Note No.	Reserve and Surplus		Total
		Capital Reserve	Retained Earnings	
Balance at 1st April 2018		23,168,507	(108,114,484)	<b>(84,945,977)</b>
Profit for the year		-	2,723,453	<b>2,723,453</b>
Other Comprehensive income for the year		-	-	-
<b>Total Comprehensive income</b>		-	<b>2,723,453</b>	<b>2,723,453</b>
Transfer / Addition during the year		-	-	-
<b>Balances as at 31st March 2019</b>		<b>23,168,507</b>	<b>(105,391,031)</b>	<b>(82,222,524)</b>

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: 30.05.2019

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

Sd/-

**Syed Azizur Rahman**

(Director)

DIN- 00242790

Sd/-

**Bhanumathy Ramchandran**

Company Secretary

Sd/-

**Atul Jain**

(Whole Time Director)

DIN-00479852

Sd/-

**Atul Rastogi**

Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

<b>Particulars</b>		<b>Note No.</b>	<b>For the year ended on 31st March 2019</b>	<b>For the year ended on 31st March 2018</b>
<b>A)</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	Net Profit before Tax & Extraordinary items		2,723,453	(1,229,348)
	<b>Add: Non cash and Non operating items</b>			
	Provision for Employee Benefits		133,300	17,900
	<b>Less: Non Operating items</b>		-	-
	<b>Operating Profit before Working Capital changes</b>		2,856,753	(1,211,448)
	<b>Adjustments for:</b>			
	Loans & Advances & Other Current Assets		1,059,894	10,980,714
	Trade Receivables		(9,409,610)	
	Trade Payable		4,502,243	(9,838,694)
	Other Current Liabilities		1,512,028	98,902
	<b>Cash Generated from operations before extraordinary item and tax</b>		521,308	29,474
	Less: Taxes Paid		-	-
	<b>Net Cash from Operating Activities.....(A)</b>		521,308	29,474
<b>B)</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
	Payments towards fixed assets		-	-
	<b>Net Cash used in Investing Activities.....(B)</b>		-	-
<b>C)</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
	Movement in Short Term Borrowings & Security Deposits		(447,676)	
	Movement in Long Term Borrowings		-	
	<b>Net Cash received in financing Activities.....(C)</b>		(447,676)	-
<b>D)</b>	<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		73,632	29,474
	Cash & Cash Equivalents as at beginning of year (excluding pledged FDR's)		52,835	23,361
	Cash & Cash Equivalents as at end of year (excluding pledged FDR's)		126,467	52,835

The accompanying notes form an integral part of these financial statements 1-33

(I) Figures in brackets represent deductions and outflows

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

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

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: 30.05.2019

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

Sd/-

**Syed Azizur Rahman**

(Director)

DIN- 00242790

Sd/-

**Bhanumathy Ramchandran**

Company Secretary

Sd/-

**Atul Jain**

(Whole Time Director)

DIN-00479852

Sd/-

**Atul Rastogi**

Chief Financial Officer

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH 2019****1. SIGNIFICANT ACCOUNTING POLICIES****i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

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

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

The financial statements were authorised for issue by the Board of Directors of the company on 30.05.2019

**FAIR VALUE MEASUREMENT**

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

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

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

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

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

**ii) CURRENT VERSUS NON CURRENT CLASSIFICATION**

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

**Assets**

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

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

All other assets are classified as non current assets

**Liabilities**

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

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;



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

All other liabilities are classified as non current liabilities.

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

## ii) USE OF ESTIMATES

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

## iii) RECOGNITION OF INCOME AND EXPENDITURE:

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

## iv) EXCISE DUTY:

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

## v) EMPLOYEES BENEFITS:

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

## vi) PROPERTY, PLANT AND EQUIPMENT

### *Recognition and measurement*

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

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

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

### *Subsequent Costs*

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

Spare parts or stores meeting the definition of PPE, either procured along with equipment or subsequently, are capitalized in the asset's carrying amount or recognized as separate asset, if appropriate. However cost of day to day servicing are

recognized in profit or loss as incurred. Cost of day to day service primarily include costs of labor, consumables and cost of small spare parts.

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

#### ***Transition to Ind AS***

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

#### ***Depreciation / amortization***

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

#### ***Intangible Assets***

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are recorded at the consideration paid for acquisition and are amortized over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

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

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

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

#### ***Capital Work in Progress***

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

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

## **VII) FINANCIAL INSTRUMENTS**

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

#### ***Financial Asset***

##### ***Initial Recognition and measurement***

A financial asset is recognised in the balance sheet when the Company becomes party to the contractual provisions

of the instrument. At initial recognition, the Company measures a financial asset (which are not measured at fair value through profit or loss) at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

### **Subsequent measurement**

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

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

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

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

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

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

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

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

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

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

### **viii) VALUATION OF INVENTORIES**

<b>Particulars / Item Type</b>	<b>Method of Valuation</b>
1. Raw Material, Packing Material & Consumables (including in transit)	At Cost including direct procurement Overhead / Taxes.
2. Finished Goods (including in transit)	At cost or net realisable value, whichever is lower
3. Stock in process	At cost
4. By Products	At net realisable value
5. Loose Tools	At cost and charged off when discarded
6. Shares / Securities (Quoted)	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.

**xi) 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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st MARCH 2019

## NOTE: 2 PROPERTY, PLANT AND EQUIPMENT - AS AT 31 MARCH 2019

(₹ in Lakhs)

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at	Additions	Disposals/ adjustments	Balance as at	Balance as at	Charge for the year	Disposals/ adjustments	Balance as at	Balance as at	Balance as at
	31.03.2018			31.03.2019	31.03.2018			31.03.2019	31.03.2019	31.03.2018
Other Equipments & Appliances	334,200	-		334,200	317,490	-	-	317,490	16,710	16,710
Furniture & Fixtures	282,125	-		282,125	268,019	-	-	268,019	14,106	14,106
<b>TOTAL</b>	<b>616,325</b>	-	-	<b>616,325</b>	<b>585,509</b>	-	-	<b>585,509</b>	<b>30,816</b>	<b>30,816</b>

## NOTE: 3 TRADE RECEIVABLES

Particulars	As at 31st March 2019	As at 31st March 2018
Receivables considered good- unsecured (age 0-6 months)	9,409,610	-
Receivables considered good- secured	-	-
Receivables having significant increase in credit risk	-	-
Receivables- credit impaired	-	-
<b>Total</b>	<b>9,409,610</b>	-

## NOTE: 4 CASH &amp; CASH EQUIVALENTS

Particulars	As at 31st March 2019	As at 31st March 2018
Balance with banks in Current Accounts	121,324	2,728
Cash in Hand	5,143	50,107
<b>Total</b>	<b>126,467</b>	<b>52,835</b>

## NOTE: 5 LOANS &amp; ADVANCES

Particulars	As at 31st March 2019	As at 31st March 2018
Other advances (Unsecured, considered good)	807,519	2,008,413
<b>Total</b>	<b>807,519</b>	<b>2,008,413</b>

Note: None of the advances have significant increase in credit risk nor there are any credit impaired advances

## NOTE: 6 OTHER CURRENT ASSETS

Particulars	As at 31st March 2019	As at 31st March 2018
Unrealised Stock Invest*	-	99,000
TDS Receivable	240,000	
<b>Total</b>	<b>240,000</b>	<b>99,000</b>

\*Stock invest pertaining to Share application money for 10,300 equity Shares (Previous year 10,300 equity shares) of Rs. 10/- each were returned unrealized by the Bankers and the same were allotted and included in Share Capital during the financial year 1993-94 as part of Company's maiden public issue. Out of these shares, the company had to receive a sum of Rs. 99,000 as on 31.03.2018. Since there is no likelihood of receipt of this amount, it was been written off during the current.

**NOTE: 7 EQUITY SHARE CAPITAL**

Equity share capital	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised (Equity shares of Rs.10 each )	10,000,000	100,000,000	10,000,000	100,000,000
(b) Issued, Subscribed and paid up	7,400,000	74,000,000	7,400,000	74,000,000
<u>Balance at the beginning of the year</u>				
Equity shares of Rs 10 each, fully paid up	7,286,000	72,860,000	7,286,000	72,860,000
Equity shares of Rs 10 each, partly paid up	0	0	114,000	570,000
	7,286,000	72,860,000	7,400,000	73,430,000
<u>Changes in equity share capital during the year</u>				
Less: Partly paid shares forfeited	0	0	114,000	570,000
Balance at the end of the year	7,286,000	72,860,000	7,286,000	72,860,000

**The Reconciliation of Number of Shares outstanding at the beginning and at the end of the year**

	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
<b>(a) Equity</b>				
Opening Balance	7,286,000	72,860,000	7,400,000	73,430,000
Add: Shares allotted during the year*	-	-	-	-
Less: Partly paid shares forfeited	-	-	114,000	570,000
Closing Balance	7,286,000	72,860,000	7,286,000	72,860,000

**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 2019		As at 31 March 2018	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Equity shares of Rs.10 each fully paid				
Suraj Gupta	2,675,030	36.71%	2,675,030	36.71%
Delhi Liquors Ltd	562,500	7.72%	562,500	7.72%
Seema Kukreja	374,800	5.14%	374,800	5.14%



**NOTE: 8 OTHER EQUITY**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Capital Reserve</b>		
Opening Balance	23,168,507	22,598,507
Add: Forfeiture of partly paid shares	-	570,000
Closing Balance	23,168,507	23,168,507
<b>Surplus / (Deficit) in the Statement of Profit &amp; Loss</b>		
Opening Balance	(108,114,484)	(106,885,136)
Net Profit/(Net Loss) for the current year	2,723,453	(1,229,348)
Closing Balance	(105,391,031)	(108,114,484)
<b>Total</b>	<b>(82222524)</b>	<b>(84945977)</b>

**NON-CURRENT LIABILITIES****NOTE: 9 EMPLOYEE BENEFIT OBLIGATION**

Particulars	As at 31st March 2019	As at 31st March 2018
i) Gratuity	224,417	91,117
<b>Total</b>	<b>224,417</b>	<b>91,117</b>

**FINANCIAL LIABILITIES (CURRENT)****NOTE: 10 SHORT TERM BORROWINGS**

Particulars	As at 31st March 2019	As at 31st March 2018
Unsecured Loans (Interest Free)		
- From Bodies Corporate	10,000,000	10,929,000
- From Others	-	425,000
Unsecured Loans (Interest Bearing)		
- From Bodies Corporate		
Principal Amount	1,375,000	
Interest Payable	31,324	
<b>Total</b>	<b>11,406,324</b>	<b>11,354,000</b>

**NOTE: 11 TRADE PAYABLES**

Particulars	As at 31st March 2019	As at 31st March 2018
- Due to MSME Enterprises*	2,127,432	-
- Due to other than MSME Enterprises	4,538,080	2,163,269
* There is no overdue payment to MSME enterprises		
<b>Total</b>	<b>6,665,512</b>	<b>2,163,269</b>

**NOTE: 12 SECURITY DEPOSIT**

Particulars	As at 31st March 2019	As at 31st March 2018
Security Deposits (Interest Free)	-	500,000
<b>Total</b>	<b>-</b>	<b>500,000</b>

**NOTE: 13 OTHER CURRENT LIABILITIES**

Particulars	As at 31st March 2019	As at 31st March 2018
Advance from Customers	420,000	-
Accrued Salary & Benefits	339,897	31,000
Expenses Payable	119,500	137,655
Statutory Liabilities	801,286	-
<b>Total</b>	<b>1,680,683</b>	<b>168,655</b>

**NOTE: 14 REVENUE FROM OPERATIONS**

Particulars	For year ended 31st March 2019	For year ended 31st March 2018
<b>Sale of Products:</b>		
Empty glass bottles & Other Products	3,729,027	315,536
Services Rendered	4,800,000	-
<b>Total</b>	<b>8,529,027</b>	<b>315,536</b>

**NOTE: 15 OTHER INCOME**

Particulars	For year ended 31st March 2019	For year ended 31st March 2018
Unclaimed Balances written off	1,854,021	-
<b>Total</b>	<b>1,854,021</b>	<b>-</b>

**NOTE: 16 EMPLOYEE BENEFIT EXPENSE**

Particulars	For year ended 31st March 2019	For year ended 31st March 2018
Salaries, Wages and Incentives	2,291,800	271,730
Provision for Long term employees benefits	133,300	17,900
<b>Total</b>	<b>2,425,100</b>	<b>289,630</b>

**NOTE: 17 FINANCE COST**

Particulars	For year ended 31st March 2019	For year ended 31st March 2018
Interest on unsecured loan	34,804	-
<b>Total</b>	<b>34,804</b>	<b>-</b>

**NOTE: 18 OTHER EXPENSES**

Particulars	For year ended 31st March 2019	For year ended 31st March 2018
Fee & Taxes	322,826	287,500
Legal & Professional Expenses	177,082	151,219
Postage Expenses	721,304	258,054
Advertisement	48,560	70,411
Auditors Remuneration		-
- Statutory Audit Fees	12,500	12,500
- Internal Audit Fees	10,000	10,000
Other Expenses	160,478	116,562
Balance Written Off	99,000	41,053
<b>Total</b>	<b>1,551,750</b>	<b>947,299</b>

**19 CONTINGENT LIABILITIES AND COMMITMENTS:****I. Contingent Liabilities:****(Rs in Lacs)**

	2018-19	2017-18
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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20 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.

21 The company has a defined benefit gratuity plan & leave encashment as long term benefits to employees. In view of the limited number of employees left on discontinued operations of the company, the actuarial valuation has not been carried out during the year for such long term benefits. However, in compliance of AS-15, a reasonable estimate of company's liability towards such long term benefits to all the employees, has been made on the presumption as if all are retiring on the balance sheet date.

22 Expenditure in Foreign Currency during the year- Nil (Previous Year Nil)

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

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

25 The provision for the current Income Tax is not considered necessary for the financial year 2018-19 in view of the brought forward business loss, unabsorbed depreciation allowance, other deductions and benefits under the provisions of Income Tax Act, 1961.

**26 Deferred Tax Asset/Liability**

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Deferred Tax Asset</b>		
Unabsorbed Depreciation & Business Loss as per Income Tax Act	2,688,211	3,572,116
Employee Bennefit Obligation	69,345	28,155
<b>Total</b>	<b>2,757,556</b>	<b>3,600,271</b>
<b>Deferred Tax Liability</b>		
WDV of Fixed Assets	9,522	9,522
<b>Total</b>	<b>9,522</b>	<b>9,522</b>
<b>Net Deferred Tax</b>	<b>2,748,034</b>	<b>3,590,749</b>
<b>Increase /(Decrease) in Net Deferred Tax Asset</b>	<b>-842,715</b>	<b>47,727</b>

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

**27 RELATED PARTY DISCLOSURE**

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

**A) Names of the Related parties and description of relationship****Key Managerial Personnel**

- Atul Jain, Whole Time Director (wef 29.05.2018)
- Syed Azizur Rahman, Director
- Shuchi Bahl, Director
- Nazir Baig, Director
- Surendra Mohan Sikka, Director
- Bhanumathy Ramchandran, Company Secretary
- Sujeet Gupta, CFO

**B) Transactions during the year with the Related Parties:**

Transaction	For the year ended 31 March 2019 Rs	For the year ended 31 March 2018 Rs
Salary to Whole Time Director	2,019,355	-
Salary to Company Secretary	60,000	60,000
Salary to CFO	212,445	182,000

**28 BASIC AND DILUTED EARNING PER SHARE**

The Basic and Diluted Earning Per Share has been arrived as follows:

Particulars	As at 31.03.2019 (Rs)	As at 31.03.2018 (Rs)
Net Profit after tax available for equity shareholders	2,723,453	(1,229,348)
No. of weighted average equity shares (Basic & Diluted)	7,286,000	7,286,000
<b>BASIC &amp; DILUTED EARNING PER SHARE (Rs.)</b>		
<b>Basic (Rs.)</b>	<b>0.37</b>	(0.17)
<b>Diluted (Rs.)</b>	<b>0.37</b>	(0.17)

**29 Financial instruments and risk management****Capital Management**

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

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

Categories of financial instruments	As at 31 March 2019	As at 31 March 2018
<b>Financial and other financial assets</b>		
Measured at amortised cost		
Cash and bank balances	126467	52835
Loans & Advances	807519	2008413
Other Current assets	240000	99000
<b>Total</b>	<b>1173986</b>	<b>2160248</b>
<b>Financial liabilities</b>		
Measured at amortised cost		
Borrowings- Current	11406324	11354000
Trade payables	6665512	2163269
Security Deposits	0	500000
<b>Total</b>	<b>18071836</b>	<b>14017269</b>

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**

**30 Operating Lease:** There is no Operating Lease exists.

**31 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.

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

**33** 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: 30.05.2019

#### **For and on the Behalf of Board of Directors**

Sd/-

**Syed Azizur Rahman**

(Director)

DIN- 00242790

Sd/-

**Bhanumathy Ramchandran**

Company Secretary

Sd/-

**Atul Jain**

(Whole Time Director)

DIN-00479852

Sd/-

**Atul Rastogi**

Chief Financial Officer



**Proxy Form - Form MGT-11**

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

I / We, being the member(s) of shares of the above named company, hereby appoint:

- (i) Name: ..... Address: .....  
 .....  
 E-Mail ..... Signature ..... or failing him/her
- (ii) Name: ..... Address: .....  
 .....  
 E-Mail ..... Signature ..... or failing him/her
- (iii) Name: ..... Address: .....  
 .....  
 E-Mail ..... Signature ..... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Saturday, July 27, 2019 at 2:00 P.M. at the Registered Office of the Company at Plot No. 2, Phase-III, Sansarpur Terrace, Distt. Kangra, Himachal Pradesh- 173212:

**ORDINARY BUSINESS:**

- To consider and adopt the Annual Accounts, Auditors Report and Directors' Report
- Appointment of Mr. Syed Azizur Rahman (DIN-00242790) as Director of the Company

**SPECIAL BUSINESS**

- To consider and approve the Re-appointment of Mr. Atul Jain (DIN-00479852) as Whole Time Director of the Company.
- To consider and approve the limit of Rs. 100 (One Hundred Crore) for Inter-Corporate Loan/Investment/Guarantee or providing any Security by the Company pursuant to Section 186 of Companies Act, 2013.

Signed this \_\_\_\_\_ day of July \_\_\_\_\_, 2019.

Signature of the Shareholder .....

Signature of Proxy holder(s) .....

Affix Revenue Stamp of Re. 1/-
---

**Note: This form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**

**ATTENDANCE SLIP**

Please complete this Attendance Slip and hand it over at the Entrance of the Hall. Only Members or their Proxies are entitled to be present at the meeting.

Name and Address of the Member	Folio No.
	Client ID No.
	DP ID No.
	No. of Shares Held

I hereby record my Presence at the Annual General Meeting of the Company on **Saturday, July 27, 2019 at 2:00 P.M at Plot No. 2, Phase-III, Sansarpur Terrace, Distt. Kangra, Himachal Pradesh- 173212:**

Signature of the Shareholder	Signature of the Proxy

- Note:** 1. Briefcase, Hand Bags etc. are not allowed inside the Meeting Hall.  
 2. Please note that no gifts will be distributed at the meeting.



## Route Map



**Registered Address:** Plot No. 2, Phase III, Sansarpur Terrace, Himachal Pradesh Kangra- 173212

## **Book Post**

*If undelivered, please return to:*

**Suraj Industries Ltd**

Plot No. 2, Phase-III, Sansarpur Terrace,  
Distt. Kangra, Himachal Pradesh-173212