

SURAJ INDUSTRIES LTD

Registered Office -Plot No. 2 Phase-3, Sansarpur Terrace, Distt. Kangra, H.P.-173212

CIN: L26943HP1992PLC016791

Email id- secretarial@surajindustries.org; Website- www.surajindustries.org

Telephone No: 01970-256414

September 04 ,2023

To,
The Executive Director
BSE Limited
Floor 25, P J Towers
Dalal Street, Mumbai-400001

Scrip Code: 526211

Subject: Submission of Annual Report for the FY 2022-23 pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir / Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed a copy of the Annual Report for the financial year 2022-23 of 31st Annual General Meeting (“31st AGM”) of the Company. The 31st AGM is scheduled to be held on **Tuesday, September 26, 2023, at 03:30 P.M. (IST)** through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”).

The Annual Report for the financial year 2022-23 including the Notice of the 31st AGM is made available on the website of the company i.e. <https://www.surajindustries.org/investor-relations.html> .

Kindly take the same on record and display the same on the website of your exchange.

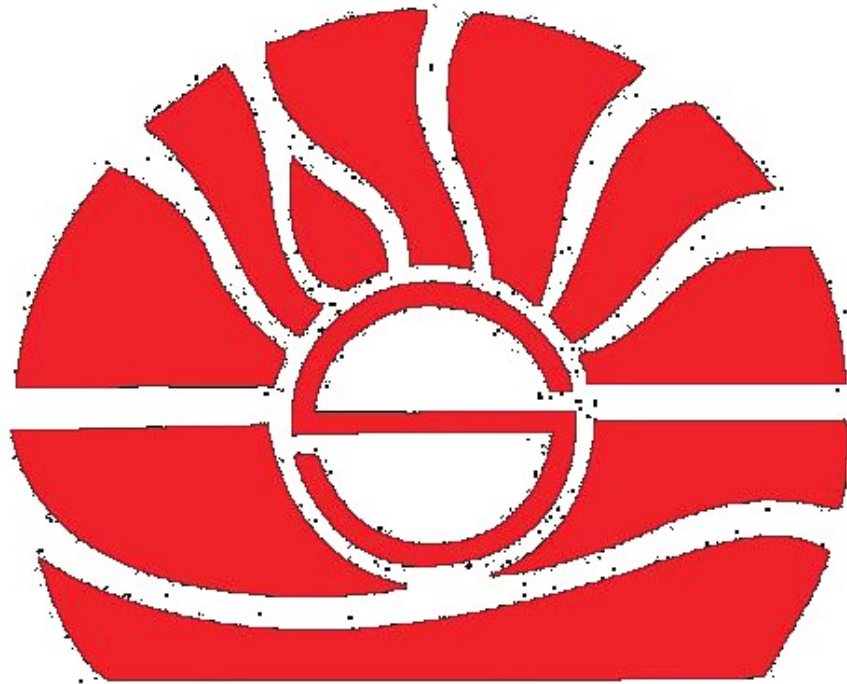
Thanking You,
Yours Truly,
Suraj Industries Ltd

Snehlata Sharma
Company Secretary & Compliance officer

Encl: As Above

31ST ANNUAL REPORT

2022-2023



SURAJ INDUSTRIES LTD

CIN: L26943HP1992PLC016791

CORPORATE INFORMATION

NON-EXECUTIVE CHAIRMAN OF THE BOARD	MR. SYED AZIZUR RAHMAN
MANAGING DIRECTOR	MR. SURAJ PRAKASH GUPTA
WHOLE TIME DIRECTOR	MR. ASHU MALIK
NON-EXECUTIVE INDEPENDENT WOMEN DIRECTOR	MRS. POOJA SOLANKI
NON-EXECUTIVE INDEPENDENT DIRECTOR	MR. NAZIR BAIG
NON-EXECUTIVE NOMINEE DIRECTOR	MR. SANJAY JAIN
CHIEF FINANCIAL OFFICER	MR. SANJAI KAPOOR
COMPANY SECRETARY & COMPLIANCE OFFICER	MS. SNEHLATA SHARMA
BANKER	PUNJAB NATIONAL BANK
STATUTORY AUDITOR	M/S PAWAN SHUBHAM & CO., CHARTERED ACCOUNTANTS
SECRETARIAL AUDITOR	M/S A R MISHRA & ASSOCIATES COMPANY SECRETARIES
REGISTERED OFFICE	PLOT NO. 2, PHASE III SANSARPUR TERRACE, DISTT. KANGRA, HIMACHAL PRADESH, 173212 CONTACT NO-01970-256414
CORPORATE OFFICE	F-32/3, SECOND FLOOR, OKHLA INDUSTRIAL AREA, PHASE – II, NEW DELHI-110020 CONTACT NO-011-42524455
SHARE TRANSFER AGENT	BEETAL FINANCIAL & COMPUTER SERVICES PVT. LTD. BEETAL HOUSE, 3 RD FLOOR, 99, MADANGIR, NEW DELHI-110062 CONTACT NO-011-29961281/83

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NOTICE OF THE 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty First Annual General Meeting (AGM) of the members of **M/s Suraj Industries Ltd** will be held on **Tuesday, September 26, 2023 at 03:30 P.M. (IST)** through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”). The venue of the meeting shall be deemed to be the Registered Office of the Company i.e., Plot No.2, Phase-III, Sansarpur Terrace, Distt. Kangra, Himachal Pradesh-173212 to transact the following business:

ORDINARY BUSINESS

1. **TO CONSIDER AND ADOPT THE AUDITED STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023 TOGETHER WITH THE REPORT OF THE BOARD OF DIRECTORS AND AUDITORS’ THEREON.**
2. **TO APPOINT A DIRECTOR IN PLACE OF MR. SYED AZIZUR RAHMAN (DIN: 00242790), WHO RETIRES BY ROTATION, AND BEING ELIGIBLE, OFFERS HIMSELF FOR THE RE-APPOINTMENT.**

SPECIAL BUSINESS

3. **TO CONSIDER AND APPROVE THE INCREASE IN MATERIAL RELATED PARTY TRANSACTION(S) LIMITS WITH CARYA CHEMICALS & FERTILIZERS PRIVATE LIMITED (CARYA), A SUBSIDIARY COMPANY OF THE COMPANY.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in continuation of the resolution passed by the members at the Extra-Ordinary general meeting held on March 11,2023 and pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time and other applicable provisions of the Companies Act, 2013 (“Act”) read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and other applicable laws / statutory provisions, if any, the Company’s Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/or permission(s), as may be required and based on the recommendation and approval of the Audit Committee/ Board of Directors, the consent of the Members of the Company be and is hereby accorded for increasing the limits of the amount of related party transactions for entering into the Material Related Party Transaction(s) / Contract(s)/ Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise including renewal(s) or extension(s) or modification(s) of earlier contracts/ arrangements / transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the Company and Carya Chemicals & Fertilizers Private Limited (CARYA), a subsidiary of the Company and a related party within the meaning of Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be mutually agreed between the Company and CARYA, for an aggregate value not exceeding Rs 25`crore during the financial year 2023-24 and 2024-25, over and above the transactions already executed with CARYA as on March 31,2023 , provided that such transaction(s) / contract(s) /

arrangement(s) / agreement(s) is being carried out at an arm's length pricing basis and in the ordinary course of business.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including but not limited to, finalizing the terms and conditions, methods and modes in respect of executing necessary documents, including contract(s) / arrangement(s) / agreement(s) and other ancillary documents; seeking necessary approvals from the authorities; settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred; and delegate all or any of the powers herein conferred to any Director, Chief Financial Officer or Company Secretary of the Company, without being required to seek further consent from the Members and that the Members shall be deemed to have accorded their consent thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this Resolution, be and is hereby approved, ratified and confirmed in all respect.

4. RE-APPOINTMENT OF MR. ASHU MALIK (DIN: 07998930) AS WHOLE TIME DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 17(1C) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), Articles of Association, Nomination and Remuneration Policy of the Company and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, subject to all other necessary approval(s) as may be required, the consent of the members of Company be and is hereby accorded for the re-appointment of Mr. Ashu Malik (DIN: 07998930) as Whole Time Director of the Company designated as Key Managerial Personnel for a further period of 1 (One) year commenced from June 27, 2023 till June 26,2024, upon the terms and conditions as referred in explanatory statement.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 203 read with the rules made thereunder and Schedule V to the Act and other applicable provisions, if any, and subject to such approvals as may be required, and pursuant to the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for payment of remuneration as may be approved by the Board of Directors subject to a maximum of Rs.1.25 Lakhs per month.

RESOLVED FURTHER THAT on the recommendations of the Nomination and Remuneration Committee, the Board of Directors be and are hereby authorized to increase, vary or amend the remuneration including salary, allowances, perquisites and benefits, minimum remuneration and other terms of his appointment, from time to time, as deemed expedient or necessary within the overall limit of Rs 1.25 lakhs per month.”

RESOLVED FURTHER THAT notwithstanding anything contained in Sections 197, 198 and Schedule V of the Act or any amendments / re-enactment thereof or any revised/ new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the remuneration, as provided above be paid as minimum remuneration to Mr. Ashu Malik, the Whole-

time Director of the Company even if it exceeds the various stipulated limits of the various provisions of the Act or the rules related thereto during the tenure of his office

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

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

**Place : New Delhi
Dated : 28.08.2023**

**Sd/-
Snehlata Sharma
Company Secretary
Membership No. A62066**

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

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

NOTES

- a. With Reference to General Circular No.14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 5, 2022 and Circular No. 10/2022 dated December 28, 2022 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11, dated January 15, 2021 ,SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations/SEBI Listing Regulations”) all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and it can be held through video conferencing (“VC”) or other audio visual means (“OAVM”). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the applicable provisions of the Act, SEBI Listing Regulations, MCA Circulars, the AGM of the Company is being held through VC/OAVM on **Tuesday, September 26, 2023 at 03:30 p.m.** (IST). The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at Plot No. 2, Phase - III, Sansarpur Terrace, Kangra, Himachal Pradesh – 173212. The deemed venue for the AGM shall be the Registered Office of the Company. Instructions for attending the meeting through VC/OAVM and remote e-voting are attached.
- b. In line with the various MCA Circulars, Notice of the AGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories (“DP”)/ Registrar & Share Transfer Agent of the Company (“RTA”). Members may note that the Notice of AGM will also be available on the Company's website www.surajindustries.org , website of BSE Limited (www.bseindia.com) and website of e-voting agency i.e. Central Depository Services Limited (www.evotingindia.com).
- c. The Notice calling the AGM along with complete Annual Report has been uploaded on the website of the Company www.surajindustries.org. The Notice can also be accessed from the websites of the Stock Exchanges i.e. at www.bseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and providing necessary platform for Video Conference/OAVM) i.e. www.evotingindia.com.
- d. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to items of Special Business is attached and forms part of this notice.
- e. E-voting shall commence on **Saturday, September 23, 2023 at 10:00 A.M. (IST) and end on Monday, September 25, 2023 at 5:00 P.M. (IST)**. The e-voting module shall be disabled for voting thereafter. The voting rights of the Members (for voting through remote e-Voting before/ during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of **September 19, 2023**. Votes once casted can't be change subsequently.
- f. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM will be held through VC / OAVM physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and

hence the Proxy Form and Attendance Slip & Route Map to the venue of AGM are not being annexed to this Notice.

- g. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Members can attend and participate in the Annual General Meeting through VC/OACM only.
- h. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the company by email through its registered email address at secretarial@surajindustries.org.
- i. SEBI vide its Circular dated November 03, 2021 has made it mandatory for the shareholders holding shares in physical form to furnish PAN, KYC details and Nominations viz Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14. A copy of such forms can be downloaded from the website of the Company at www.surajindustries.org. In case of failure to provide required documents and details as per the aforesaid Circular, all folios of such shareholders shall be frozen on or after October 01, 2023 by the RTA. Further, such frozen securities shall be referred by the RTA or the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as of December 31, 2025.

In compliance with the above stated Circular, the Company had already send individual communication to its shareholders holding shares in the physical form requesting them to update their PAN, KYC details and Nomination. In order to avoid freezing of folios, such members are further requested to furnish details in the prescribed form as mentioned in the aforesaid SEBI circular along with the supporting documents, wherever required, to our RTA, Beetal Financial and Computer Services (Pvt) Limited, for immediate action.

In case of any query/assistance, members are requested to contact our R&TA at beetalrta@gmail.com.

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. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of the listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2nd December, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialised form.
- k. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's Registrars, the details of such folios together with the share

certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

- l. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- m. Electronic copy of all documents referred to the accompanying Notice of the 31st Annual General Meeting will be available for inspection by members in electronic mode at the Company's website i.e. www.surajindustries.org.
- n. The Company has a registered e-mail address secretarial@surajindustries.org for members to mail their queries or lodge complaints, if any. The Company endeavors to reply to queries at the earliest. The Company's website www.surajindustries.org has a dedicated section on Investors.
- o. Pursuant to Section 72 of the Act, 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.
- p. If the members have any query in relation to the matters to be considered in the AGM through VC/OAVM are requested to serve the company a list of query along with their names, folio no., mobile number and email Id to the Company at secretarial@surajindustries.org on or before **September 19,2023** to enable the Company to keep the information ready at the Meeting.
- q. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated January 13, 2021 read with MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited ("CDSL").
- r. Mr. Vijay Jain, a Practicing Company Secretary (ACS No. 50242, C.P. No.: 18230) Proprietor, Vijay Jain & Co., Company Secretaries, has been appointed as "Scrutinizer" to scrutinize the remote e-Voting in a fair and transparent manner and he has communicated his willingness to be appointed and he himself or his/her authorized representative will be available at the AGM for the same purpose.
- s. The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and make, within **two (2) working days** of conclusion of the AGM, a consolidated Scrutinizer Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- t. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed at the AGM scheduled to be held on **26th September, 2023**.
- u. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company at www.surajindustries.org and on the website of CDSL at www.evotingindia.com immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The Results shall also be forwarded to the Stock Exchanges where the shares of Company are listed, i.e., BSE Limited.

- v. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- w. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment/retire by rotation at this AGM are annexed to the notice.
- x. 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.
- y. Members desirous of getting any information about the accounts, operations or if the members have any query in relation to the matters to be considered in the AGM through VC/OAVM are requested to serve the company a list of query along with their names, folio no., mobile number and email id to the Company at secretarial@surajindustries.org on or before **September 19, 2023** to enable the Company to keep the information ready at the Meeting.
- z. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of **September 19, 2023** may cast their vote by remote e-Voting. The remote e-Voting period commences on, **Saturday September 23, 2023 at 10:00 a.m. (IST) and ends on Monday, September 25, 2023 at 5:00 p.m. (IST)**. The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before/ during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of **September 19, 2023**.
- aa. 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).
- bb. The Results declared along with details of the number of votes cast for and against the Resolution, invalid votes for at least three days on the Notice Board of the company at its Registered Office and its Corporate Office. Also, the Results declared along with the Scrutinizer's Report shall be placed on the website of the Company at www.surajindustries.org and on the website of CDSL at www.evotingindia.com, immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The Results shall also be forwarded to the Stock Exchanges where the shares of Company are listed.
- cc. The Company has been allotted ISIN (INE170U01011) by CDSL and NSDL (for dematerialization of the company's shares). We hereby request all the members to get their shares dematerialized.

INSTRUCTIONS FOR REMOTE E-VOTING AND ATTENDING THE AGM

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

Instructions for Remote Electronic Voting (E-Voting) prior to the AGM

In order to increase the efficiency of the voting process and in pursuance of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December, 2020, e-voting facility is being provided to all the Demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/Depository Participants (DPs). Demat account holders would be able to cast their vote without having to register again with the E-voting Service Provider (‘ESP’), thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Further, Shareholders are advised to update their mobile number and e-mail-id with their DPs in order to access e-Voting facility.

- i. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode with CDSL/NSDL:**

Type of Shareholders	Login Method
Individual shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers’ website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to

directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in demat mode with NSDL

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select “Register Online for IDeAS” or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>.
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Individual Shareholders (holding securities in demat mode) login through their Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk details for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL is as under:

Login Type	Helpdesk Details
Individual Shareholders holding securities in Demat mode with CDSL.	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.1800225533
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

ii. Login method for e-voting and joining virtual meetings for shareholders other than individuals holding shares in Demat form:

- i) The shareholders should log on to the e-voting website 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. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - c. Shareholders 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 and voted on an earlier e-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 Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- vii) After entering these details appropriately, click on “SUBMIT” tab.
- viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Shareholders holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
- xi) Click on the EVSN **M/s Suraj Industries Ltd which is 230902046.**
- xii) 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.
- xiii) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- xiv) 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.
- xv) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii) If a demat account holder has forgotten the 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.
- xviii) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective App Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- xix) **Note for Non – Individual Shareholders and Custodians – For Remote E-Voting only.**

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

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact at **022- 23058738 and 022-23058542/43**.

All grievances connected with the facility for voting by electronic means may be addressed to **Shri Rakesh Dalvi**, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25 Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on **022-23058542/43**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER

- i. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company, i.e., **230902046** will be displayed after successful login as per the instructions mentioned above for e-voting.
- iii. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- iv. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- v. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- vi. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- vii. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before **19.09.2023** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@surajindustries.org. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance on or before **19.09.2023** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@surajindustries.org. These queries will be replied to by the company suitably by email
- viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- ix. Only those shareholders, who are present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
- x. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders participating in the meeting.
- xi. The voting rights of members shall be in proportion to their shares to the paid-up equity share capital of the Company as on the **cut-off date i.e. September 19, 2023**. Members may cast their votes separately for each business to be transacted in the AGM and may also elect not to vote on any of the resolution(s).

Process for those shareholders whose email addresses are not registered with the depositories for obtaining copy of this notice and login credentials for e-voting for the resolutions proposed in this Notice:

- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company** at secretarial@surajindustries.org or RTA at beetalrta@gmail.com marking CC to Company.
- ii. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) or alternatively please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company** at secretarial@surajindustries.org or RTA at beetalrta@gmail.com marking CC to Company.

Members who need assistance before or during the AGM may contact CDSL on any of the following Helpline Numbers:

Name of Concerned Official	Contact Number	Email id
Shri Rakesh Dalvi, Senior Manager	022-23058542/43 and 022-23058738	helpdesk.evoting@cdslindia.com

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)

The following Statement sets out all material facts relating to the Ordinary Resolution and Special Resolution mentioned in the accompanying Notice:

ITEM NO.:3

Suraj Industries Ltd (SIL) is the holding company of Carya Chemicals & Fertilizers Private Limited (CARYA) and a related party pursuant to section 2(76) of the Companies Act, 2013.

The members of the Company at the Extra-Ordinary General meeting held on March 11,2023 , had approved the proposal of entering into related party transactions with CARYA upto an amount of Rs.38.16 Crores for F.Y 2022-23 and 2023-24.

Against the approved limits, SIL has done following transactions with CARYA as at the financial year ended on March 31,2023 –

S.No.	Particulars	Amount (in Crores)
a)	Investment	26.38
b)	Unsecured Loan	0.76
c)	Interest receivable	0.05
TOTAL		27.19

CARYA has got licence for setting up a 125 KL per day grain based Distillery for manufacture of Extra Neutral Alcohol, 125 KL per day grain based distillery for manufacturing of “Ethanol” and setting up “Bottling Plant” with a capacity of 100 lakh cases per annum for manufacture of Indian Made Foreign Liquor and Country Liquor at RIICO Industrial Area, Guwadi & Majhari, Block Shahbad, Dist. Baran, Rajasthan. (hereinafter referred to as “Project”).

CARYA has been allotted 90 acres land by RIICO to set up the project to set up the project and has also received Environmental Clearance for the project.

In order to meet the fund requirement for implementing the Project , Carya has approached , the holding company to induct funds in CARYA in shape of equity share capital and /or unsecured Loans.

The Management has provided the Audit Committee with relevant details of the proposed RPTs in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, including material terms and basis of pricing. The audit committee and the Board of directors of the Company at their respective meetings held on August 28,2023 approved the proposal for further induction of funds by SIL in CARYA upto a sum of Rs. 25 Crores (in addition to the funds already approved by the Members on March 11, 2023) in shape of equity share capital and /or unsecured loan to meet the funds requirement of Carya to implement the project. The Audit Committee has noted that the said transaction(s) will be at an arm’s length pricing basis and will be in the ordinary course of business.

Regulation 23 of the SEBI Listing Regulations, inter alia, states that effective from April 1, 2022, all Material Related Party Transactions (‘RPT’) shall require prior approval of the shareholders by means

of an Ordinary Resolution, even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds `1,000 crore or 10% of the annual consolidated turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower. Regulation 2(1) (zc) of the SEBI Listing Regulations defines related party transaction to mean a transaction involving transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity, regardless of whether a price is charged or not.

Except Mr. Sanjay Jain and Mr. Syed Azizur Rahman ,common directors in both companies, none of the Directors or KMPs and/ or their respective relatives is in any way, concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 3 of the Notice.

Accordingly, based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 3 of the Notice for approval by the Members by way of Ordinary Resolution.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, no Related Party shall vote to approve the Ordinary Resolution set forth at Item No. 3 of the Notice, whether the entity is a Related Party to the particular transaction or not.

Necessary documents in this regard are available for inspection by the members in electronic mode under Investor Relations link of Company's website i.e www.surajindustries.org.

Details of the proposed RPTs between the Company and Carya Chemicals & Fertilizers Private Limited (CARYA), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

S.No.	Description	Details of proposed RPTs between the Company and CARYA
Summary of information provided by the Management to the Audit Committee for approval of the proposed RPT		
a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	Carya Chemicals & Fertilizers Private Limited (CARYA) is a material subsidiary of the Company with a holding of 50.73% in its equity share capital.
b.	Type, material terms, monetary value and particulars of the proposed RPTs.	Further fund infusion in CARYA by way of investment and unsecured loans to the extent of Rs 25 Crores over and above the investment and unsecured loans aggregating to Rs. 27.19 Crores already made as on March 31,2023. The total monetary value of the transaction including the transaction already made would be 52.19 Crores.
c.	Percentage of the Company's annual consolidated turnover, for	77.45 % (for existing as well as proposed investment and unsecured loan to be made/given in FY 2023-24 and FY 2024-25)

	the immediately preceding financial year, that is represented by the value of the proposed RPTs.	
2.	Justification for the proposed RPTs	As detailed in the explanatory statement
3.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary.	
a.	Details of the source of funds in connection with the proposed transaction.	It would be out of the proceeds of the proposed rights issue of shares, conversion of share warrants already issued and internal accruals. In the interim period till the time the proceeds from the rights issue are not received, the transaction would be funded through unsecured loans/inter-corporate deposits. Thereafter, these unsecured loans/inter-corporate deposits would be repaid out of the proceeds of the rights issue.
b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: - Nature of indebtedness, - Cost of funds and - Tenure.	The unsecured loans/Inter corporate deposit would carry rate of interest not exceeding 12% p.a. and the tenure would be maximum 24 months.
c.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security.	The loan to the subsidiary company would be unsecured and the rate of interest and tenure would in consonance with the provisions of the Act and at arm's length.
d.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	For setting up a 125 KL per day grain-based Distillery for manufacture of Extra Neutral Alcohol, 125 KL per day grain based distillery for manufacturing of "Ethanol" and setting up "Bottling Plant" with a capacity of 100 lakh cases per annum for manufacture of Indian Made Foreign Liquor and Country Liquor

ITEM NO.: 4

Mr. Ashu Malik (DIN: 07998930) was re-appointed as Whole-time Director of the Company by the Board of Directors for a period of 1 (one) year i.e. from June 27, 2022 to June 26, 2023. and his term as a Whole-time Director was set to expire on June 26,2023.

Based on the recommendation of the Nomination and Remuneration Committee of the Company, and considering that re-appointment of Mr. Ashu Malik (DIN: 07998930) is appropriate and in the best

interest of the Company, the Board of Directors of the Company at its meeting held on the May 30, 2023, has approved re-appointment of Mr. Ashu Malik (DIN: 07998930) as Whole-time Director of the Company for a further period of 1 (one) year commencing from June 27, 2023 till June 26, 2024 on such terms and conditions including remuneration upto a sum of Rs. 1.25 lakh per month, with the liberty to the board or Nomination and remuneration committee thereof in its absolute discretion to decide the basic salary and annual increments within the above prescribed amount.

As per section 196, 197 read with Schedule V of the Act, the terms and conditions of appointment and remuneration of Whole-time Director shall be, subject to the approval of the shareholders. Further, as per Regulation 17(1C) of the SEBI Listing Regulations, 2015, approval of shareholders for the appointment of a person on the Board of Directors is required to be taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Additional information in respect of Mr. Ashu Malik (DIN: 07998930), pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at **Annexure A** to this Notice.

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

I. GENERAL INFORMATION

(1)	Nature of Industry	Suraj Industries Limited is engaged in the business of bottling operations of the Rajasthan Made Liquor and Country Liquor. The Company is also in the business of trading of edible oils like Palm oil, Soyabean Oil Etc.
(2)	Date or expected date of commencement of commercial production	The Company was incorporated on July 09, 1992 and commenced its business on July 24, 1992
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable (As the Company is already in operation)
(4)	Foreign investments or collaborators, if any	Nil
(5)	Financial performance of the Company for the last 3 years is given below:	
	Particulars	Financial Year Ended
		31st March 2021 31st March 2022 31st March 2023
		(Amount in Rs. Lakh)
	Revenue	699.11 4126.41 6737.89

Other Income	5.22	2.09	84.56
Total Income	704.33	4128.50	6822.45
Total Expenditure	698.01	3716.04	6130.07
Profit/ (Loss) before Tax	6.32	412.46	692.38
Profit/Loss after tax and adjustments	37.11	304.76	479.40

II. INFORMATION ABOUT THE APPOINTEE

MR. ASHU MALIK AS WHOLE TIME DIRECTOR

(1) Background Details	He is B. SC from Alcohol Tech by qualification
(2) Past Remuneration	Rs.90,000 Per month.
(3) Recognition or Awards	--
(4) Job Profile and his suitability	He has more than 19 years of experience in edible oil and alcoholic beverages sector which is suitable for this job profile.
(5) Remuneration Proposed	As stated in the resolution.
(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 remuneration payable is comparable to the remuneration paid to a person holding similar position in other companies of similar size as that of the Company. With an increasing size of business, it is also imperative for the Company to have highly experienced professionals having specialized knowledge and skills to understand and project the market trend, consumer behaviour, consumption pattern and many relevant indicators for better product mix. It also requires expertise for appropriate fund allocation, optimum utilization of various resources in the business.
(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	NIL, apart from receiving the remuneration proposed, he does not have any other material pecuniary relationship directly or indirectly with the Company.

III. OTHER INFORMATION

(1) Reason for loss or inadequate profits	The Company has diversified into bottling operations of Rajasthan Made Liquor and Country Liquor during the FY 2021-2022 and started generating revenues. It is in the initial stage of earning after diversification, therefore the Company is not having sufficient profits.
(2) Steps taken or proposed to be	The company has diversified into bottling operations of Rajasthan Made Liquor and Country Liquor. Mr. Ashu Malik who has more than

	taken for improvement	19 years experience in the Liquor business has been appointed as a Whole Time Director to manage the liquor operations.
(3)	Expected increase in productivity and profits in measurable terms	The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario of the economy to predict profit in the measurable terms.

Accordingly, Item No. 4 are recommended for your approval as Special Resolution.

Except Mr. Ashu Malik being an appointee, none of the Directors, key managerial persons or their relatives in any way are concerned or interested, financial or otherwise, in the resolution set out in item no. 4.

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

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

Place : New Delhi

Dated : 28.08.2023

**Sd/-
Snehlata Sharma
Company Secretary
Membership No. A62066**

Registered Office:

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

Corporate office:

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

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

FOR ITEM NO- 2 & 4

S. No.	Particulars		
	Name of Director	Mr. Syed Azizur Rahman	Mr. Ashu Malik
1.	DIN No.	00242790	07998930
2.	Date of Birth	15-10-1962	16-01-1978
3.	Nationality	Indian	Indian
4.	Age	61 Years	45 Years
5.	Date of First Appointment on the Board	30-10-2015	27/06/2021
6.	Experience in specific functional area	He holds more than 32 years of experience in manufacturing inclusive of 19 years as Unit Head/ Business Head.	He is having 19 years of experience in Liquor Business.
7.	No. of equity shares held in the Company (as on 31st March, 2023)	100	NIL
8.	Qualifications	Mechanical engineer	B. Sc. from Alcohol Tech
9.	List of other Directorships (as on 31.03.2023)	<ul style="list-style-type: none"> • Shri Gang Industries and Allied Products Limited. • Gold Coin Marketing Private Limited • Carya Chemicals & Fertilizers Private Limited. 	NIL
10.	Membership/Chairman of Committees of the other Companies (As on 31.03.2023)	1. Shri Gang Industries and Allied Products Limited a) Audit Committee- Member b) Nomination & Remuneration Committee- Member c) Stakeholders Relationship Committee – Member 2. Carya Chemicals and Fertilizers Private Limited.	Nil

		(Unlisted public Co.) a. Audit Committee- Member	
11.	Relationships, between Directors inter se	Not related to any Director/ Key Managerial Personnel	Not related to any Director/ Key Managerial Personnel
12.	Number of Board Meeting attended during the year	08	08
13.	Terms & Conditions of Appointment / Re-appointment	Terms & Conditions of appointment or re-appointment are as per the Nomination and Remuneration Policy of the Company	Terms & Conditions of appointment or re-appointment are as per the Nomination and Remuneration Policy of the Company
14.	Last drawn remuneration details along with remuneration sought to be paid.	No remuneration is sought to be paid.	He has drawn Rs. 90000/- per month which may extend subject to the maximum of Rs. 1,25,000 by the sole discretion of the Board of Directors and Remuneration Committee which is as per the Nomination and Remuneration Policy of the Company.
15.	Listed entities from which the person has resigned in the past three years.	Nil	Nil

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

**Place : New Delhi
Dated : 28.08.2023**

**Sd/-
Snehlata Sharma
Company Secretary
Membership No. A62066**

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

Corporate office:
F-32/3, Second 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 31st Annual Report along with the Audited Standalone and Consolidated Financial Statement of Accounts for the Financial Year ended March 31 2023.



FINANCIAL PERFORMANCE OF THE COMPANY

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

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	<u>2022-2023</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2021-2022</u>
Total Income	6822.45	4,128.50	6822.45	--
Total Expenses	6130.07	3,716.04	6130.07	--
Profit/(Loss) before Extra-ordinary Items and Exceptional Items	692.38	412.46	692.38	--
Share of profit of Associate (net of tax)			264.11	--
Profit/(Loss) before tax	692.38	412.46	956.49	--
Tax Expenses				
Current Tax	188.95	45.81	188.95	--
Income tax-Earlier years	9.83	0.27	9.83	--
Deferred Tax	16.86	59.39	16.87	--
Profit/(Loss) for the period	476.74	306.99	740.84	--
Other Comprehensive Income:				
Re-measurement of defined benefits plans	2.66	(2.23)	2.66	--
Total Comprehensive Income for the period	479.40	304.76	743.50	--

PERFORMANCE OF BUSINESS OR RESULTS OF OPERATIONS

Standalone

During the financial year 2022-2023 under review, the total Revenue of the company was Rs. 6822.45 lakh as against Rs. 4128.50 lakh in the previous year and the net profit after tax was Rs. 479.40 Lakhs as compared to profit of Rs. 304.76 Lakhs in the previous financial year.2021-22.

Consolidated

During the year under review the company has acquired

- a) 2,63,81,000 Equity shares of M/s Carya Chemicals & Fertilizers Private Limited (Carya) which constitutes 50.73 % of the paid up share capital of Carya by virtue of this Carya is a Subsidiary Company of SIL pursuant to the provisions of Section 2(87) (ii) of the Companies Act, 2013.
- b) 36,00,000 equity shares of M/s Shri Gang Industries and Allied Products Ltd. (“Shri Gang”) ,which constitutes 20.08% of the paid up share capital of Shri Gang, by virtue of this Shri Gang is an associate Company of the Company pursuant to the provisions of Section 2(6) of the Companies Act, 2013.

Therefore, the consolidated financial statements are applicable for the first time from the financial year ended on March 31,2023.

During the financial year 2022-2023 under review, as per the Consolidated Financial Statements, the net profit is Rs. 743.50 Lakhs which includes share of profit of Associate company amounting to Rs 264.11 lakh.

STATE OF COMPANY’S AFFAIRS AND OUTLOOK

The company is engaged in two business verticals-

a) Liquor business

- The company has a bottling plant for manufacture of Country Liquor & Rajasthan Made Liquor at Ajmer, Rajasthan. The company is manufacturing Rajasthan Made Liquor for Rajasthan State Ganganagar Sugar Mills Ltd (a Rajasthan Government Undertaking) under contract manufacturing arrangement.
- The company has also started to manufacture and sell Country Liquor in its own brands.
- In order to expand its footprint in liquor business, the Company has taken equity stakes in two companies having interest in liquor business-
 - 50.73 % stake in Carya Chemicals and Fertilizers Private Limited, which has a LOI for setting up Distillery for ENA and Ethanol and Bottling Plant for manufacture of Indian Made Foreign Liquor and Country Liquor in Rajasthan
 - 20.08% stake in Shri Gang Industries & Allied Products Ltd which has set up a Distillery for manufacture of ENA and Bottling Plant for the manufacture of Indian Made Foreign Liquor at Sandila, Dist. Hardoi (UP).

b) Trading Business

Under this vertical the company is mainly into trading of edible oils like Palm Oil, Soyabean Oil etc.

The Company is expected to grow at a fast pace in the coming years majorly in the Liquor Segment which is the prime focus area for the company.

SHARE CAPITAL OF THE COMPANY

During the year, the Authorised Share capital has been increased from Rs. 15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lakh only) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 20,00,00,000/- (Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crore only) equity shares of Rs. 10/- (Rupees Ten Only) each.

The paid up equity share capital as on March 31,2023 was Rs. 12,29,41,720/- (Rupees Twelve Crore Twenty-Nine Lakh Forty-One Thousand Seven Hundred and Twenty Only). During the financial year under review the Paid up Share Capital of the Company has been increased from Rs. 9,54,20,000/- (Rupees Nine Crore Fifty-Four Lakh Twenty Thousand Only) divided into 95,42,000 (Ninety-Five Lakh Forty-Two Thousand only) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 12,29,41,720/- (Rupees Twelve Crore Twenty-Nine Lakh Forty-One Thousand Seven Hundred and Twenty Only) divided into 1,22,94,172 (One Crore Twenty-Two Lakh Ninety-Four Lakh One Hundred and Seventy-Two Only) Equity shares of Rs. 10/- (Rupees Ten) each.

The paid-up share capital of the Company has been increased in following manner: -

- On May 12,2022, the Company has issued and allotted 16,55,172 Equity Shares of face value of Rs. 10/- per Equity Share at an issue price of Rs. 145/- per Equity Share (including premium of Rs. 135) aggregating to Rs. 23,99,99,940/- (Rupees Twenty-Three Crore Ninety-Nine Lakh Ninety-Nine Thousand Nine Hundred Forty Only), on a preferential basis ('Preferential Allotment') to the person belonging to the 'Non-Promoter' category.
- On September 09,2022, the Company has approved the allotment of 10,97,000 Equity Shares of face value of Rs. 10/- each pursuant to conversion of 10,97,000 Fully Convertible Warrants ("Warrants"), issued as on March 26,2021 at an issue price of Rs. 10/- each, by way of preferential allotment, to the person belonging to 'Promoter and Promoter group'

Further, the board of directors at its meeting held on February 10, 2023 have approved for fund raising by way of Rights Issue of Equity Shares, to the eligible equity shareholders of the Company as on record date (to be notified later), for a maximum amount of not exceeding Rs. 20,00,00,000 (Rupees Twenty Crore Only) ("the Issue"), subject to applicable laws, at an issue price of Rs 65/- per share, for the purpose of a) infusion of fund in the subsidiary company and b) expansion in company's existing business, working capital requirement and other general corporate purpose.

The Board also constituted 'Rights Issue Committee' to decide and finalize the number of rights shares to be issued and other terms and conditions of the Issue, including but not limiting to the deciding the record date, timing, other terms and schedule of payment and all other related matters etc, from time to time.

DIVIDEND

The Board of Directors ("Board"), after considering holistically the relevant circumstances and keeping in view the tremendous growth opportunities that your company is currently engaged with, has decided that it would be prudent not to recommend any dividend for the financial year 2022-23 under review.

AMOUNT TRANSFERRED TO RESERVES

No amount was transferred to reserves during the financial year 2022-23 under review.

CREDIT RATING

During the year under review, the Company was not required to have credit rating.

DIRECTORS AND KEY MANAGERIAL PERSONNELS

As of March 31, 2023, your Company's Board had six members comprising of two Executive Directors , one Non-Executive and Non-Independent Director, one Non-Executive and Nominee Director and two Non –Executive Independent Directors including one women Independent Director. The details of Board and Committee composition, tenure of Directors, areas of expertise and other details are available in the Corporate Governance Report, which forms part of this Annual Report.

The current composition of the Board of Directors (as on the date of Board's Report) are as follows:

Sr. No.	Name of Director	Designation
1.	Mr. Suraj Prakash Gupta	Managing Director
2.	Mr. Sanjay Kumar Jain	Non-Executive Nominee Director
3.	Mr. Ashu Malik	Whole Time Director
4.	Mr. Syed Azizur Rahman	Non-Executive Non-Independent Director
5.	Mr. Nazir Baig	Non-Executive Independent director
6.	Mrs. Pooja Solanki	Non-Executive Women Independent Director

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

Changes in the composition of the Board of Directors and Key Managerial Personnel

The following changes occurred during FY 2022-23 till the date of this Report:

During the year under review, following changes took place in the Directors and Key Managerial Personnel of the Company, pursuant to the applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force), SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and on the recommendation of Nomination and Remuneration Committee:-

- i. Change in category of Mr. Sanjay Kumar Jain from Non-Executive Independent Director to Non-Executive Nominee Director of the company with effect from 18.05.2022. Mr. Sanjay Kumar Jain (DIN: 01014176) was appointed an Additional Non-Executive Independent Director effective from March 29,2022 on the Board.
- ii. Appointment of Mr. Sanjai Kapoor as Chief Financial Officer (“CFO”) of the Company effective from June 22,2022.
- iii. Re- appointment of Mr. Ashu Malik (DIN: 07998930) as Whole-time Director of the Company for a period of one (1) year w.e.f. 27.06.2022 subject to the approval of the members of the Company. Later shareholders in their meeting held on September 27, 2022 had approved his re-appointment as Whole Time Director for a further period of one year effective from 27.06.2022.
- iv. Resignation of Ms. Chhavi Agrawal as Company Secretary and Compliance Officer w.e.f October 18,2022.
- v. Appointment of Ms. Snehlata Sharma as Company Secretary and Compliance Office w.e.f October 19,2022.

- vi. Re-appointment of Mr. Suraj Prakash Gupta (DIN: 00243846) as Managing Director of the Company for a further period of five (5) years w.e.f. 06.02.2023 subject to the approval of the members of the Company. Later shareholders in the Extra-Ordinary General meeting held on March 11, 2023 had approved his re-appointment as Managing Director for a further period of five years effective from 06.02.2023.

In order to comply with the provisions of Section 152 (6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, executive directors and non-executive directors except the Independent Directors are subject to retire by rotation. Based on the terms of appointment and the Articles of Association of your Company, Mr. Syed Azizur Rahman (DIN: 00242790) who is the longest serving member in the current term and is liable to retire by rotation, being eligible offers himself for re-appointment.

Appropriate resolutions seeking their appointment/re-appointment are being placed for your approval in the ensuing Annual General Meeting.

Key Managerial Personnel

During the year under review, the Company is having the following persons as Key Managerial Personnel in accordance with provisions of Section 203 of the Companies Act, 2013,

Sr. No.	Name of Key Managerial Personnel	Designation
1.	Mr. Suraj Prakash Gupta	Managing Director
2.	Mr. Ashu Malik	Whole Time Director
3.	Mr. Sanjai Kapoor*	Chief Financial Officer
4.	Ms. Snehlata Sharma #	Company Secretary & Compliance Officer

* Mr. Sanjai Kapoor was appointed as Chief Financial Officer on June 22, 2022.

Ms. Snehlata Sharma was appointed as Company Secretary & Compliance officer w.e.f. October 19, 2022.

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) In the preparation of the Annual Accounts for the financial year ended March 31, 2023, 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, 2023 and of the profit of the Company for the Financial year ended March 31, 2023.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That accounts for the year ended March 31, 2023 have been prepared following the going concern basis.

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

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act,2013 corporate social responsibility are not applicable to the company.

STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

The Board is of the opinion that all the independent directors appointed are having good integrity and possess the requisite expertise and experience (including the proficiency). Independent Directors have confirmed that they are not aware of any circumstances or situation, which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the independent directors, the Board has confirmed that they meet the criteria of independence and that they are independent of the management.

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 on the date of this report.

COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following Committees constituted by the Board function according to their respective roles and defined scope:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders' Relationship Committee
- d) Independent Director's Committee
- e) Preferential Issue Committee
- f) Right Issue Committee
- g) Investment Committee

A detailed note on the Board and its committees is provided under the Corporate Governance Report section in this Annual Report. The composition of the committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of Committee	Highlights of roles and responsibilities
Audit Committee	Mr. Nazir Baig* Mrs. Pooja Solanki Mr. Syed Azizur Rahman	<ul style="list-style-type: none"> • All recommendations made by the audit committee during the year were accepted by the Board. • Reviewing, with the management, the quarterly financial statements before submission to the Board for approval. • Approval or any subsequent modification of transactions of the Company with related parties. • Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems, etc.
Nomination and Remuneration Committee	Mr. Nazir Baig* Mrs. Pooja Solanki Mr. Syed Azizur Rahman	<ul style="list-style-type: none"> • The committee oversees and administers executive compensation, operating under a written charter adopted by our Board of Directors. • The nomination and remuneration committee has framed the nomination and remuneration policy.
Stakeholders Relationship Committee	Mr. Nazir Baig* Mrs. Pooja Solanki Mr. Syed Azizur Rahman	<ul style="list-style-type: none"> • The committee reviews and ensures redressal of investor grievances. • The committee noted that all the grievances of the investors have been resolved during the year.
Independent Directors Committee	Mr. Nazir Baig* Mrs. Pooja Solanki	<ul style="list-style-type: none"> • Review the performance of the non-independent directors. • Review the performance of the Chairperson and Board as whole.
Preferential Issue Committee	Mr. Nazir Baig* Mr. Suraj Prakash Gupta Mr. Syed Azizur Rahman	<ul style="list-style-type: none"> • Smooth functioning of allotment of shares.

Right Issue Committee	Mr. Suraj Prakash Gupta Mr. Syed Azizur Rahman Mr. Sanjay Kumar Jain	<ul style="list-style-type: none"> • To appoint, negotiate fees/remuneration/expenses and/or any other charges and enter into arrangements with Merchant banker(s), legal advisor(s), Banker(s), depository, registrar, Auditors, printer(s), monitoring agency if required and any other intermediaries, agencies or persons as may be required or desirable for giving effect to completion of rights issue process; • finalise the budget for expenses of the Rights Issue; • To provide any document or data to the intermediaries for the purpose of Rights issue. • approve and adopt the draft Letter of Offer, Letter of Offer, Application Form and such other as documents, as may be required for the Rights Issue, and file or submit the same with SEBI, stock exchanges and other concerned authorities and issue the same to the equity shareholders of the Company; • settle any question, difficulty or doubt of stock exchange, SEBI or such other authorities, whether regulatory or otherwise, as may be necessary in relation to the Rights Issue and that may arise in connection with the Rights Issue; • To do all acts, deeds, matters and things which they may, in their discretion, deem necessary or desirable for the purpose of the Rights Issue including any modification/correction thereof.
Investment Committee	Mr. Suraj Prakash Gupta Mr. Syed Azizur Rahman Mr. Sanjay Kumar Jain	<ul style="list-style-type: none"> • To decide on the quantum of investment made by the company. • Any other matter which would be incidental to the above.

** Company does not have any regular chairperson of the Committees. Therefore, Mr. Nazir Baig is being elected as chairperson for conducting the Committee Meeting during the financial year 2022-23.*

STATUTORY AUDITORS & THEIR REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company at their 30th Annual General Meeting held in the year 2022, approved the appointment of M/s. Pawan Shubham & Co, Chartered Accountants (FRN 011573C) as the Statutory Auditors of the Company for a term of 5 years i.e. from the conclusion of 30th Annual General Meeting till the conclusion of ensuing 35th Annual General Meeting of the Company.

The Audit reports dated May 30, 2023 (Standalone UDIN: 23523411BGWIHN4724) (Consolidated UDIN:23523411BGWIHO4169) issued by M/s. Pawan Shubham & Co, Chartered Accountants, Statutory Auditors on the Company's standalone and consolidated financial statements for the financial year ended 2022-23 is part of the Annual Report.

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

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

SECRETARIAL AUDITOR & THEIR REPORT

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors appointed Mr. Ashok Ranjan Mishra, Proprietor, M/s. A R Mishra & Associates (CP No:22727, M.No.: FCS 5377), as the Secretarial Auditor of the Company for the financial year 2022-23.

The report issued by the secretarial auditor dated August 28,2023(UDIN : F005377E000874421) is annexed in **Annexure-III** and forms integral part of the Board's Report. There has been no qualification, reservation or adverse remark in their Report.

Your Company is in compliance with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India for the financial year ended March 31, 2023.

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with relevant applicable rules your company was required to appoint an Internal Auditor. Further, the Board of Directors at its meeting held on September 02, 2022 has appointed M/s Mohan Gupta & Co., Chartered Accountants as Internal Auditor of the Company.

ANNUAL RETURN

In accordance with the provisions of section 134(3)(a) & 92(3) of Companies Act, 2013 read with rules made thereunder, the Annual Return will be available on the website of the Company, once filed with the Ministry of Corporate Affairs after the 31st Annual General Meeting of the Company and can be accessed through the link (www.surajindustries.org).

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal audit and control systems play a crucial role in ensuring the efficient and effective operation of organizations across various sectors. Internal audit refers to the independent and objective examination of

an organization's activities, processes, and controls to assess their adequacy, reliability, and compliance with relevant laws, regulations, and internal policies. The primary objective of internal audit is to provide assurance to management and stakeholders that risks are identified, managed, and mitigated appropriately.

Internal audit encompasses a wide range of activities, including evaluating the effectiveness of internal controls, identifying areas of improvement, assessing operational efficiency, detecting fraud and irregularities, and ensuring compliance with legal and regulatory requirements. By conducting regular audits, internal auditors help organizations identify potential weaknesses in their systems and processes, allowing management to take proactive measures to address them.

Control systems, on the other hand, refer to the policies, procedures, and practices put in place by management to safeguard assets, ensure accurate financial reporting, and promote operational efficiency. These control systems aim to mitigate risks and provide reasonable assurance that the organization's objectives are achieved.

Effective internal audit and control systems contribute to better governance, risk management, and internal controls within an organization. They provide management and stakeholders with confidence that risks are managed appropriately, financial information is reliable, and operations are conducted with integrity. By continuously monitoring and evaluating controls, internal audit helps organizations stay ahead of emerging.

Your Company has an Audit Committee consisting of Two Non-Executive Independent Directors and one Non-Executive Director. The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control system and suggests improvements if any for strengthening them. Your Company has a robust Management Information System which is an integral part of the control mechanism.

DETAILS OF SUBSIDIARIES/JOINT VENTURE AND ASSOCIATES COMPANY

As on 31st March 2023, the Company has one subsidiary and one associate company-

- a) **Subsidiary Company** : The Company acquired 62.06 % shareholding of Carya Chemicals and fertilizers Private Limited (CARYA) on June 15, 2022 , by virtue of which M/s Carya Chemicals and Fertilizers Pvt Ltd has become a subsidiary of M/s Suraj Industries under the provisions of Section 2(87)(ii) of the Companies Act, 2013 Ltd. As on 31.03.2023 the Company's shareholding in Carya was 50.73 %
- b) **Associate Company**: On July 09,2022 , the Company acquired 20.08% equity stake in M/s Shri Gang Industries and Allied Products Limited. By virtue of this acquisition, M/s Shri Gang Industries and Allied Products Limited become Associate Company of M/s Suraj Industries Ltd. under the provisions of Section 2(6) of the Companies Act, 2013.

Accordingly ,the consolidated financial statements of the Company, its subsidiary and associate company for the year under review is prepared in compliance with the applicable provisions of the Companies Act, 2013, Indian Accounting Standards (Ind-AS) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations, 2015") which forms part of the Annual Report. A gist of financial highlights/performance of these Companies is contained in Form AOC-1 and forms part of this report and annexed as **Annexure-1**.

NUMBER OF BOARD MEETING AND ATTENDANCE BY EACH DIRECTOR

During the financial year 2022-2023, **Eight (08)** Board Meetings were held on **18.05.2022, 08.06.2022, 22.06.2022, 13.08.2022, 02.09.2022, 19.10.2022, 04.02.2023** and **10.02.2023**. The intervening gap between any two meetings did not exceed the time prescribed under Companies Act, 2013 and the SEBI

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

S. No	Name of Director	Designation	No. of Board Meetings Held	No. of Board Meetings Attended
1.	Mr. Suraj Prakash Gupta	Managing Director	08	08
2.	Mr. Ashu Malik	Whole Time Director	08	08
3.	Mr. Syed Azizur Rahman	Non-Executive Non-Independent Director	08	08
4.	Mr. Sanjay Jain *	Non-Executive – Nominee Director	08	08
5.	Ms. Pooja Solanki	Non-Executive - Independent Director	08	07
6.	Mr. Nazir Baig	Non-Executive - Independent Director	08	08

**Mr. Sanjay Jain was appointed as Non-Executive Independent Director of the Company on March 29,2022 and his category of director has been changed from the Non-Executive Independent Director to Non-Executive Nominee Director w.e.f May 18,2022.*

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization’s brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders’ expectations. It is imperative that your company’s affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of the stakeholders.

Pursuant to increase in Paid up share capital of the Company on May 12,2022, the Corporate Governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V read with Regulation 15(2) of SEBI (LODR) Regulations, 2015 have become applicable to the Company in Financial Year 2022-2023 and since then the Company is complying with the regulations and is committed to maintain the standards of Corporate Governance.

In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter “Listing Regulations”) as amended from time to time, a Report on Corporate Governance along with Compliance Certificate issued by the Practicing Company Secretary of the Company forms integral part of this Annual Report.

CODE OF CONDUCT

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

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

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated Employees of the Company. The Code requires pre-

clearance for dealing in the Company's Shares and prohibits the purchase or sale of Company Shares by the Directors and the designated Employees while in possession of Unpublished Price Sensitive Information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code.

The Board Members have affirmed compliance with the Code of Conduct for the year ended March 31, 2023. The code of conduct is available on our website www.surajindustries.org.

PREVENTION OF INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time, the Company has adopted a Code of Conduct to Regulate, Monitoring & Reporting of Trading by Insiders. During the year under review, there has been due compliance with the said code.

Your Company is maintaining Structured Digital Database ('SDD'), the database of unpublished price sensitive information (UPSI), shared internally or externally, with the intent of keeping track as to who all were in the know of an UPSI before it became public.

PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The Company has always believed in providing a safe and harassment free workplace for every woman working in Company's premises, through various interventions and practices. The Company has adopted policy and constituted the Internal Complaint Committee under Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as amended from time to time.

The following are the summary of sexual harassment complaints received and disposed of during the year:

Sl. No.	Particulars	Status of the No. of the Complaints received and disposed off
1.	Number of complaints on sexual harassment received	Nil
2.	Number of complaints disposed off during the year	Nil
3.	Number of cases pending for more than ninety days	Nil
4.	Nature of action taken by the employer or district officer	Nil

The Company has not received any complaints during the year.

DECLARATION BY INDEPENDENT DIRECTOR(S)

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

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

MEETING OF INDEPENDENT DIRECTORS

In terms of requirements under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held on **March 13, 2023**.

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.

NOMINATION AND REMUNERATION POLICY.

Pursuant to the provisions of Section 178 of the Act, and in terms of Regulation 19 read with Part D of Schedule-II of the SEBI Listing Regulations, the Company has a Nomination and Remuneration Policy for its Directors, Key Managerial Personnel and Senior Management which also provides for the diversity of the Board and provides the mechanism for performance evaluation of the Directors and the said Policy was amended from time to time. It includes criteria for determining qualifications, positive attributes and Independence of a Director. It is available on the Company's website and can be accessed through the following link <https://www.surajindustries.org/policy/Nomination-&-Remuneration-Policy.pdf> .

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

Particulars of loans, guarantees and investments made by the Company required under section 186(4) of the Act are contained in Notes of the Standalone Financial Statements and are not reproduced for the sake of brevity.

PARTICULARS OF CONTRACT OR ARRANGEMENTS MADE WITH RELATED PARTIES .

All Related Party Transactions (RPT) that were entered into by the Company during the financial year under review were on an arm's length basis and in the ordinary course of business. During the year under review, the Company has entered into material related party transactions with Carya Chemicals and Fertilizers Private Limited (CARYA) and details of the same are stated in Form AOC-2 in **Annexure- II** of this report. The material related party transactions entered by the Company are within the limits and in terms of the approval accorded by the Shareholders at their Extra-Ordinary General Meeting ("EGM") held on March 11,2023.

The "Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions" ('the Policy'), as approved by the Board of Directors has been uploaded on the website of the Company viz: [https:// www.surajindustries.org/policy /investors/policies](https://www.surajindustries.org/policy/investors/policies). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of RPT, keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All RPT are placed before the Audit Committee for review and approval.

All the related party transactions were entered on arms' length basis and were in the ordinary course of business. Further, the transactions with related parties were in compliance with applicable provisions of the Act and the Listing Regulations. Omnibus approval was obtained for the transactions which were foreseen and repetitive in nature. A statement of all related party transactions was presented before the Audit Committee on a quarterly basis.

Further, the details of the transactions with Related Parties which not considered as material are provided in **Note No. 45** to the standalone financial statement.

DEPOSITS

The Company has not accepted any deposits during the Financial Year 2022-23 covered under Chapter V of the Companies Act, 2013, i.e. within the meaning of Section 2(31) of the Companies Act, 2013 read with Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 and as such there are no such overdue deposits outstanding as on March 31,2023.

BORROWINGS FROM DIRECTORS & THEIR RELATIVES

Pursuant to Rule 2(1)(c) of Companies (Acceptance of Deposits) Rules, 2014, it is stated that during the financial year under review, the Company had taken a loan from director in compliance of the Provisions of the Act. The details are provided in the notes to financial statements.

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

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

RISK MANAGEMENT

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

PERFORMANCE EVALUATION

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

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

The Directors expressed their satisfaction with the evaluation process.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business during the financial year 2022-2023.

SIGNIFICANT AND MATERIAL ORDERS

There were no significant material orders passed by any Regulators/Courts that would impact the going concern status of the Company and its future operations.

Your Company has complied with all the Acts, Rules, Regulations and Guidelines issued/prescribed by the Securities Exchange Board of India, Ministry of Corporate Affairs and other statutory authorities.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Board of Directors of the Company had adopted the Vigil Mechanism /Whistle Blower Policy in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. No complaints have been received during the Financial Year ended March 31, 2023. No personnel have been denied access to the Audit Committee during the Financial Year 2022-23.

The details of said vigil mechanism are given in Corporate Governance Report, which forms part of this Annual Report. A copy of the Whistle Blower Policy is available in the company's website i.e. <http://www.surajindustries.org>.

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 2022-23:

Sr. No.	Name of Director	Category of Director	Ratio to Median Remuneration
1.	Mr. Suraj Prakash Gupta	Executive Director	120.22 : 1
2.	Mr. Ashu Malik	Executive Director	17.53 : 1
3.	Mr. Nazir Baig	Non-Executive Director	--
4.	Mr. Syed Azizur Rahman	Non-Executive Director	--
5.	Ms. Pooja Solanki	Non-Executive Director	--
6.	Mr. Sanjay Kumar Jain*	Non-Executive Director	--

* Mr. Sanjay Kumar Jain appointed on 29.03.2022 as Non-Executive Independent Director.

- 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.	Mr. Suraj Prakash Gupta	Executive Director	77.78%
2.	Mr. Ashu Malik	Executive Director	23.53%
3.	Mr. Sanjai Kapoor	Chief Financial Officer	NA*
4.	Ms. Snehlata Sharma	Company Secretary	NA [#]
5.	Ms. Chhavi Agrawal ^{##}	Company Secretary	Nil

* Mr. Sanjai Kapoor appointed as Chief Financial Officer w.e.f June 22,2022.

Ms. Snehlata Sharma appointed as Company Secretary & Compliance officer w.e.f. October 19, 2022.

Ms. Chhavi Agrawal resigned from the post of Company Secretary and Compliance officer as on October 18,2022.

- iii. The percentage increase in remuneration in the median remuneration of employee in the financial year: 24.66%
- iv. The Company had 26 permanent employees as on 31.03.2023.
- 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: 85.06%

Percentage increase in Salaries of Employees other than the Managerial Personnel : (-) 22.26%

There was percentile decrease in the Salaries of Employees other than the Managerial Personnel due to increase in number of employees with lower salary base commensurating with their qualification and experience

The percentile increase in the managerial remuneration was due to the increase in the salary of Managing Director

- vi. Affirmation that the remuneration is as per the remuneration policy of the Company:

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

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

There was no employee who has drawn salary as mentioned in the previously mentioned 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 integral part of this Annual Report.

INDUSTRIAL RELATIONS

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

DISCLOSURES UNDER SECRETARIAL STANDARDS

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

DISCLOSURE ABOUT MAINTENANCE OF COST RECORDS

The Company has maintained the requisite cost records as per Section 148 of Companies Act 2013.

ISSUANCE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS AS TO DIVIDEND, VOTING OR OTHERWISE.

As on March 31,2023, the Company has no equity shares with differential rights as to dividend ,voting right or otherwise.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the financial year under review, neither any application is made by the Company nor is any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the financial year under review, disclosure w.r.t. details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

DEVIATION(S) OR VARIATION(S) IN THE USE OF PROCEEDS OF PREFERENTIAL ISSUE, IF ANY

There were no instances of deviation(s) or variation(s) in the utilization of proceeds of the Preferential Issue of Equity Shares and Warrants as mentioned in the objects of Offer in the Offer Document.

ACKNOWLEDGEMENTS

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

We would also like to express our gratitude to our investors for their unwavering confidence in our vision. Your financial backing and strategic guidance have propelled our growth and enabled us to pursue innovation and expansion. Your belief in our potential has been instrumental in transforming our ideas into reality, and we remain committed to delivering sustainable returns on your investment.

To our esteemed Stakeholders, we extend our sincere appreciation for your collective efforts, dedication, and belief in our organization have been the cornerstone of our achievements. We cherish the relationships we have built, and we are committed to fostering open communication, transparency, and collaboration as we move forward.

Your Directors gives their sincere gratitude to the customers, clients, vendors and other business associates for their continued support to the Company.

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

Place: New Delhi

Date: 28.08.2023

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

**Sd/-
Syed Azizur Rahman
Director
DIN: 00242790
Address: Flat B-104 (FF), Ananda
Apartments, Sector-48, Noida,
Uttar Pradesh- 201301**

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of subsidiary to be presented.)

(INR in Lakhs)

Sl. No.	Particulars	Details
1.	Name of the Subsidiary	Carya Chemicals & Fertilizers Private Limited
2.	Date since when subsidiary was acquired	June 15, 2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2023
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
5.	Share capital	5200
6.	Reserves & surplus	(1.40)
7.	Total assets	5693.60
8.	Total Liabilities	5693.60
9.	Investments	--
10.	Turnover	--
11.	Profit before taxation	--
12.	Provision for taxation	--
13.	Profit after taxation	--
14.	Proposed Dividend	0.00
15.	% of shareholding	50.73%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operation : Carya Chemicals & Fertilizers Private Limited
- Names of subsidiaries which have been liquidated or sold during the year : N.A

Part “B”: Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.**

Name of associates/Joint Ventures	Shri Gang Industries and Allied Products Limited
1. Latest audited Balance Sheet Date	March 31,2023
2. Date on which the Associate was acquired	July 09, 2022
3. Shares of Associate/Joint Ventures held by the company on the year end (i) No. (ii) Amount of Investment in Associates/ Joint Venture (iii) Extend of Holding%	(i) 36,00,000 equity shares (ii) Rs. 360 Lakhs (iii) 20.08 %
4. Description of how there is significant influence	There is significant influence due to the percentage (%) of equity shares held by the Company.
5. Reason why the associate/joint venture is not consolidated	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. (898.84) lacs
7. Profit/Loss for the year	
i. Considered in Consolidation	Rs. 264.11 lacs
ii. Not Considered in Consolidation	Rs. 1051.19 lacs

1. Names of associates or joint ventures which are yet to commence operations : N.A.

2. Names of associates or joint ventures which have been liquidated or sold during the year: N.A.

Place: New Delhi

Date: 28.08.2023

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

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

**Sd/-
Syed Azizur Rahman
Director
DIN: 00242790
Address: Flat B-104 (FF), Ananda
Apartments, Sector-48, Noida,
Uttar Pradesh- 201301**

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosures of particulars of contracts /arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms-length transaction under third proviso thereto.

- 1) **Details of Contracts or arrangements or transactions not at arm's length basis**
Not applicable ,all contracts or arrangements or transactions with related parties are at arm's length basis.
- 2) **Details of material contracts or arrangement or transactions at arm's length basis**

Sl. No.	Particulars	Details
a.	Name(s) of the related party and nature of Relationship	Carya Chemicals & Fertilizers Private Limited , a subsidiary company of the Company
b.	Nature of contracts/arrangements /transactions	Investment made/Loan Given
c.	Duration of the contracts/arrangements/transactions	Investment ongoing, loan – 2 years (extendable with mutual consent)
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Investment in Equity Shares- Rs 26.38 Lakh Unsecured Loan given- Rs 0.76 Lakh Rate of Interest – 10.50 %
e.	Date(s) of approval by the Board, if any:	The Board of Directors approved transactions with Carya Chemicals and Fertilizers Private Limited on February 10,2023, and shareholders also approved these transactions in Extra- Ordinary General Meeting held on March 11,2023.
f.	Amount paid as advances, if any:	Nil

Place: New Delhi
Date: 28.08.2023

By Order of the Board
For Suraj Industries Ltd.

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

Sd/-
Syed Azizur Rahman
Director
DIN: 00242790
Address: Flat B-104 (FF), Ananda
Apartments, Sector-48, Noida,
Uttar Pradesh- 201301

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
[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,
SURAJ INDUSTRIES LTD
CIN: L26943HP1992PLC016791
Plot No. 2, Phase III,
Sansarpur Terrace, Kangra,
Himachal Pradesh-173212

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (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, 2023 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); **(No FDI and ECB was taken and no ODI was given by the company during the Audit Period)**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the Audit Period)**;
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the Audit Period)** ;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit Period)**;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021(herein after “Delisting Regulations”);**(Not applicable to the Company during the Audit Period)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**; and

OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMENT

- 1) Foods Safety & Standards Act, 2006;
- 2) Foods Safety & Standards (Licensing & Registration of Food Business), Regulations, 2011;
- 3) Rajasthan Excise Act, 1950.

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

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

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

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

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, women and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining

further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting in compliance of the Act.

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

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

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

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

1. Special resolution was passed by members of the Company in its Extra Ordinary General Meeting held on April, 25, 2022 to offer and issue 16,55,172 Equity shares on Preferential basis to person belonging to Non-Promoter Category and 5,51,724 Fully Convertible warrants on Preferential basis to Person belonging to Promoter & Promoter Group.
2. Special resolution was passed by the members of the Company in its Extra Ordinary General Meeting held on April 25, 2022 under section 186 of Companies Act 2013 to give corporate guarantee in respect of loan to be obtained by Carya Chemicals and Fertilizers Private limited to the extent of Rs. 150 crores from any banks or Financial Institutions.
3. Resolution was passed by the members of Preferential Issue Committee in its meeting held on May 12,2022 for allotment of 16,55,172 Equity Shares of face value of Rs. 10/- per Equity Share at a premium of Rs. 135/- per Equity Share aggregating to Rs.23,99,99,940/- (Rupees Twenty-Three Crore Ninety-Nine Lakh Ninety-Nine Thousand Nine Hundred Forty Only), on a preferential basis ('Preferential Allotment') to the person belonging to the 'Non-Promoter' category.
4. Resolution was passed by the members of Preferential Issue Committee in its meeting held on May 12, 2022 for allotment of 5,51,724 Fully Convertible Warrants ('Warrants') at an issue price of Rs. 145/- per Warrant aggregating to Rs. 7,99,99,980/- (Rupees Seven Crore Ninety-Nine Lakh Ninety-Nine Thousand Nine Hundred Eighty Only), convertible into equivalent number of Equity Shares of face value Rs. 10/- each within a period of 18 months from the date of allotment, on a preferential basis ('Preferential Allotment') to the person belonging to the 'Promoter & Promoter group.
5. The Company acquired 62.06 % shareholding of Carya Chemicals and fertilizers Private Limited (CARYA) on June 15, 2022 , by virtue of which M/s Carya Chemicals and Fertilizers Pvt Ltd has become a subsidiary of M/s Suraj Industries Ltd. under the provisions of Section 2(87)(ii) of the Companies Act, 2013 , Further on March 27,2023 , the company has acquired additional 65,81,000 equity shares in the right offer made by the CARYA. As on March 31,2023 the Company's shareholding in Carya was 50.73 %.and it continue to remain subsidiary company.
6. On July 09,2022 , the company has acquired 36,00,000 equity shares of M/s Shri Gang Industries and Allied Products Ltd. ("Shri Gang"), which constitutes 20.08% of the paid up share capital of Shri Gang,

by virtue of this Shri Gang become the associate Company of the Company pursuant to the provisions of Section 2(6) of the Companies Act, 2013.

7. Ordinary Resolution was passed by the members at its 30th Annual General Meeting held on September 27, 2022 to alter the Memorandum of Association of the company under section 13, 61 of the Companies Act, 2013 for increasing the Authorised Share Capital of the Company from Rs.15,00,00,000/- (Rupees Fifteen Crore Only) divided into 1,50,00,000 (One Crore Fifty Lakh) equity shares of Rs.10/- (Rupees Ten Only) each to Rs. 20,00,00,000/- (Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crore) equity shares of Rs. 10/- (Ten Only) each, by creation of additional 50,00,000 (Fifty Lakh) equity shares of Rs.10/- (Rupees Ten Only) each and Clause V of the existing Memorandum of Association of the Company.
8. In accordance with the SEBI Circular No. SEBI/HO/MIRSD/PoD/OW/P/2022/64923 dated December 30, 2022 read with SEBI Circular No SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 read with Regulation 31 of SEBI (LODR), 910 Shares are in Suspense Escrow Demat account of the Company, out of which 10 Shares belongs to the Promoter and Promoter Group of the Company. Further, as on the date of filing of shareholding pattern for the quarter ended 31.03.2023, the 100% equity shareholding of the promoters and promoter's group were in dematerialisation form.

**FOR A R MISHRA & ASSOCIATES
COMPANY SECRETARIES**

**Date: 28.08.2023
Place: New Delhi
UDIN: F005377E000874421**

**Sd/-
(Ashok Ranjan Mishra)
Prop.
CP No.22727
FCS No. 5377
Peer Review No. 2781/2022**

Annexure 1

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

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2023 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 efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. As per the information provided by the company, there is one case filed against the company, which is currently lying pending before the Hon'ble Himachal Pradesh High Court. However as informed the financial impact will be determined after the disposal of the case.

**FOR A R MISHRA & ASSOCIATES
COMPANY SECRETARIES**

**Date: 28.08.2023
Place: New Delhi
UDIN: F005377E000874421**

**Sd/-
(Ashok Ranjan Mishra)
Prop.
CP No.22727
FCS No. 5377
Peer Review No. 2781/2022**

MANAGEMENT DISCUSSION AND ANALYSIS **REPORT**

INDUSTRY STRUCTURE AND DEVELOPMENTS

India is one of the fastest growing liquor markets in the world. Alcoholic beverages are considered a sunrise industry owing to its high-growth potential and increasing social acceptance.

As the fastest growing economy in the world, India's favorable demographics, growing middle class, rising levels of disposable income, increased preference for upscale food and drink experiences, and rising acceptance of alcoholic beverages in social gatherings, will contribute to an increase in alcohol consumption. Another significant factor for market expansion will be drinking amongst women and increased consumption of alcohol in rural areas.

Overall, the outlook for the Indian alcoholic beverages continues to remain positive led by favorable demographics, expanding middle class, rising disposable income levels, greater preference for premium food and drink experiences and greater acceptance of alcoholic beverages in social circles.

Although the average per adult intake of alcohol is still considerably low in India when compared to other countries such as the United States, drinkers among young Indians are more prevalent. This provides tremendous opportunity to drive growth of Alcobev industry on the back of its rising working age population. It is expected that per capita consumption will increase with changes in lifestyle and aspiration of the population.

OPPORTUNITY & THREATS, RISK & CONCERNS

Opportunities and Threats:

- There is huge opportunity in the sale of potable liquor. The demand for potable liquor is showing a steady increase year on year.
- The Company's strong focus on premiumization coupled with rising disposable income and evolving consumer lifestyles presents significant opportunity to grow sales and expand margins.
- Low per capita consumption, rapid urbanization, favorable macroeconomics indicators, higher disposable incomes and evolving lifestyles bode well for the industry as a whole.
- The business of potable liquor is subject to policies of the State Governments as it is a State subject. There is always a threat of change in Government policies in terms of "Prohibition in consumption of Liquor" as imposed in States of Gujarat and Bihar.
- High competitive intensity due to inflationary pressures and other macroeconomics factors.
- Consumption degrowth due to inflationary pressures and other macroeconomic factors.

FINANCIAL PERFORMANCE

Standalone

During the financial year 2022-2023 under review, the total Revenue of the company was Rs.6822.45 lakh as against Rs.4128.50 lakh in the previous year and the net profit after tax was Rs. 479.40 Lakhs as compared to profit of Rs. 304.76 Lakhs in the previous financial year.2021-22.

Consolidated

During the financial year 2022-2023 under review, as per the Consolidated Financial Statements, the net profit is Rs. 743.50 Lakhs which includes share of profit of Associate company amounting to Rs 264.11 lakh..

OUTLOOK

The company is engaged in two business verticals-

a) Liquor business

- The company has a bottling plant for manufacture of Country Liquor & Rajasthan Made Liquor at Ajmer, Rajasthan. The company is manufacturing Rajasthan Made Liquor for Rajasthan State Ganganagar Sugar Mills Ltd (a Rajasthan Government Undertaking) under contract manufacturing arrangement.
- The company has also started to manufacture and sell Country Liquor in its own brands
- In order to expand its footprint in liquor business, the Company has taken equity stakes in two companies having interest in liquor business-
 - 62.06 % stake in Carya Chemicals and Fertilizers Private Limited, which has a LOI for setting up Distillery for ENA and Ethanol and Bottling Plant for manufacture of Indian Made Foreign Liquor and Country Liquor in Rajasthan
 - 20.08 % stake in Shri Gang Industries & Allied Products Ltd which has set up a Distillery for manufacture of ENA and Bottling Plant for the manufacture of Indian Made Foreign Liquor at Sandila, Dist. Hardoi (UP).

b) Trading Business

Under this vertical the company is mainly into trading of edible oils like Palm Oil, Soyabean Oil etc.

The Company is expected to grow at a fast pace in the coming years majorly in the Liquor Segment which is prime focus area for the company.

RISKS AND CONCERNS

- The industry is exposed to multiple regulatory risks emanating from state taxes, adverse ruling from courts and changes in regulations with respect to pricing, licensing, working of operating facilities, manufacturing processes, marketing, advertising, and distribution.
- Further due to regulated nature of the industry, your Company is exposed to the restrictions by the state governments on production, movement and sale of spirits.
- Another concern emerges from the dependence on state governments to get price increases or changes. Margins may get severely impacted due to commodity cost inflation.

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

CASH FLOW ANALYSIS

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

FINANCE COST

The financial charges for the year ended March 31, 2023 was Rs. 69.63 Lakhs. This is mainly on account of interest payable on the unsecured loans and vehicle loan taken by the company.

OTHER EQUITY (RESERVES AND SURPLUS)

As on March 31, 2023, the Reserves and Surplus in the Balance Sheet at Rs 2386.99 Lakh as compared to the negative balance of Rs. 499.46 Lakhs during the previous Financial Year 2021-22..

EARNING PER SHARE

Earnings per share of the company is 4.12 as against the EPS of 3.42 in the previous year.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Ratios	2022-23	2021-22	Variation (in %)	Reason for change
Debtors Turnover	0.20	0.07	199.05	This is due to higher level of trade receivables vis a vis previous year.
Inventory Turnover Ratio (in days)	142.89	497.17	-71.26	The ratio has improved with increase in the turnover of the Company.
Interest Coverage Ratio	10.94	166.66	-93.44	In the previous financial year the interest cost was negligible.
Current Ratio	0.64	0.41	54.67	Current ratio has improved due to higher increase in current assets as compared to current liabilities.
Debt Equity Ratio	0.72	4.24	-83.00	Debt equity ratio has improved due to increase in the shareholder's equity.
Operating Profit Ratio (in %)	13.18	11.50	14.61	Increase is due to better operating margins.
Net Profit Margin (in %)	7.03	7.38	-4.89	Marginal decline due to increase in finance cost.

INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has a well-framed internal control system commensurate with the size and nature of its business. These internal controls ensure safeguarding of assets from unauthorised use or disposition, proper recording and reporting of all transactions and compliance with applicable regulatory requirements. The internal control systems are reviewed and modified continually to keep up with the changes in business environment and statutory requirements.

The framework is monitored by the internal audit team of the Company. The Audit Committee of the Board is periodically apprised of the internal audit findings. The Audit Committee reviews the efficacy and effectiveness of the internal control system, takes corrective actions and suggests measures for strengthening it. The Company has a robust Management Information which forms an integral part of the control mechanism.

ENVIRONMENT AND SAFETY

Quality and Environment safety is of primary importance to the Company. It ensures that the quality control system remains robust and the products undergo strict quality checks.

HUMAN RESOURCES AND CORPORATE SOCIAL RESPONSIBILITY

Human capital is the most essential part of the Company. The Company keeps promoting a collaborative work environment where all the employees feel safe and a part of the Company. The Human Resources policies of the Company are aimed at attracting, nurturing and retaining talent in a constantly evolving business environment while ensuring trust, transparency and teamwork amongst its employees.

The Company recognizes the importance of human resources in realising its growth ambitions and believes in nurturing talent within the organization to take up leadership positions. During the year Company continued to maintain healthy and cordial relationship with its employees.

CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations that involve risks and uncertainties. Such statements represent the intention of the Management and the efforts being put into place by them to achieve certain goals. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore, the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision.

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

**Place: New Delhi
Date: 28.08.2023**

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

**Sd/-
Syed Azizur Rahman
Director
DIN: 00242790
Address: Flat B-104 (FF), Ananda
Apartments, Sector-48, Noida,
Uttar Pradesh- 201301**



The Directors of Suraj Industries Ltd (“the Company”) have pleasure in presenting the Company’s Report on Corporate Governance for the Financial Year 2022-23 in pursuant to Regulation 34(3) read with Schedule V and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulation’).

COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is to conduct business with a firm commitment to values, while meeting stakeholders’ expectations. It is based on preserving core beliefs and ethical business conduct while maintaining a strong commitment to maximize long-term stakeholder value. Your Company carries on an ethically driven business process that is committed to ethical practices aimed at enhancing stakeholder value. As a good corporate citizen, your Company is dedicated towards following the best corporate governance practices built through conscience, fairness, transparency, accountability, building confidence of its various stakeholders, thereby paving the way for its enduring success.

Since its inception, your Company has taken conscious efforts to operate in a manner responsible to all stakeholders. Your Company has maintained the highest standards of corporate governance all through its operations. Your Company is committed to moulding Corporate Governance practices in line with its core values, beliefs and ethics. Your Company believes in attainment of highest levels of transparency in all facets of its operations and maintains an unwavering focus on good Corporate Governance practices.

Your Company continues to strengthen its governance principles to generate long-term value for its various stakeholders on a sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management levels.

The Corporate Governance is ongoing process and your Company has always focused on good corporate governance, which is a key driver of its long term value creation and trust. Even in fiercely competitive business environment, the management and employees of your company are committed to uphold the core values of transparency, integrity, honesty and accountability.

Your Company’s Corporate Governance Framework ensures that the company makes timely disclosures, shares accurate information regarding its financial and business performance.

We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. We firmly believe that Board independence is essential to bring objectivity and transparency in the management and in the dealings of the Company.

Your Company has adopted best of corporate governance practices and is based on following principles:

- Corporate Governance Standards should satisfy both the spirit of the law and the letter of the law.
- Accountability for functioning and transparency in conduct.
- Have a simple and transparent corporate structure driven solely by business needs.
- Compliance with applicable laws and regulations
- Value creation and wealth maximization for stakeholders.
- The Management is the trustee of the members' capital and not the owner.

The provisions of Regulation 17 to Regulation 27 and clause (b) to (i) and (t) of sub regulation (2) of 46 and requirements of para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR"), became applicable to the company w.e.f. May 12 , 2022.

BOARD OF DIRECTORS (the "Board")

The Board, being the trustee of the Company, is responsible for the establishment of cultural, ethical, sustainable and accountable growth of the Company and, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board is at the helm of the Company's Corporate Governance practice. It provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities.

Composition of the Board

The Board of your company bears the ultimate responsibility for the organization and administration of your company. It is vital to have a well-balanced Board with a combination of Executive, Non-Executive and Independent, Woman Director on the Board of the Company to ensure Board's independence and effective management. The Company has a balanced Board with optimum combination of Executive, Non-Executive Directors and Non-Executive Independent Directors, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance.

The Board currently comprises of 6 (six) Directors out of which 2 (Two) Directors are Executive Directors, 2 (two) are Non-Executive Non- Independent Directors , and remaining 2 (Two) are Independent Directors out of which 1(one) woman Independent Director. The Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013.

The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

The Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

In compliance with Regulation 17A and 26 of the SEBI Listing Regulations, none of Company's Director is a member of more than 10 (ten) committees or acts as an Independent Director in more than 7 (seven) listed companies or chairperson of more than 5 (five) committees (committees being, audit committee and

stakeholders' relationship committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31st March 2023.

The composition of the Board represents a healthy blend and optimal mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership for long term vision and to achieve the highest level of governance.

That pursuant to SEBI (LODR) Regulations, 2015, the Board shall meet At least 4 (Four) times in a year and the time gap between any two Board Meeting did not exceed 120 (One Hundred and Twenty) days.

The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All Statutory and other matters of significance including information as mentioned in Part A of Schedule II (Listing Obligations and Disclosure Requirements) Regulations, 2015 are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Company.

Roles, Responsibilities and Duties of the Board

The role, responsibilities, and duties of the Board of Directors are crucial in ensuring effective governance and the sustainable growth of a company. Under the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) and Section 166 of the Companies Act, 2013, the Board has specific obligations to fulfil.

The primary role of the Board is to act as a fiduciary for the company, representing the interests of its shareholders and stakeholders. The Board is responsible for providing strategic guidance and setting the overall direction and objectives of the company. It must exercise independent judgment and act in the best interests of the company while considering the interests of all stakeholders.

The responsibilities of the Board include:

- **Corporate Governance:** The Board is accountable for maintaining high standards of corporate governance, ensuring transparency, and adhering to legal and regulatory requirements. It must establish and monitor systems of internal control and risk management to safeguard the company's assets and reputation.
- **Strategy and Planning:** The Board plays a crucial role in formulating the company's strategic plans, assessing risks, and identifying opportunities. It approves annual budgets, business plans, and major investment decisions. It also monitors the implementation of strategies and evaluates their effectiveness.
- **Oversight and Monitoring:** The Board has a duty to oversee the company's management, ensuring that it operates in a responsible and ethical manner. It appoints and evaluates the performance of key executive. The Board also reviews financial statements, internal audit reports, and compliance with legal and regulatory obligations.
- **Stakeholder Management:** The Board must consider the interests of various stakeholders, including shareholders, employees, customers, suppliers, and the community. It should foster effective communication and engagement with stakeholders and address their concerns.

- **Risk Management:** The Board is responsible for identifying and managing risks faced by the company. It should establish effective risk management policies and procedures, ensure appropriate insurance coverage, and regularly review the effectiveness of risk mitigation measures.
- **Compliance and Disclosures:** The Board ensures compliance with applicable laws, regulations, and codes of conduct. It oversees the disclosure of accurate and timely information to shareholders and other stakeholders, maintaining transparency and fairness.

Under Section 166 of the Companies Act, 2013, the Board has a fiduciary duty to act in good faith, exercise due care, and act in the best interests of the company. It should promote the company's objectives, preserve its assets, and ensure its long-term success. The Act emphasizes the duty of directors to act honestly, responsibly, and with reasonable diligence, using their skills and knowledge for the benefit of the company.

In conclusion, the Board of Directors plays a critical role in the governance and management of a company. It has various responsibilities and duties, including strategic planning, oversight, risk management, compliance, and stakeholder management. The SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 166 of the Companies Act, 2013, provide a framework for the Board to fulfill its obligations and ensure the company's sustainable growth and success.

(A) Composition, Directorship and Attendance

Name	Category of Directors	Financial Year 2022-23 Attendance at		No. of Directorships in other companies including this listed entity as on 31.3.2023*	No. of Committee positions held in other companies including this listed entity as on 31.3.2023**	
		Board Meeting	Last AGM	Listed Entities	Chairman	Member
A. Promoters						
Mr. Suraj Prakash Gupta	Executive – Managing Director	08	Yes	01	Nil	NIL
B. Non-Promoters						
Mr. Ashu Malik	Executive - Whole-time Director	08	Yes	01	Nil	NIL
Mr. Sanjay Kumar Jain [#]	Non-Executive Director – Nominee	08	Yes	03	01	02

	Director					
Mr. Syed Azizur Rahman	Non-Executive Director – Non-Independent Director	08	Yes	02	Nil	05
Mrs. Pooja Solanki	Non – Executive Woman Independent Director	07	Yes	01	Nil	03
Mr. Nazir Baig***	Non – Executive Independent Director	08	Yes	01	Nil	02

(Data presented above is after taking into account the disclosures furnished by the Directors in the First Board Meeting for the Financial Year 2023-24)

*Directorship are reported for Listed Companies only in terms of Regulation 17A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Committee Membership/ Chairmanship are reported for Listed Companies and Unlisted Public Companies in terms of Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*** Company does not have any regular chairperson of the Committees. Therefore, Mr. Nazir Baig is being elected as chairperson for all the Committee Meetings held for the financial year 2022-23.

Mr. Sanjay Jain was appointed as Non-Executive Independent Director of the Company on March 29, 2022 and his designation has been changed from the Non-Executive Independent Director to Non-Executive Nominee Director w.e.f May 18, 2022.

DIRECTORSHIP IN OTHER LISTED ENTITIES AS ON 31ST MARCH, 2023

Name of Director	Name of other Listed Entity	Category of Directorship
Mr. Suraj Prakash Gupta	--	--
Mr. Ashu Malik	--	--
Mr. Sanjay Kumar Jain	Shri Gang Industries and Allied Products Limited	Non-Executive Non-Independent Director
	Tinna Rubber and Infrastructure Limited	Non-Executive Independent Director
Mr. Syed Azizur Rahman	Shri Gang Industries and Allied Products Limited	Non-Executive Non-Independent Director

Mr. Pooja Solanki	--	--
Mr. Nazir Baig	--	--

(B) Number of Meeting of Board of Directors held and dates on which held:

During the year under review, Board met **08 (eight) times** i.e. on **18-05-2022, 08-06-2022, 22-06-2022, 13-08-2022,02-09-2022, 19-10-2022, 04-02-2023 and 10-02-2023.**

The Board meets at least once in every quarter to review the Company's operations and financial performance. The maximum time gap between any two meetings is not more than 120 days. The necessary quorum was present in all the meetings.

The details of attendance of Directors at the Board Meetings and at the Annual General Meeting held on **September 27, 2022** are provided on the above mentioned table.

(C) Disclosure of Relationship between Directors inter-se:

None of the Directors of the Company is related to each other.

(D) Number of Shares and Convertible Instruments held by Non-Executive Directors:-

Name	Category of Director	No. of Shares
Mr. Sanjay Jain	Non-Executive Nominee Director	70,000
Mr. Syed Azizur Rahman	Non-Executive Non - Independent Director	100
Mr. Nazir Baig	Non – Executive Independent Director	100

(E) Web Link where details of the Familiarization Programmes imparted to Independent directors is disclosed:

The Board members are provided with necessary information, documents, reports and internal policies to familiarize them with the Company's procedure and practices. Up-dates on relevant statutory, regulatory changes encompassing important laws/ regulations applicable to the Company are duly intimated to all Directors.

Upon appointment, Independent Directors receive a letter of appointment, setting out in details the terms of their appointment, duties, roles and responsibilities.

The details of the familiarization programmers for independent directors are posted on the website of the Company i.e. www.surajindustries.org

(F) Skills/Expertise/Competence of the Board of Directors

The following is the list of core skills/ expertise/competencies identified by the Board of Directors as required in the context of the Company's businesses and the said skills are available with the Board Members:

Skills/Expertise/Competencies of the Directors					
Name of Directors	Knowledge on Company's Businesses, Policies and major risks, threats and opportunities and knowledge of the industry in which the Company operates	Behavioral Skills, attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	Business Strategy, Corporate Governance, Administration, Decision Making	Financial and Management Skills	Technical and Professional Skills and Specialized Knowledge in relations to Company's Business.
Mr. Suraj Prakash Gupta	Yes	Yes	Yes	Yes	Yes
Mr. Ashu Malik	Yes	Yes	Yes	Yes	Yes
Mr. Sanjay Kumar Jain	Yes	Yes	Yes	Yes	Yes
Mr. Syed Azizur Rahman	Yes	Yes	Yes	Yes	Yes
Mr. Nazir Baig	Yes	Yes	Yes	Yes	Yes
Mr. Pooja Solanki	Yes	Yes	Yes	Yes	Yes

Note - These skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein.

(G) Confirmation of the Board

The Board based on the declaration submitted by the Independent Directors of the Company as a part of Annual Disclosure for the Financial Year 2023-24, hereby certifies that all the Independent Directors of

the Company fulfills the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

(H) Declaration by Independent Directors:

All the Independent Directors of the Company have given declarations and confirmed that they meet the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. They also declare that they did not have any pecuniary relationship or transactions with the company, its promoter, its directors, senior management and they are not a material supplier, service provider or customer or a lessor or lessee of the company, which may affect their independence, and was not a substantial member of the company i.e. owning two percent or more of the block of voting shares.

(I) Resignation of Independent Director

During the Financial Year 2022-23 under review, none of the Independent director resigned from the Company.

(J) Board Committees

The Board of directors of the Company are having 7 (seven) Committees as on March 31,2023, namely :-

1. Audit Committee
2. Nomination and remuneration Committee.
3. Stakeholders Relationship Committee.
4. Independent Directors Committee
5. Preferential Issue Committee.
6. Investment Committee.
7. Right Issue committee.

The quorum for committee meetings is as per the Companies Act and SEBI Listing Regulation. The Company Secretary of the company is acting as the Secretary in each Committee.

AUDIT COMMITTEE

a) Brief description and term of reference:

Terms of reference

The terms of reference of the Audit Committee is in alignment with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, are as follow:-

- I. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II. Recommendation for appointment, remuneration and terms of appointment of auditors; Composition, Meeting and Attendance

- III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- IV. Reviewing with the management, the quarterly/ annual financial results/statements and auditor's report thereon before submission to the Board for approval
- V. Reviewing with the management, the statement of uses/application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in offer documents/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board totake up steps in the matter;
- VI. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- VII. Approval or any subsequent modification of transactions of the Company with related parties;
- VIII. Scrutiny of inter-corporate loans and investment
- IX. Valuation of undertakings or assets of the Company, wherever it is necessary;
- X. Evaluation of internal financial controls and risk management systems;
- XI. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XII. Reviewing the adequacy of internal audit function and discussion with the internal auditors of any significant findings and follow up thereon;
- XIII. 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;
- XIV. Discussion with the 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;
- XV. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members and creditors;
- XVI. Review the functioning of whistle blower mechanism
- XVII. Monitoring the Compliances as per the provisions of SEBI (PIT) Regulations, 2015;
- XVIII. Approval of appointment of Chief Financial Officer;
- XIX. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;

- XX. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- XXI. Such other matter as prescribed under Part-C of Schedule-II of SEBI Listing Regulation and from time to time be required under any statutory, contractual or other regulatory requirement.
- XXII. Apart from the aforementioned terms of reference, the Audit Committee mandatorily monitors and provides an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Audit Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the statutory auditors. The committee has the ultimate authority and responsibility to select, evaluate and where appropriate, replace the statutory auditors in accordance with the law. All possible measures were taken by the committee to ensure the objectivity and independence of the statutory auditors.

b. Composition, name of the members and chairperson:

Composition of the Committee as on March 31, 2023

Name of the Member	Designation	Category
Mr. Nazir Baig*	Member	Non- Executive Independent Director
Mrs. Pooja Solanki	Member	Non- Executive Independent Director
Mr. Syed Azizur Rahman	Member	Non- Executive Non- Independent Director

**Company does not have any regular chairperson of the Audit Committee. Therefore, Mr. Nazir Baig is being elected as chairperson for conducting the all audit Committee Meetings during the financial year 2022-23.*

c. Meeting and attendance during the year:

7 (Seven) meetings of the Audit Committee were held during the financial year 2022-23, i.e **May 18 2022, June 08,2022, June 22,2022, August 13, 2022, September 02, 2022, October 19, 2022, and February 10, 2023**. The attendance details of the Committee Meeting are as follows:-

Name of the Member	No. of meetings	
	Held	Attended
Mr. Nazir Baig*	07	07
Mrs. Pooja Solanki	07	06
Mr. Syed Azizur Rahman	07	07

**Company does not have any regular chairperson of the Audit Committee. Therefore, Mr. Nazir Baig is being elected as chairperson for conducting the all audit Committee Meetings during the financial year 2022-23.*

NOMINATION AND REMUNERATION COMMITTEE

a) Brief description and term of reference:

The terms of reference, constitution, powers, quorum and other matters in relation to the Nomination and Remuneration Committee are as per of the Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations, Section 178 of the Companies Act, 2013 as amended from time to time.

- I. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to for remuneration for the directors, key managerial personnel and other employees;
- II. Formulation of criteria for evaluation of performance of Independent Directors and the board of directors;
- III. Devising a policy on diversity of board of Directors
- IV. Recommendation Identifying persons who are qualified to become of 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;
- V. 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;
- VI. Recommend to the Board, all remuneration, in whatever form payable to senior management
- VII. Evaluate the skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider the time commitments of the candidates.
- VIII. The committee shall review and discuss all matters pertaining to candidates and shall evaluate the candidates in accordance with a process that it sees fit, passing on the recommendations to the Board. The committee coordinates and oversees the annual self- evaluation of the Board and of individual directors. The Committee also review the performance and approve the revision of annual fixed salary & variable pay and promotions of all the Employees one level below the Board including the Functional Heads of the Company. The committee also regularly evaluate the usefulness of such performance parameters, and make necessary amendments.

b. Composition, name of the members and chairperson:

Composition of the Committee as on March 31, 2023

Name of the Member	Designation	Category
Mr. Nazir Baig*	Member	Non- Executive Independent Director
Mrs. Pooja Solanki	Member	Non- Executive Independent Director
Mr. Syed Azizur Rahman	Member	Non- Executive Non- Independent Director

**Company does not have any regular chairperson of the Nomination and Remuneration Committee. Therefore, Mr. Nazir Baig is being elected as chairperson of all Nomination and Remuneration Committee Meetings conducted during the financial year 2022-23.*

c. Meeting and attendance during the year:

The Nomination and remuneration Committee held **4(four) meetings during the year i.e May 18, 2022, August 13,2022, October 19,2022 and February 04, 2023.**The attendance details of the Committee Meetings are as follows:-

Name of the Member	No. of meetings	
	Held	Attended
Mr. Nazir Baig*	04	04
Mrs. Pooja Solanki	04	04
Mr. Syed Azizur Rahman	04	04

**Company does not have any regular chairperson of the Nomination and Remuneration Committee. Therefore, Mr. Nazir Baig is being elected as chairperson of all Nomination and Remuneration Committee Meetings conducted during the financial year 2022-23.*

STAKEHOLDERS RELATIONSHIP COMMITTEE

a) Brief description and term of reference:

The Stakeholders Relationship Committee's (SRC) composition and the terms of reference meet with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as specified in Section 178 of the Companies Act, 2013 & rules made thereof as amended from time to time as follows.

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.
- ii. Review of measures taken for effective exercise of voting rights by members.
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- iv. To approve, Sub- division, Consolidation and issue of new/duplicate share certificates, whenever requested for by the members of the company.

b. Composition, name of the members and chairperson:

Composition of the Committee as on March 31, 2023

Name of the Member	Designation	Category
Mr. Nazir Baig*	Member	Non- Executive Independent Director
Mrs. Pooja Solanki	Member	Non- Executive Independent Director
Mr. Syed Azizur Rahman	Member	Non- Executive Non- Independent Director

** Company does not have any regular chairperson of the Stakeholders Relationship Committee. Therefore, Mr. Nazir Baig is being elected as chairperson of all Stakeholders Relationship Committee Meetings conducted during the financial year 2022-23.*

c. Meeting and attendance during the year:

22 (Twenty Two) meetings of the Stakeholders Relationship Committee were held during the financial year 2022-23, i.e April 29, 2022, May 07, 2022, June 07,2022, June 16, 2022 , June 30,2022 , July 28, 2022, September 02, 2022, September 12,2022 , September 23,2022 , October 04,2022, October 26,2022, November 07,2022, November 16, 2022 , December 13,2022, December 27,2022, January 05,2023, January 12,2023, January 24,2023 , February 04,2023, February 07,2023, March 09, 2023 and March 20,2023. The attendance details of the Committee Meeting are as follows: -

Name of the Member	No. of meetings	
	Held	Attended
Mr. Nazir Baig*	22	22
Mrs. Pooja Solanki	22	21
Mr. Syed Azizur Rahman	22	22

** Company does not have any regular chairperson of the Stakeholders Relationship Committee. Therefore, Mr. Nazir Baig is being elected as chairperson of all Stakeholders Relationship Committee Meetings conducted during the financial year 2022-23.*

INDEPENDENT DIRECTORS COMMITTEE

a) Brief description and term of reference:

The Independent Director's Committee composition and the terms of reference meet with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 & rules made thereof as amended from time to time as follows :

b. Composition, name of the members and chairperson:

Composition of the Committee as on March 31, 2023

Name of the Member	Designation	Category
Mrs. Pooja Solanki	Member	Non- Executive Independent Director
Mr. Nazir Baig	Member	Non- Executive Independent Director

c. Meeting and attendance during the year:

1(One) Independent Director Committee meetings held on **March13, 2023** during the financial year 2022-23 . The attendance details of the Committee Meetings are as follows:-

Name of the Member	No. of meetings
--------------------	-----------------

	Held	Attended
Mr. Nazir Baig*	01	01
Mrs. Pooja Solanki	01	01

* *Mr. Nazir Baig is being elected as chairperson for Independent Directors meeting held on March 13,2023.*

PREFERENTIAL ISSUE COMMITTEE

a) **Brief description and term of reference:**

The terms of reference of the Preferential issue Committee is to consider, discuss and decide the terms and conditions and other related matters in connection with the smooth functioning of Preferential allotment of securities and such other matters as may be required.

b. **Composition, name of the members and chairperson:**

Composition of the Committee as on March 31, 2023

Name of the Member	Designation	Category
Mr. Suraj Prakash Gupta	Member	Executive Director
Mr. Syed Azizur Rahman	Member	Non- Executive Non-Independent Director
Mr. Nazir Baig	Member	Non- Executive Independent Director

c. **Meeting and attendance during the year:**

Preferential Allotment Committee meetings held **2 (two) meeting** during the financial year 2022-23 i.e. on **May 12,2022 and September 09 ,2022**. The attendance details of the Committee Meetings are as follows:-

Name of the Member	No. of meetings	
	Held	Attended
Mr. Suraj Prakash Gupta	02	02
Mr. Syed Azizur Rahman	02	02
Mr. Nazir Baig	02	02

* *Mr. Nazir Baig is being elected as chairperson for Preferential Allotment Committee meetings held on May 12,2022 and September 09,2022.*

INVESTMENT COMMITTEE

a) **Brief description and term of reference:**

The terms of reference of the Investment Committee is to consider, discuss and decide the terms and conditions and other related matters in connection with to decide the quantum of investment made by the company and any other matter which would be incidental to this.

Composition, name of the members and chairperson:

Composition of the Committee as on March 31, 2023

Name of the Member	Designation	Category
Mr. Suraj Prakash Gupta	Member	Executive Director
Mr. Sanjay Kumar Jain	Member	Non- Executive Non-Independent Director
Mr. Syed Azizur Rahman	Member	Non- Executive Non-Independent Director

b. Meeting and attendance during the year:

One (1) Investment Committee meeting was held on **March 24,2023** during the financial year 2022-23. The attendance details of the Investment Committee Meetings are as follows:-

Name of the Member	No. of meetings	
	Held	Attended
Mr. Suraj Prakash Gupta	01	01
Mr. Sanjay Kumar Jain	01	01
Mr. Syed Azizur Rahman*	01	01

**Mr. Syed Azizur Rahman is being elected as chairperson for Investment Committee meeting held on March 24,2023.*

RIGHT ISSUE COMMITTEE

a) Brief description and term of reference:

The terms of reference of the Rights Issue Committee is to consider, discuss and decide the terms and conditions and other related matters in connection with the Rights Issue such as, appointment of Merchant Banker, Registrar to the Issue, Banker to the issue and Related payment mechanism except Issue size, rights entitlement ratio, finalization of the Letter of offer, record date, opening & closing of the issue, allotment of shares and such other matters as may be required.

b. Composition, name of the members and chairperson:

Composition of the Committee as on March 31, 2023

Name of the Member	Designation	Category
Mr. Suraj Prakash Gupta	Member	Executive Director
Mr. Sanjay Kumar Jain	Member	Non- Executive Non-Independent Director
Mr. Syed Azizur Rahman	Member	Non- Executive Non-Independent Director

c. Meeting and attendance during the year:

No Right issue committee meeting was held during the financial year 2022-23 Hence the attendance details of the Right issue Committee Meeting is not applicable for the financial year 2022-23.

Name of the Member	No. of meetings	
	Held	Attended
Mr. Suraj Prakash Gupta	None	Not Applicable
Mr. Sanjay Kumar Jain		
Mr. Syed Azizur Rahman		

Compliance Officer

Ms. Snehlata Sharma, Company Secretary & Compliance Officer for complying with the requirements of Securities Laws.

Redressal of Investor Grievances

The Status of investor Complaints received, disposed off, & pending during the Financial Year 2022-23 is as under:

Particulars	Status of Investor Complaint
Number of shareholders' complaints received	0
Number of Complaints not solved to the satisfaction of shareholders	0
Number of Pending Complaints	0

REMUNERATION OF DIRECTORS

During the financial year 2022-23 under review, no pecuniary transactions with Non-Executive Director of the Company.

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to director(s). All Board-level compensation shall be approved by the members and disclosed separately in the financial statements Remuneration for the Managing Director and Executive Director consists of fixed component and variable component.

No compensation paid to the Independent/ Non-Executive Directors for the financial year 2022-23. The performance of the Independent Directors are reviewed by the Board on an annual basis.

a) All pecuniary relationship or transactions of the Non-Executive Directors:

There is no pecuniary relationship or transactions between the company and Non-Executive directors.

b) Criteria of making payments to Non-Executive Directors:

No sitting fees sought to paid to the Non-executive directors.

There is no pecuniary relationship or transactions between the company and Non-Executive directors.

The Company follows a policy on remuneration of Directors, Key Managerial Personnel and Senior Management Employees. In compliance of the provisions of the Companies Act, 2013 rules and regulations made thereunder and SEBI (LODR) Regulations, 2015 the policy has been formulated by the Nomination and Remuneration Committee and approved by the Board. The said policy is available on the Company's website www.surajindustries.org.

Service Contract and Severance Fees:

- The remuneration of Mr. Suraj Prakash Gupta (Managing Director) and Mr. Ashu Malik (Whole-time Director), as recommended by the Nomination and Remuneration Committee and Board of Directors of the Company has already been approved by the shareholders of the Company in their general meetings dated March 11,2023 and September 27,2022 respectively. The appointments of the above mentioned Directors are governed by the resolution(s) of the Board of Directors and Shareholders of the Company for their respective appointment/re-appointment which covers the terms & conditions of their appointment/re-appointment.
- No sitting paid/remuneration paid to the Non-Executive Directors.
- Services of the Executive Directors may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance pay.

Stock Option details, if any and whether at a discount as well as the period over which accrued and over which exercisable:

The Company does not have any Stock Option Scheme for any of its Director(s) or Employee(s).

GENERAL BODY MEETING:

a) Location and time, where the last three annual general meeting held:

For the financial year 2019-2020, 2020-21 & 2021-22, the Company's Annual General Meeting was held through VC/OAVM pursuant to the Ministry of Corporate Affairs ("MCA") Circular No. 02/2022 dated May 5, 2022, read together with Circular No. 02/2021 dated January 13, 2021, Circular No. 20/2020 dated May 05, 2020, circulars No. 19/2021 dated December 08, 2021 and Circular No. 21/2021 dated December 14, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and the deemed venue was the Registered Office of the Company.

The details of the last three Annual General Meetings of the Company and the Special resolutions passed are as follows:

Year	Location of AGM	Date & Time	Special Resolution Passed
2019-	Meeting was conducted through	September	1. To Consider and approve to adopt

20	video conferencing (“VC”), deemed venue considered as Plot No. 2, Phase III Sansarpur Terrace Himachal Pradesh, Kangra HP- 173212.	29,2020 at 2:00 P.M.	the new set of Articles of association in line with Companies Act,2013. 2. To Consider and approve to sell , lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company in favour of NBFC/Banks/Central or state Government departments /Central or state Government undertakings /State and other Financial institutions / Body Corporates , together with interest ,cost ,charges and expenses thereon upto an amount of Rs. 100 Crores.
2020-21	Meeting was conducted through video conferencing (“VC”), deemed venue considered as Plot No. 2, Phase III Sansarpur Terrace Himachal Pradesh Kangra HP 173212.	28.09.2021 at 03:30 P.M.	NIL
2021-22	Meeting was conducted through video conferencing (“VC”), deemed venue considered as Plot No. 2, Phase III Sansarpur Terrace Himachal Pradesh Kangra HP 173212.	27.09.2022 at 04:00 P.M.	1. To consider and approve the re-appointment of Mr. Nazir Baig (DIN: 07468989) as an Independent Director of the Company for a second term of five consecutive years. 2. To consider and approve the re-appointment of Mr. Ashu Malik (DIN: 07998930), as Whole Time Director of the Company.

POSTAL BALLOT

- A. No special resolution was passed through postal ballot in last year.
- B. No Special Resolution is proposed to be conducted through postal ballot.

MEANS OF COMMUNICATION

a) Financial Results:

The Quarterly/Half yearly/Annual Un-Audited/Audited Financial Results (Standalone & Consolidated) along with the Limited Review Report from Statutory Auditors are submitted to the Stock Exchanges and uploaded on the website of the Company as per the applicable provisions of the SEBI (LODR) Regulations, 2015 as amended from time to time.

The members are provided with the necessary information with notices sent for the Annual General Meeting / Extraordinary General Meeting. Any other information sought by members is being provided on request.

b) News Paper where results normally published:

The quarterly/half yearly/annual financial results are announced within the stipulated period and are generally published in “**The Financial Express**” (English Newspaper) and “**Jansatta**” (Hindi Newspaper). The same are placed on the website of the Company i.e. www.surajindustries.org in the investor section along with all other shareholder’s information.

c) Website:

Your Company committed to maintaining transparency and providing timely disclosures to our stakeholders. The website i.e. www.surajindustries.org of your Company serves as a comprehensive source of information. Our Investor Relations section provides up-to-date financial reports, annual reports, quarterly results. We prioritize transparency and adhere to SEBI LODR guidelines, ensuring the timely dissemination of material information, including board meeting updates, insider trading disclosures, and other regulatory filings.

d) News Releases, Presentations etc:

No presentation of financial results has been made to Financial Institutions/ Analysts during the Financial Year ended on 31st March, 2023 except one investor presentation made on October 19,2022 for Q2 FY 2022-23 Financial Results and Future Growth Plans of the Company.

e) Presentations to institutional investors/analysts:

No presentation of financial results has been made to Financial Institutions/ Analysts during the Financial Year ended on 31st March, 2023

GENERAL SHAREHOLDER INFORMATION

a.	Annual General Meeting - Date and Time	September 26,2023 & 3:30 P.M.
	Deemed Venue	Plot No.2, Phase-III, Sansarpur Terrace, Distt. Kangra, Himachal Pradesh-173212
b	Financial Year	The Financial Year of the Company starts on 1st April of a year and ends on 31st March of the following year.(2022-23)
c.	Dividend Payment Date	The Company does not recommend any dividend for the financial year 2022-23 hence, not applicable.
d.	Listing on Stock Exchanges	The equity shares of the Company are listed at BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
e.	Payment of Listing Fee	The Company has paid the listing fee to BSE for the financial year 2023-24 and annual custody fee for the financial year 2023-24 to National Securities Depository Limited and Central Depository Services (India) Limited.

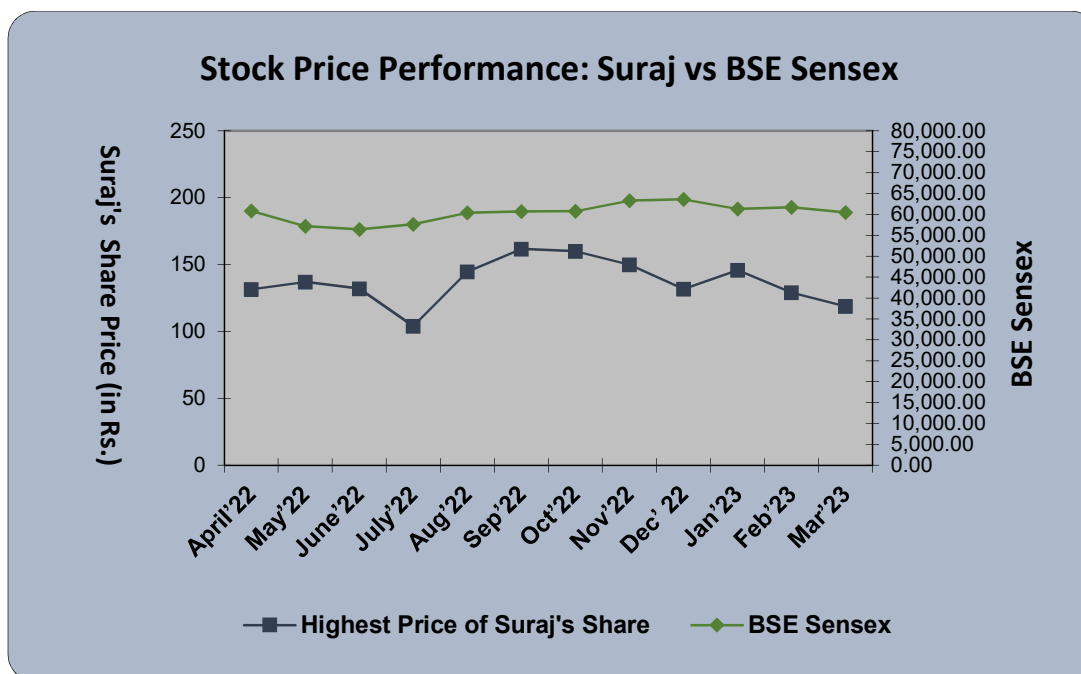
f.	Stock / Scrip Code	BSE – 526211
g.	ISIN Number	The International Securities Identification Number (ISIN) allotted to Company's share under the Depository System is INE170U01011.

h) Stock Market Data : high, low and volume during each month of the financial year 2022-23

Month	BSE Limited		
	High	Low	Volume
April 2022	131.60	114.8	64637
May 2022	137.00	81.25	96991
June 2022	132.00	92.9	75633
July 2022	104.00	88.9	52053
August 2022	144.65	89.65	91853
September 2022	161.85	123	262650
October 2022	160.10	122.7	82696
November 2022	150.00	122	132533
December 2022	131.95	92.7	103776
January 2023	145.90	95.3	82283
February 2023	129.25	102.65	68617
March 2023	118.90	100.2	28445

(Source: BSE website)

i) Performance in comparison to BSE Sensex



- j) During the year under review the shares of your Company are not suspended from trading by any of the stock exchange where the shares are listed.
- k) **Registrar to an issue and Share Transfer Agent (RTA)**

Beetal Financial & Computer Services (P) Limited
 Beetal House, 3rd Floor,
 99 Madangir, Behind Local Shopping Centre,
 Near Dada Harsukhdas Mandir, New Delhi – 110 062
 Telephone: 91-11- 29961281, 82 and 83
 Fax: 91-11-29961284
 Email: beetalrta@gmail.com , beetal@beetalfinancial.com
 Website: www.beetalfinancial.com

l) **Share Transfer System**

SEBI vide its notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2019 notified that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository and came into effect from April 01, 2019 . A summary of transmission of securities of the Company so approved by the directors are placed at every Stakeholder’s Relationship Committee. The Company obtains from a Company Secretary in Practice yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015 and files a copy of the said certificate with Stock Exchanges. Shareholders holding shares in the physical form are therefore requested to dematerialize their shares in their own interest.

m) **Distribution of Shareholding by Size as on 31st March, 2023**

S.No.	Category (Shares)	Holders	% of Total Holders	Shares	% of Total Shares
1.	1-5000	17263	98.62	1681058	13.6736
2.	5001-10000	114	0.65	89032	0.7242
3.	10001-20000	31	0.17	47860	0.3893
4.	20001-30000	08	0.04	20672	0.1681
5.	30001-40000	06	0.03	20820	0.1693
6.	40001-50000	39	0.22	189617	1.5423
7.	50001-100000	15	0.08	117065	0.9522
8.	100001 and above	28	0.16	10128048	82.3809
Total		17504	100.00	12294172	100.0000

Distribution of shareholding as on March 31,2023.

S.No.	Category of shareholders	No. of Shareholders	No. of Shares held	% of shares held	No. of Shares Dematerialized
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1.	Promoter & Promoter Group	05	6297428	51.22	6297428
2.	I. Institutions				
	Financial Institutions/Banks	01	100	0.00	00
	2. Central Govt/ State Govt./ President of India	0	0	0.00	0.00
3.	Non- Institutions				
4.	Indian Public	17416	3314145	26.96	1401295
5.	NRI	04	635	0.01	635
6.	Body Corporates	57	2677383	21.77	2665083
7.	Others-HUF	19	4430	0.04	4430
8.	Others- Clearing Member House-Corp	02	51	0.00	51
	Total	17504	12294172	100.00	10368922

n) **Dematerialization of shares and liquidity**

Total Shares in Demat and Physical form as on March 31, 2023..

Sl. No.	Category	Total Shares	% to equity
1.	Physical	1925250	15.660
2.	NSDL	3302780	26.865
3.	CDSL	7066142	57.475

Dematerialization of shares

84.34 % of the Company's paid-up Equity share capital has been dematerialized as on March 31, 2023. The total holdings of shares of promoters & promoter group are in Demat form. The trading of the Equity shares of the company is permitted only in dematerialized form as per the notification issued by SEBI.

The Company has complied the Regulation 31(2) of SEBI (Listing Obligation & Disclosure Requirement) Regulation 2015, as follows:

Category of shareholder	Total Shares in dematerialized form		
	No. of Shareholders	Number of shares held	Number of shares held
Promoter & Promoter Group	05	6297428	6297428
Public	17499	5996744	4071494
TOTAL	17504	12294172	10368922

To enable us to serve our investors better, we request shareholders whose shares are in the physical mode to dematerialize their shares and update their bank accounts with the respective depository participant.

o) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any ADRs/GDRs/ Warrants or any convertible instruments during the financial year 2022-23 under review.

p) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Nil

q) Plant Location

The plant of the Company is situated at C/o RSGSM ,Taragarh Road, Ajmer(Rajasthan)-305003

r) Address for correspondence

The Company Secretary
Suraj Industries Ltd.
F-32/3 Second Floor, Okhla Phase –II,
New Delhi-110020.
Phone: 011-42524455
Email – secretarial@surajindustries.org
Website- www.surajindustries.org

Address for correspondence with Registrar and Transfer Agent

Beetal Financial & Computer Services Private Limited
Beetal House, 3rd Floor,
99 Madangir, Behind Local Shopping Centre,
Near Dada HarsukhdasMandir, New Delhi – 110 062
Telephone: 91-11- 29961281, 82 and 83
Fax: 91-11-29961284
Email: beetal@beetalfinancial.com

s) Credit Rating

During the year under review, the Company was not required to have credit rating.

OTHER DISCLOSURES

(a) Disclosure in materially significant related party transactions that may have potential conflict with the interests of listed entity at large

During the period under review, there have been no materially significant related party transactions, monetary transactions or relationship between the Company and directors, the management, Key Managerial Personnel, or relatives, except one material related party transactions with Carya Chemicals and Fertilizers Private Limited in terms of Regulation 24 of SEBI LODR. The material related party transactions are entered by the Company are within the limits and in terms of the approval accorded by the Shareholders at their Extra-Ordinary General Meeting (“EGM”) held on March 11, 2023.

All the related party transactions were entered on arms’ length basis and were in the ordinary course of business. Further, the transactions with related parties were in compliance with applicable provisions of the Act and the Listing Regulations. Omnibus approval was obtained for the transactions which were foreseen and repetitive in nature. A statement of all related party transactions was presented before the Audit Committee on a quarterly basis.

Further, the details of the transactions with Related Parties which not considered as material are provided in **Note No. 45** to the standalone financial statement, forming integral part of this Annual Report

The policy on Related Party Transactions is hosted on the website of the Company under the web link : www.surajindustries.org.

(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by the stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years; [Schedule V(C)10(b)to the SEBI Listing Regulations].

There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any Statutory Authority.

(c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee: (Regulation 22 of the SEBI Listing Regulations)

Pursuant to Section 177(9) of the Companies Act, 2013 read with Regulation 22 of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, The Board of Directors of the Company had adopted the Whistle Blower Policy. A mechanism has been established for employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. The Audit Committee reviews periodically the functioning of whistle blower mechanism. There is no complaint received during the Financial Year ended March 31, 2023.

No personnel have been denied access to the Audit Committee. The Whistle Blower Policy has been disclosed on the Company’s website under the web link: www.surajindustries.org.

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements : Schedule II Part E of the SEBI Listing Regulations

The Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015), as amended from time to time. However, the Company has not adopted the non-mandatory requirements as specified in Part E of Schedule II of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

(e) Web link where policy for determining “material” subsidiaries is disclosed: Regulation 16(1)(c) of the SEBI Listing Regulations.

The policy of the Company on “Material” subsidiaries is available on the website of the Company at www.surajindustries.org/policy/Policy%20for%20determining%20Material%20Subsidiary.pdf.

(f) Web link where policy for dealing with related party transactions

The policy of the Company on “Related Party Transactions” is available on the website of the Company at www.surajindustries.org/policy/Related%20Party%20Transaction%20Policy_SIL.pdf.

(g) Details of utilization of funds raised through preferential allotment or qualified institutions placements as specified under Regulation 32 (7A).

During the year under review, the status of receipt of funds and their utilization periods are summarized below:

Date of allotment/ conversion of Warrants	Nos. allotted	Amount received (in Rs.)	Date of receipt of funds	Date of funds utilisation
12-05-2022	Warrants- 551724 Equity Shares- 1655172	19999995 239999940	11-05-2022	19-05-2022
09-09-2022	Conversion of Warrants into Shares- 1097000	8227500	08-09-2022	13-09-2022

(h) Certificate from a Company Secretary in practice

Pursuant to Part C (10) (i) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on the basis of written presentations/ declaration received from the Directors of the Company as on March 31, 2023, Mr. Vijay Jain, Proprietor of M/s Vijay Jain & Co., Company Secretaries (Membership No. ACS 50242, CP No. 18230), have issued a certificate confirming 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 the SEBI/ Ministry of Corporate Affairs or any such statutory authority

(i) During the year there were no instances where Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

(j) Fees paid to Statutory Auditors

During the year under review your Company and its Subsidiary/Associate Company paid the following remuneration/fees to the Statutory Auditor:-

S.No.	Name of the Company	Amount (Rs.)
1.	Suraj Industries Ltd.	2 Lakhs
2.	Shri Gang and Allied Products Limited- Associate Company	3 Lakhs
3.	Carya Chemical and Fertilizers Private Limited – Subsidiary Company	17,700

(k) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries. :- During the year under review, there is no material subsidiary of the Company

(l) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as amended from time to time:

The Company has always believed in providing a safe and harassment free workplace for every individual working in the office premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment.

Further disclosure required in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the Financial Year ended on 31st March, 2023 is as follows:

Particulars	Nos.
Number of Complaints filed during the financial year	00
Number of Complaints disposed of during the financial year	00
Number of Complaints pending as on end of the financial year	00

(m) Code of Conduct : Regulation 17 of the SEBI (Listing Regulations)

The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2023. The Annual Report of the Company contains a certificate by the Mr. Suraj Prakash Gupta, Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management. The weblink is www.surajindustries.org.

During FY 2022-2023, information as mentioned in Part A of Schedule II of SEBI Listing Regulations, has been placed before the Board for its consideration. The Board periodically reviews the compliance reports of all laws applicable to the Company.

(n) Updation of PAN, KYC and Nomination

The Company has also sent the letters to the Shareholders of the Company holding shares in physical form at their registered addresses, to furnish PAN, KYC details and Nomination pursuant to SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and March 16, 2023, read with clarification issued by SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021. The forms prescribed for these purposes are given below:

Forms	Purpose
FORM ISR-1	Request for registering PAN, KYC details or Changes/Updation thereof
FORM ISR-2	Specimen Signature
FORM ISR-3	Declaration to Opt-out for Nomination
FORM SH-13	Nomination form
FORM SH-14	Cancellation or Variation in Nomination

Members are advised to ensure that KYC details i.e PAN, Postal Address with PIN, Mobile Number, Bank Account details, E-mail id and Nomination details are duly updated. Pursuant to above SEBI Circular folios wherein full KYC information are not available on or after 1st October 2023 shall be frozen.

(o) Disclosure of Loans and Advances.

During the year under review, no loans and advances in the nature of loans to any firms/companies have been granted by the Company and its Subsidiaries in which directors are interested.

(p) The Company has complied with all the requirements of Schedule V of the Corporate Governance report as stated under sub-para (2) to (10) of section (c) of Schedule V .

(q) During FY 2022-23, information as mentioned in Part E of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

(r) The Disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations are as follows:

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

S. No.	Particulars	Regulation	Compliance Status Yes/No/ NA
1.	Board of Directors	17	Yes
2.	Maximum Number of Directorship	17A	Yes

3.	Audit Committee	18	Yes
4.	Nomination and Remuneration Committee	19	Yes
5.	Stakeholders Relationship Committee	20	Yes
6.	Risk Management Committee	21	Not Applicable (Company does not fall under Top 1000 Companies as per market Capitalization as on March 31,2023.)
7.	Vigil Mechanism	22	Yes
8.	Related Party Transactions	23	Yes
9.	Subsidiaries of the Company	24	Yes
10.	Secretarial Audit and Secretarial Compliance Report	24A	Yes
11.	Obligations with respect to Independent Directors	25	Yes
12.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes
13.	Other Corporate Governance requirements	27	Yes
14.	Website	46(2)(b) to (i)	Yes

(s) Compliance Certificate from Practicing Company Secretary

In terms of Para E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Certificate from Practicing Company Secretary regarding compliance of conditions of corporate governance forms an integral part of this report.

(t) CEO and CFO Certification

In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Compliance Certificate issued by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) is annexed to this report. As on March 31,2023 , the Company is

not having CEO , therefore the certificate is signed by Mr. Suraj Prakash Gupta , Managing director and Mr. Sanjai Kapoor, CFO of the Company.

(u) Transfer of Dividend and Corresponding Equity Shares to Investor Education and Protection Fund

During the Financial Year 2022-23, no unclaimed dividend and corresponding shares in respect of which dividend entitlements remained unclaimed for seven consecutive years or more, were pending and therefore no amount and shares were transferred by the Company to Investor Education and Protection Fund, pursuant to section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

(v) Disclosure of Certain Types of Agreements Binding Listed Entities.

With reference to clause 5A of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has entered only Investment Agreement with Ayodhya Finlease Ltd. and Loan agreement with the Facit Vyapar Pvt. Ltd., the details related with these agreements already disclosed to the stock exchange.

CEO DECLARATION

It is hereby certified that:

All Board Members and Senior Management Personnel have affirmed compliance with code of conduct as laid down by the Company during the financial year ended on March 31, 2023

New Delhi
Date: 28.08.2023

Sd/-
Suraj Prakash Gupta
Managing Director
DIN:00243846

* As on March 31,2023 , the Company is not having CEO , therefore the certificate is signed by Mr. Suraj Prakash Gupta , Managing Director of the Company.

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE BY PRATICING
COMPANY SECRETARY
(Pursuant to Para E of Schedule V of the SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015)**

To
The Members
Suraj Industries Limited
Plot No. 2, Phase III Sansarpur Terrace,
Kangra, Himachal Pradesh-173212

We have examined the compliances of the conditions of Corporate Governance by M/s. Suraj Industries Ltd. (“the Company) for the year ended on March 31, 2023, as stipulated under Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

“The Provisions of Regulation 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of Listing regulations became applicable to the Company w.e.f. May 12,2022.

The compliance of condition of corporate governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. Further my/our scope of work under this examination did not involve me/us performing audit tests for the purpose of expressing an opinion on the financial statement of the Company.

In my/our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Management, I/we certify that the Company has complied with the conditions of corporate governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable for the year ended on March 31, 2023.

I/We further state that this certificate is neither an assurance as to the future viability of the Company nor of efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: August 28,2023
Place: New Delhi

For **Vijay Jain & Co.**
Practicing Company Secretaries
Sd/-
Vijay Jain
Practicing Company Secretary
Membership No.: 50242
C P NO.18230
Peer Review No.2241/2022
UDIN : A050242E000876639

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(PURSUANT TO REGULATION 34(3) READ WITH SCHEDULE V PARA-C CLAUSE
10(i) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015)

To
The Members
Suraj Industries Limited
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 Suraj Industries Ltd. having CIN L26943HP1992PLC016791 and registered of 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 Regulations 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 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) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below for the financial year ended 31st March 2023, 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.	Suraj Prakash Gupta	00243846	06-02-2020
2.	Syed Azizur Rahman	00242790	30-10-2015
3.	Sanjay Jain	01014176	29-03-2022
4.	Nazir Baig	07468989	27-09-2017
5.	Ashu Malik	07998930	27-06-2021
6.	Pooja Solanki	09039846	23-01-2021

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of 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 **Vijay Jain & Co.**
Practicing Company Secretaries

Sd/-

Vijay Jain

Practicing Company Secretary

Membership No.: 50242

C P NO.18230

Peer Review No.2241/2022

UDIN : A050242E000876793

Date: August 28,2023

Place: New Delhi

CEO AND CFO Certification
(Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
 The Board of Directors
 Suraj Industries Ltd.
 Plot No. 2, Phase III Sansarpur Terrace,
 Kangra, Himachal Pradesh-173212

We, Mr. Suraj Prakash Gupta, Managing Director and Mr. Sanjai Kapoor , Chief Financial Officer (“CFO”) of Suraj Industries Ltd (“the Company”) to the best of our knowledge and belief certify that

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31,2023 and that to the best of our knowledge and belief, we state that:
- (i) these statement does not contain any materially untrue statement or omit any material facts or contains any statements that might be misleading;
 - (ii) these statement together present a true and fair view of the Company’s affair and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief , there are no transactions entered into by the Company during the financial year 2022-23 which are fraudulent, illegal or violates the Company’s code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls ,if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies .
- (d) We have indicated, based on our most recent evaluation ,wherever applicable ,to the auditors and the Audit Committee
- (i) significant changes, if any, in the internal control over financial reporting during the financial year 2022-23;
 - (ii) significant changes, if any, in the accounting policies made during the financial year 2022-23 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting

Date: 28.08.2023
Place: New Delhi

Sd/-
Suraj Prakash Gupta
Managing Director

Sd/-
Sanjai Kapoor
CFO

**As on March 31,2023 , the Company is not having CEO , therefore the certificate is signed by Mr. Suraj Prakash Gupta , Managing Director and Mr. Sanjai Kapoor, CFO of the Company.*

STANDALONE FINANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **SURAJ INDUSTRIES LTD** (“**the Company**”), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash Flows, the Statement of Changes in Equity for the year then ended, notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. In our opinion, there are no key audit matters to be communicated in our report.

Other Matter

The financial statements of the Company for the year ended 31 March 2022 were audited by another auditor who had expressed an unmodified opinion on those financial statements vide their audit report dated 18 May 2022.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone financial statements and Auditor's Report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above, when it becomes available, and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude, that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Standalone financial statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that 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 Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income) the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2023 on its financial position in its standalone financial statements –Refer Note No- 37 of standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March, 2023.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2023.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in

the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in Note No. 15 (f) to the standalone financial statements, no dividend has been declared by the Company in current and previous years.
2. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of sub-section (11) of Section 143 of the Act ("the Order"), we give in **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. In our opinion and as per information and explanations given to us, the managerial remuneration for the year ended 31st March 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 of the Act.

For PAWAN SHUBHAM & CO.
Chartered Accountants
ICAI Firm Registration Number: 011573C

Sd/-
CA Krishna Kumar
Partner
Membership Number: 523411
UDIN: 23523411BGWIHN4724

Place of Signature: New Delhi
Date: 30th May, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls with reference to Standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

Referred to in paragraph 1(f) of the Independent Auditors’ Report of even date to the members of SURAJ INDUSTRIES LTD on the Standalone financial statements for the year ended 31st March 2023

We have audited the internal financial controls with reference to Standalone financial statements of **SURAJ INDUSTRIES LTD** (“the Company”) as of 31st March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management and Board of Directors of the Company are responsible for establishing and maintaining internal financial controls 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 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone financial statements 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 deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Standalone financial statements

A company's internal financial control with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally

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

Inherent Limitations of Internal Financial Controls with reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to Standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial control with reference to Standalone financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone financial statements and such internal financial controls with reference to Standalone financial statements were operating effectively as at 31st March, 2023, 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 Issued by the ICAI.

For **PAWAN SHUBHAM & CO.**
Chartered Accountants
ICAI Firm Registration Number: 011573C

Sd/-
CA Krishna Kumar
Partner
Membership Number: 523411

UDIN: 23523411BGWIHN4724

Place of Signature: New Delhi
Date: 30th May, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 2 of the Independent Auditors' Report of even date to the members of SURAJ INDUSTRIES LTD on the Standalone financial statements as of and for the year ended 31st March, 2023

In terms of the information and explanation sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report the following: -

- i. (a)(A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment and relevant details of right of use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment and right of use assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property. Therefore, this clause is not applicable.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year. No inventory is lying with third parties. No discrepancies of 10% or more in aggregate for each class of inventory were noticed.
- (b) The Company has not been sanctioned any working capital limits from banks. Therefore, this clause is not applicable.
- iii. During the year, the company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. However, it has not provided any guarantee and security to any other entity.

A) During the year, the Company has provided loans to other entity as follows:

Particulars	<i>(INR in lakhs)</i>			
	Subsidiaries	Joint Ventures	Associates	Others
Aggregate amount granted during the year	-	-	-	-
Balance outstanding as at balance sheet date	76.00	-	-	60.00

- B) In our opinion, the Company has made investment in subsidiaries and associates in the current year. Also, the terms and conditions of the loans and advances are not prejudicial to the Company's interest.
- C) In our opinion, in respect of loans and advance, the terms and schedule of repayment of principal and interest has been stipulated and receipts are regular.
- D) In our opinion, no amount is overdue in respect of loans and advances given to subsidiaries, associates, joint ventures and other entities.
- E) No loans and advances have fallen due and thus this clause is not applicable.
- F) None of the loans and advances are repayable on demand. Proper schedule of repayment of principal and interest has been stipulated.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made by it. The Company has not given any loan or advances to Directors, hence provisions of Section 185 of the Companies Act, 2013 are not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing the undisputed statutory dues including goods and service tax, provident fund, employees state insurance, income tax, sale tax, service tax, duty of customs, duty of excise, value added tax, Cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no disputed amounts payable in respect of the aforesaid dues as at 31st March, 2023
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) According to the records of the Company examined by us and the information and explanation given to us, term loans taken by the Company were applied for the purpose for which they were obtained.
- d) On an overall examination of the standalone financial statements of the Company, funds raised

on short-term basis have not been used during the year for long-term purposes by the Company.

- e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, associate or Joint venture.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary, joint venture or associate company.
- x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
b) During the year, the Company has made preferential allotment of shares in accordance with S.62 of the Companies Act, 2013 and funds have been utilised for the purpose for which funds have been raised.
- xi. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
c) No whistle-blower complaints were received by the Company during the year (and upto the date of this report) and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date.
- xv. During the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the current and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.

- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) There is no unspent CSR amount as at Balance Sheet date under section (5) of section 135 of the Act, pursuant to any ongoing project, hence, reporting under clause 3(xx)(b) of the Order is not applicable.

For PAWAN SHUBHAM & CO.
Chartered Accountants
ICAI Firm Registration Number: 011573C

Sd/-
CA Krishna Kumar
Partner
Membership Number: 523411
UDIN: 23523411BGWIHN4724

Place of Signature: New Delhi
Date: 30th May, 2023

SURAJ INDUSTRIES LTD
Standalone Balance sheet as at 31st March 2023

(Rs. in Lakhs)

Particulars	Note No.	31st March 2023	31st March 2022
		Audited	Audited
Assets			
1. Non-Current assets			
(a) Property, Plant and Equipment	3	1,132.97	1212.14
(b) Capital Work in progress	4	65.21	-
(c) Right of Use Assets	5	73.36	-
(d) Financial Assets			
- Investments	6	2998.10	-
- Other Financial Assets	7	35.69	27.69
		4305.33	1239.83
2. Current assets			
(a) Inventories	8	77.71	16.60
(b) Financial Assets			
- Trade receivable	9	2421.54	231.72
- Cash and bank balances	10	5.87	285.78
- Loans	11	136.00	778.50
- Other Financial Assets	12	43.50	0.24
(c) Income Tax Assets	13	31.61	27.46
(d) Other current assets	14	114.80	127.66
		2831.03	1467.96
Total		7136.36	2707.79
II. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Equity share capital	15	1229.42	954.20
(b) Other Equity	16	2386.99	(499.46)
		3616.41	454.74
2 Non-current liabilities			
(a) Financial Liabilities			
- Borrowings	17	39.01	30.03
- Lease liability	18	70.08	-
(b) Provisions	19	9.09	7.93
(c) Deferred tax liabilities(Net)	20	45.39	28.59
		163.57	66.55
3 Current liabilities			
(a) Financial Liabilities			
- Borrowings	21	1005.48	1927.75
- Lease liability	22	9.43	-
- Trade Payables	23		
A) total outstanding dues of micro enterprises and small enterprises		-	1.58
B) total outstanding dues of creditors other than micro enterprises and small enterprises		2120.49	141.41
- other Financial Liability	24	2.29	9.64

(b)Other current liabilities	25	29.68	60.28
(c)Provisions	26	0.06	0.04
(d)Current Tax Liabilities	27	188.95	45.80
		3356.38	2186.50
TOTAL		7136.36	2707.79

Significant accounting policies

2

Other notes to account

3-51

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Pawan Shubham & Co.

Chartered Accountants

Firms's Registration No.: 011573C

For and on behalf of the Board of Directors of
SURAJ INDUSTRIES LTD

Sd/-

(CA Krishna Kumar)

PARTNER

Membership No. 523411

Sd/-

Suraj Prakash Gupta

(Managing Director)

DIN: 00243846

Sd/-

Syed Azizur Rahman

(Director)

DIN: 00242790

Place : New Delhi

Date : 30-05-2023

Sd/-

Sanjai Kapoor

Chief Financial Officer

PAN No. AALPK5266D

Sd/-

Snehlata Sharma

Company Secretary

M.No.62066

SURAJ INDUSTRIES LIMITED
Standalone Statement of Profit and Loss for the year ended on 31st March 2023

(Rs in Lakh)

Particulars	Note No.	For the year ended on 31st March, 2023	For the year ended on 31st March 2022
		Audited	Audited
Income:			
I. Revenue from operations	28	6737.89	4126.41
II. Other income	29	84.56	2.09
III. Total Income (I+II)		6822.45	4128.50
IV. Expenses			
Purchase of Stock in Trade	30	5117.37	2785.75
Cost of materials consumed	31	459.41	584.65
Employee benefit expense	32	178.00	110.76
Finance cost	33	69.63	2.49
Depreciation and amortization expense	34	125.98	59.72
Other expense	35	179.68	172.67
Total expenses		6130.07	3716.04
V. Profit/ (loss) before tax (III-IV)		692.38	412.46
VI. Tax expense			
Current tax		188.95	45.81
Deferred tax charge/(credit)		16.86	59.39
Earlier year taxes		9.83	00.27
Total Tax Expense		215.64	105.47
VII. Profit/ (loss) for the year (V-VI)		476.74	306.99
VIII. Other comprehensive income			
- Items not be reclassified to profit or loss		2.60	(2.23)
- Income tax on above		0.06	-
Other Comprehensive income for the year net of Tax		2.66	(2.23)
IX. Total comprehensive income for the year net of Tax(VII +VIII)		479.40	304.76
X. Earning per equity share:	36		
(1)Basic		4.12	3.42
(2)Diluted		3.81	3.19
Nominal value of equity shares		10.00	10.00

Significant accounting policies

2

Other notes to account

3-51

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Pawan Shubham & Co.

**Chartered Accountants
Firms's Registration No.: 011573C**

**For and on behalf of the Board of Directors of
SURAJ INDUSTRIES LTD**

**Sd/-
(CA Krishna Kumar)
PARTNER
Membership No. 523411**

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

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

**Place : New Delhi
Date : 30-05-2023**

**Sd/-
Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D**

**Sd/-
Snehlata Sharma
Company Secretary
M.No.62066**

SURAJ INDUSTRIES LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023
(INR in Lakh)

Particulars	For the year ended on 31st March 2023	For the year ended on 31st March 2022
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary items	692.38	412.46
Add: Non cash and Non-operating items		
Provision for Employee Benefits	1.16	6.44
Depreciation	125.98	59.72
Less: OCI -Remeasurement of defined benefit plans	2.60	(2.23)
Operating Profit before Working Capital changes	822.12	476.39
Adjustments for:		
Loans & Advances & Other Current Assets	607.94	(893.06)
Inventories	(61.11)	(16.60)
Trade Receivables	(2189.82)	79.92
Trade Payable	1977.50	(165.58)
Other Current Liabilities	105.23	68.21
Cash Generated from operations before extraordinary item and tax	1261.86	(450.72)
Less: Taxes Paid	198.79	46.08
Net Cash from Operating Activities.....(A)	1063.07	(496.80)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital Advances	-	370.00
Increase in Fixed Assets/RTU/CWIP	(185.38)	(1271.55)
Increase in Investments	(2998.10)	-
Earnest Money Deposit	(8.00)	0.05
Net Cash used in Investing Activities.....(B)	(3191.48)	(901.50)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Movement in Short Term/Long Term Borrowings	(913.29)	1599.44
Movement in Lease Liability	79.52	-
Shares Issued during the year	2509.70	89.20
Share Warrant Application Money Recd(net of amount converted)	172.57	(22.30)
Net Cash received in financing Activities.....(C)	1848.50	1666.34
D) NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(279.91)	268.04
Cash & Cash Equivalents as at beginning of year	285.78	17.74
Cash & Cash Equivalents as at end of year	5.87	285.78

Notes

- (I) Figures in brackets represent deductions and outflows
 (II) The previous year's figures have been restated, wherever considered necessary.

Significant accounting policies 2
Other notes to account 3-51
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Pawan Shubham & Co.

Chartered Accountants

Firms's Registration No.: 011573C

For and on behalf of the Board of Directors of

SURAJ INDUSTRIES LTD

Sd/-

(CA Krishna Kumar)

PARTNER

Membership No. 523411

Sd/-

Suraj Prakash Gupta

(Managing Director)

DIN: 00243846

Sd/-

Syed Azizur Rahman

(Director)

DIN: 00242790

Place : New Delhi

Date : 30-05-2023

Sd/-

Sanjai Kapoor

Chief Financial Officer

PAN No. AALPK5266D

Sd/-

Snehlata Sharma

Company Secretary

M.No.62066

SURAJ INDUSTRIES LIMITED

Standalone Statement of changes in equity for the year ended on 31st March 2023 .

A. Equity Share Capital

Particulars	Balance as at 01 April, 2021	Change in Equity Share Capital during the year	Balance as at 31 March, 2022	Change in Equity Share Capital during the year	Balance as at 31 March, 2023
Nos. of Shares	8,650,000	892,000	9,542,000	2,752,172	12,294,172
Amount in Lakhs	865.00	89.20	954.20	275.22	1,229.42

B. Other Equity*(INR in lakhs)*

Particulars	Reserve and Surplus				Other Comprehensive Income	Total
	Capital Reserve	Share Premium	Equity Component of other financial instruments (share warrants)	Retained Earnings		
Balance as at 01 April, 2021	231.69	-	49.72	(1,063.19)	(0.14)	(781.92)
Amount received against Share warrants	-	-	66.90	-	-	66.90
Less: Share warrants converted to Equity Shares	-	-	(89.20)	-	-	(89.20)
Net Profit/(Net Loss) for the current year	-	-	-	306.99	(2.23)	304.76
Add: Actuarial Gain/ (Loss) for the year on PBO						-
Other Comprehensive Income for the Year	-	-	-	-	-	-
Balance as at 31 March, 2022	231.69	-	27.42	(756.20)	(2.37)	(499.46)
2022-23						
Amount received against Share warrants	-	-	282.27	-	-	282.27
Less: Share warrants converted to Equity Shares	-	-	(109.70)	-	-	(109.70)

Share Premium for issue of shares	-	2,234.48	-	-	-	2,234.48
Net Profit/(Net Loss) for the current year	-	-	-	476.74	-	476.74
Add: Actuarial Gain/ (Loss) for the year on PBO	-	-	-	-	2.66	2.66
Other Comprehensive Income for the Year	-	-	-	-	-	-
Balance as at 31 March, 2023	231.69	2,234.48	199.99	(279.46)	0.29	2,386.99

Significant accounting policies

2

Other notes to account

3-51

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Pawan Shubham & Co.

Chartered Accountants

Firms's Registration No.: 011573C

For and on behalf of the Board of Directors of
SURAJ INDUSTRIES LTD

Sd/-

(CA Krishna Kumar)

PARTNER

Membership No. 523411

Sd/-

Suraj Prakash Gupta

(Managing Director)

DIN: 00243846

Sd/-

Syed Azizur Rahman

(Director)

DIN: 00242790

Place : New Delhi

Date : 30-05-2023

Sd/-

Sanjai Kapoor

Chief Financial Officer

PAN No. AALPK5266D

Sd/-

Snehlata Sharma

Company Secretary

M.No.62066

SURAJ INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st
MARCH 2023

1. 1. CORPORATE INFORMATION

Suraj Industries Ltd (hereinafter referred to as "SIL" or "the Company") (CIN-L26943HP1992PLC016791) is a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at Plot No. 2, Phase III, Sansarpur Terrace, Kangra, Himachal Pradesh-173212, India and their corporate office at F-32/3, Second Floor, Okhla Industrial Area, Phase- II, New Delhi-110020.

The company has ventured into bottling and packaging of alcoholic beverages i.e Rajasthan Made Liquor and Country Liquor for the state of Rajasthan.

2. SIGNIFICANT ACCOUNTING POLICIES

a. 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 standalone financial statements (hereinafter referred as "Financial statements") comply with Ind AS prescribed under section 133 of the Companies Act, 2013 (the "Act"), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other accounting principles generally accepted in India.

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

The financial statements are prepared on the historical cost convention, except for certain financial instruments which are measured at fair value. Accounting policies have been consistently applied except where:

- i) A newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- ii) The Company presents an additional balance sheet at the beginning of the earliest comparative period when: it applies an accounting policy retrospectively; it makes a retrospective restatement of items in its financial statements; or, when it reclassifies items in its financial statements, and the change has a material effect on the financial statements.

All amounts are stated in Lakhs of Rupees, rounded off to two decimal places, except when otherwise indicated.

The financial statements were authorised for issue by the Board of Directors of the company on 30.05.2023.

b. 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.

c. 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.

d. PROPERTY, PLANT AND EQUIPMENT

Initial recognition and measurement

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

- a) it is probable that future economic benefits associated with the item will flow to the entity; and
- b) 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).

Borrowing Cost attributable to acquisition, construction of qualifying assets is capitalized until such time as the assets are substantially ready for their intended use. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalised.

Subsequent Measurement

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 labour, 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

- a. 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.
- b. 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 / discard.
- c. Assets residual values and useful lives are reviewed and adjusted, at the end of each reporting period.

The following useful lives are applied:

Asset Category	Useful Life
Building	
----- Factory Buildings	30 years
----- Building (other than factory buildings)	60 years
----- Other (including temporary structure, etc.)	05 years
----- Leasehold Building Improvements	Over the lease period
Plant and Equipment	10-25 years
Furniture and Fittings	10 years
Office Equipment	5 years
Computers	
----- Servers and networks	06 years
----- End user devices viz. desktops, laptops, etc.	03 years

e. CAPITAL WORK-IN-PROGRESS

Capital Work in Progress comprises of Property, Plant and Equipment that are not ready for their intended use at the end of reporting period and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalized and other direct expenditure. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of Property, Plant and Equipment.

Costs are capitalised till the period of assets are substantially ready for their intended use. Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is substantially ready for its intended use.

f. RIGHT OF USE ASSETS

Company as a Lessee

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Finance lease

The Company has entered into land lease arrangement at various locations for a period of 90 years. In case of lease of land for 90 years and above, it is likely that such leases meet the criteria that at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset. Accordingly, the Company has classified leasehold land as finance leases applying Ind AS 17. For such leases, the carrying amount of the right of-use asset at the date of initial application of Ind AS 116 is the carrying amount of the lease asset on the transition date as measured applying Ind AS 17. Leasehold land is amortised on a straight-line basis over the unexpired period of their respective lease. Leasehold improvements are depreciated on straight line basis over their initial agreement period.

g. INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. The cost of Intangible Assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities). Amortisation is recognised in Statement of Profit and Loss account on straight-line basis over estimated useful lives of respective intangible assets, but not exceeding useful lives given hereunder:

Asset Category	Useful Life
Computer Software	05 years

An item of Intangible Asset or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between net disposal proceeds and carrying amount of the asset) is included in Statement of Profit and Loss Account when asset is derecognised.

h. FINANCIAL INSTRUMENTS

1. Financial Assets

Initial recognition and measurement

Financial Assets are recognised when the Company becomes a party to contractual provisions of Financial Instrument. Financial assets are initially measured at Fair Value. Transaction costs that are directly attributable to acquisition of financial assets (other than financial assets at Fair Value through Profit or Loss) are added to fair value of financial assets. Transaction costs directly attributable to acquisition of financial assets at Fair Value through profit or loss are recognised immediately in statement of Profit and Loss.

Subsequent measurement

I. Debt Instruments at Amortised Cost

A 'debt instrument' is measured at amortised cost if both of the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. All other debt instruments are measured at Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit and Loss (FVTPL) based on the Company's business model.

II. Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through Profit and Loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit and Loss (FVTPL) on an instrument-to-instrument basis.

III. Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are debt instruments, and are measured at amortised cost e.g., Loans, Debt Securities, Deposits and Trade Receivables or any contractual right to receive cash or another financial asset that result from transactions that are within scope of Ind AS 115.

The Company follows 'Simplified Approach' for recognition of impairment loss allowance on trade receivables. Application of simplified approach recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12 month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized under the head 'Other Expenses' in the statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

i. Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. This allowance reduces the net carrying amount.

ii. Debt instruments measured at FVTPL: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Change in fair value is taken to the statement of Profit and Loss.

iii. Debt instruments measured at FVTOCI: Since financial assets are already reflected at Fair Value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'Accumulated Impairment Amount' in the Other Comprehensive Income (OCI). The Company does not have any Purchased or Originated Credit Impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

IV. Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- i. The rights to receive cash flows from asset has expired, or
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either :-
 - (a) The Company has transferred substantially all risks and rewards of the asset, or
 - (b) The Company has neither transferred nor retained substantially all risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates, if and to what extent it has retained risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects rights and obligations that the Company has retained.

2. Financial liability

Initial recognition and measurement

Financial liabilities are classified at initial recognition as:

- a. Financial liabilities at fair value through Profit or Loss
- b. Loans and Borrowings
- c. Payables

All financial liabilities are recognised initially at fair value and in case of loans and borrowings and payables, they are recognised net of directly attributable transaction costs.

Subsequent measurement

Measurement of financial liabilities depends on their classification as below:

- a. Financial liabilities at Fair Value Through Profit or Loss (FVTPL):** Gains or losses on liabilities are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.
- b. Loans and Borrowings:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (hereinafter referred as EIR) method. Gains and Losses are recognised in statement of profit and loss when liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included as Finance Costs in the statement of profit and loss.
- c. Trade and Other Payables:** These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

Derecognition of Financial liability

A Financial Liability is de-recognised when obligation under the liability is discharged or cancelled or expires.

i. INVESTMENTS

Subsidiaries

As per Ind AS 27, Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

Investments in subsidiaries are carried at cost as per Ind AS 27.

Associates and Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to net assets of joint venture. Joint control is contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require unanimous consent of parties sharing control.

An associate is an entity over which the Company has significant influence. Significant influence is power to participate in financial and operating policy decisions of investee but is not control or joint control over those policies.

Investment in joint ventures and associates are carried at cost as per Ind AS 27. Cost comprises price paid to acquire investment and directly attributable cost.

j. INVENTORY

S. No.	Particulars / Item Type	Method of Valuation
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

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.

k. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise Cash in Hand, Balances in Bank Account, Remittance in Transit, Cheques in hand and Demand Deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

l. TAXES

Current Income Tax

Current Income tax assets and liabilities are measured at amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside Profit and Loss is recognised outside profit and loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred Income Taxes are calculated using Balance Sheet Approach, on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that temporary differences will not reverse in foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to extent that it is probable that taxable profit will be available against which deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilized.

Carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at

each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and same taxation authority.

Tax expense for the year comprises of current tax and deferred tax.

Indirect Taxes

Expenses and Assets are recognised net of the amount of Indirect Taxes viz. GST/VAT, except when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, indirect tax is recognised as part of cost of acquisition of asset or as part of expense item, as applicable.

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.

m. REVENUE RECOGNITION

Revenue from contracts

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Taxes collected from customers on behalf of Government are not treated as Revenue.

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through expected life of the financial asset to gross carrying amount of a financial asset. When calculating effective interest rate, the Company estimates expected cash flows by considering all contractual terms of financial instrument but does not consider expected credit losses.

Other Income

Other claims including interest on outstanding are accounted for when there is virtual certainty of ultimate collection.

n. EMPLOYEE BENEFIT SCHEMES**Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months.

Compensated Absences

Company provides for encashment of accumulated leaves with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment/availment. The liability is provided based on number of days of unutilized leave at each Balance Sheet date on basis of an independent actuarial valuation.

Gratuity

Liabilities with regard to gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in Other Comprehensive Income and shall not be reclassified to the Statement of Profit and Loss in subsequent period.

Provident Fund

Eligible employees of the Company receive benefits from a Provident Fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to provident fund plan equal to a specified percentage of covered employee's salary.

o. FOREIGN CURRENCY**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 in lakhs, 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.

p. EARNINGS PER SHARE

- a. **Basic EPS** is calculated by dividing profit/ (loss) attributable to equity shareholders of the Company by weighted average number of equity shares outstanding during the period.
- b. **Diluted EPS** is computed using profit/ (loss) for the year attributable to shareholder' and weighted average number of equity and potential equity shares outstanding during the period, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The assessments undertaken in recognising provisions and contingencies have been made in accordance with applicable Ind AS. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Provisions

Provisions represent liabilities to the Company for which amount, or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost.

Contingent Liabilities

In normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which management of the Company has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Show Cause Notices received are not treated as Contingent Liabilities. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent Assets

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

r. CASH FLOW STATEMENT

Cash flows are reported using indirect method as set out in Ind AS -7 “Statement of Cash Flows”, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows from operating, investing and financing activities of the Company are segregated based on available information.

s. SEGMENT REPORTING

The company has two business segments- Edible Oil Operations and Liquor Operations and segment-wise results, assets and liabilities are accordingly given.

t. FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on presumption that transaction to sell asset or transfer liability takes place either:

- i. In the principal market for asset or liability, or
- ii. In absence of a principal market, in most advantageous market for asset or liability.

The principal or the most advantageous market must be accessible to the Company. Fair Value of an asset or liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using asset in its highest and best use or by selling it to another market participant that would use asset in its highest and best use.

The Company uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising use of relevant observable inputs and minimizing use of unobservable inputs. 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 lowest level input that is significant to fair value measurement is directly or indirectly observable.

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

u. EXCEPTIONAL ITEMS

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

SURAJ INDUSTRIES LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31st
MARCH 2023

Note 3 Property, Plant and Equipment

(INR in lakhs)

Particulars	Buildings	Plant and Equipments	Furniture and Fixtures	Computer	Vehicles	Office Equipments	Total
Gross Carrying Amount							
As at 1 April 2021	-	-	0.14	-	-	0.17	0.31
Additions	167.93	1,004.20	0.80	-	48.50	50.12	1,271.55
Disposal / Adjustment	-	-	-	-	-	-	-
As at 31 March 2022	167.93	1,004.20	0.94	-	48.50	50.29	1,271.86
Additions	-	-	-	0.48	30.85	0.30	31.63
Disposal / Adjustment	-	-	-	-	-	-	-
As at 31 March 2023	167.93	1,004.20	0.94	0.48	79.35	50.59	1,303.49

Depreciation and Impairment							
As at 1 April 2021	-	-	-	-	-	-	-
Additions	3.99	47.70	0.45	-	1.61	5.97	59.72
Disposal / Adjustment	-	-	-	-	-	-	-
As at 31 March 2022	3.99	47.70	0.45	-	1.61	5.97	59.72
Additions	24.53	66.08	0.08	0.09	9.84	10.18	110.80
Disposal / Adjustment	-	-	-	-	-	-	-
As at 31 March 2023	28.52	113.78	0.53	0.09	11.45	16.15	170.52
Net Carrying Value							
As at 31 March 2023	139.41	890.42	0.41	0.39	67.90	34.44	1,132.97
As at 31 March 2022	163.94	956.50	0.49	-	46.89	44.32	1,212.14

Note 4 Capital Work in Progress (CWIP)

(A) The changes in carrying value of Capital Work in Progress are as follows: (INR in lakhs)

Particulars	Building	Plant and Equipments	Furniture and Fixtures	Computer	Vehicles	Office Equipments	Total
As at 1 April 2021							
Additions	-	-	-	-	-	-	-
Transfer to PPE / ROU	-	-	-	-	-	-	-
As at 31 March 2022	-	-	-	-	-	-	-
Additions	44.84	20.37	-	-	-	-	65.21

Transfer to PPE / ROU*	-	-	-	-	-	-	-
As at 31 March 2023	44.84	20.37	-	-	-	-	65.21

Note 4.1 Capital Work in Progress Ageing Schedule

Capital Work- in Progress (CWIP) ageing schedule as at 31st March, 2023 is as follows:

(INR in lakhs)

Capital Work in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Leasehold building improvement	-	-	-	-	-
Building	44.84	-	-	-	44.84
Plant and Equipments	20.37	-	-	-	20.37
Furniture and Fixtures	-	-	-	-	-
Office Equipments	-	-	-	-	-
Total	65.21	-	-	-	65.21

Capital Work- in Progress (CWIP) ageing schedule as at 31st March, 2022 is as follows:

(INR in lakhs)

Capital Work in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Leasehold building improvement	-	-	-	-	-
Building	-	-	-	-	-
Plant and Equipments	-	-	-	-	-
Furniture and Fixtures	-	-	-	-	-
Office Equipments	-	-	-	-	-
Total	-	-	-	-	-

Note 5 Right of Use Assets (ROU Assets)

Changes in the carrying value of Right of Use assets are as follows:

(INR in lakhs)

Particulars	Leasehold Building	Total
Gross Carrying Amount		
As at 1 April 2021	-	-

Additions	-	-
Disposal / Adjustment	-	-
As at 31 March 2022	-	-
Additions	88.54	88.54
Disposal / Adjustment	-	-
As at 31 March 2023	88.54	88.54
<u>Depreciation and Impairment</u>		
As at 1 April 2021	-	-
Additions	-	-
Disposal / Adjustment	-	-
As at 31 March 2022	-	-
Additions	15.18	15.18
Disposal / Adjustment	-	-
As at 31 March 2023	15.18	15.18
<u>Net Carrying Value</u>		
As at 31 March 2023	73.36	73.36
As at 31 March 2022	-	-

Notes:

(a) Refer note 38 for lease liabilities recognised on behalf of ROU Assets.

Note 6 Investments*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Investment in Equity Shares (Unquoted)		
Investment in Subsidiary Company		
2,63,81,000 equity shares (PY: Nil) of M/s Carya Chemicals & Fertilzers Pvt Ltd @ Rs 10 per share)	2,638.10	-
Investment in Associate Company		
36,00,000 equity shares (PY: Nil) of M/s Shri Gang Industries & Allied Products Ltd @ Rs 10 per share)	360.00	-
Total	2,998.10	-

Note 7 Other Financial Assets- Non-Current*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Security/Earnest Money Deposits	35.69	27.69
Total	35.69	27.69

Note 8 Inventories*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Packing Material	76.69	15.61
Consumables	1.02	0.99
Total	77.71	16.60

Note 9 Trade Receivables*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Secured, Considered Good	-	-
Unsecured, Considered Good	2,421.54	231.72
Receivables having Significant Increase in Credit Risk	-	-
Receivables Credit Impaired	-	-
Total Trade Receivables (Gross)	2,421.54	231.72
Less: Expected Credit Loss (ECL)	-	-
Total	2,421.54	231.72

Note 9.1 Trade Receivables (Current) Ageing Schedule as at 31st March, 2023**(A) Trade Receivables Ageing Schedule as at 31 March, 2023**

Particulars	Outstanding for following periods from due date of payment					
	< 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivable, considered good	2,383.31	-	-	-	-	2,383.31
(ii) Undisputed Trade Receivable, considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivable, considered good	-	-	38.23	-	-	38.23
(iv) Disputed Trade Receivable, considered doubtful	-	-	-	-	-	-
Total	2,383.31	-	38.23	-	-	2,421.54

(B) Trade Receivables Ageing Schedule as at 31 March, 2022

Particulars	Outstanding for following periods from due date of payment					
	< 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivable, considered good	116.24	72.80	42.68	-	-	231.72
(ii) Undisputed Trade Receivable,	-	-	-	-	-	-

considered doubtful						
(iii) Disputed Trade Receivable, considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivable, considered doubtful	-	-	-	-	-	-
Total	116.24	72.80	42.68	-	-	231.72

Note: 10 Cash & cash equivalents**(INR in lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
Balance with banks in Current Accounts	0.66	284.67
Cash in Hand	5.21	1.11
Total	5.87	285.78

Note: 11 Loans**(INR in lakhs)**

Particulars	As at 31st March 2023	As at 31st March 2022
Loans to Others	60.00	-
Loans to Related Party*	76.00	778.50
Total	136.00	778.50

*Refer note 45 for related party disclosure.

Note 12 Other Financial Assets**(INR in lakhs)**

Particulars	As at	As at
	31 March 2023	31 March 2022
Interest Receivable from Related Party	5.29	0.24
Interest Receivable from Others	38.21	-
Total	43.50	0.24

*Refer note 45 for related party disclosure.

Note 13 Income Tax Assets**(INR in lakhs)**

Particulars	As at	As at
	31 March 2023	31 March 2022
TDS/TCS Receivable*	31.61	27.46
Total	31.61	27.46

*Refer note 40 for reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes.

Note 14 Other current assets**(INR in lakhs)**

Particulars	As at	As at
	31 March 2023	31 March 2022
GST Recoverable	13.29	11.31
MAT Credit	23.63	5.10

Prepaid Expenses	24.94	13.98
Advances to Supplier - Others	52.72	97.27
Amount Recoverable - Related Party*	0.22	-
Total	114.80	127.66

*Refer note 45 for related party disclosure.

Note 15 Equity Share Capital

(INR in lakhs)

Particulars	As at	As at
	31 March 2023	31 March 2022
Authorised share capital 2,00,00,000 (Previous Year 1,50,00,000) Equity Shares of Rs. 10/- each	2,000.00	1,500.00
	2,000.00	1,500.00
Issued, Subscribed & Paid-up 1,22,94,172 (Previous Year 95,42,000) Equity Shares of Rs. 10/- each	1,229.42	954.20
	1,229.42	954.20

a) Details of reconciliation of the number of equity shares outstanding:

Particulars	31 March 2023		31 March 2022	
	No. of Shares	Rs.in lakhs	No. of Shares	Rs.in lakhs
Shares outstanding at the beginning of the year	9542000	954.20	8650000.00	865.00
Add: Shares issued during the year*	2752172	275.22	892000.00	89.20
Shares outstanding at the end of the year	12294172	1229.42	9542000.00	954.20

b) Details of shares in the Company held by each shareholder holding more than 5 percent shares:

Name of the Shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Suraj Prakash Gupta	6,028,030	49.03%	4,931,030	51.68%
Ayodhya Finlease Ltd	2,455,172	19.97%	800,000	8.38%
	8,483,202	69.00%	5,731,030	60.06%

c) Promoter's Shareholding as at 31 March 2023 and percentage change in shareholding during the year as compared to previous year is as follows:

Name of the Promoters	31 March 2023		31 March 2022		% Change
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Suraj Prakash Gupta	6,028,030	49.03%	4,931,030	51.68%	-2.65%
Shuchi Bahl	185,000	1.50%	185,000	1.94%	-0.44%
Anita Gupta	10	0.00%	10	0.00%	0.00%
Rajesh Gupta	10	0.00%	10	0.00%	0.00%

M/s Global Spirits Private Limited	84,378	0.69%	84,378	0.88%	-0.19%
Total	6,297,428	51.22%	5,200,428	54.50%	-3.28%

d) Terms / rights attached to Equity shares:

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of shareholders except in case of interim dividend. In event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount in proportion of their shareholding.

e) The Company has not issued any shares for consideration other than cash or as bonus shares, nor any shares had been brought back during the year.

f) The Company has not declared any dividends in the current year or preceding year.

Note 16 Other Equity*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Share Premium	2,234.48	-
Capital Reserve	231.69	231.69
Equity Component of other financial instruments (share warrants)	199.99	27.42
Retained Earnings	(279.46)	(756.20)
Other Comprehensive Income	0.29	(2.37)
Total	2,386.99	(499.46)

Note 17 Borrowings-Non current*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Secured		
Finance Lease Obligations on Hire Purchase of Vehicles*	50.97	37.21
Less: Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles	(11.96)	(7.18)
Total	39.01	30.03

*Secured against hypothecation of respective vehicles.

Note 18**Lease Liability Non Current***(INR in lakhs)*

Particulars	As at 31 March 2023	As at 31 March 2022
Lease Liability	70.08	-
Total	70.08	-

Note 19 Provisions*(INR in lakhs)*

Particulars	As at	As at
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	31st March 2023	31st March 2022
Provision for Gratuity	9.15	7.97
Less : Current value of Gratuity	(0.06)	(0.04)
Total	9.09	7.93

Note: 20**Deferred Tax Asset/ Liability**

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Tax Asset		
Unabsorbed Depreciation & Business Loss as per Income Tax Act	-	-
Employee Benefit Obligation	2.55	2.00
Employee Benefit Obligation - OCI	0.06	-
Total (A)	2.61	2.00
Deferred tax Liability		
WDV of Fixed Assets	48.00	30.59
Total (B)	48.00	30.59
Net Deferred Tax Asset/(Liability) (A)-(B)	(45.39)	(28.59)

Note 21 Borrowings-Current*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Unsecured Loans		
- From Bodies Corporate	450.52	1,917.97
- From NBFC	525.00	-
- From Related Party	18.00	2.60
Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles	11.96	7.18
Total	1,005.48	1,927.75

Refer note 45 for related party disclosures.

Note 22 Lease Liability Current*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Lease liability	9.43	-
Total	9.43	-

Note 23 Trade Payables*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Outstanding dues of micro enterprises and small enterprises	-	1.58

Outstanding dues of creditors other than micro enterprises and small enterprises	2,120.49	141.41
Total	2,120.49	142.99

Note 23.1 Trade Payables ageing schedule**(A) Trade payable ageing schedule as at 31st March 2023**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	2,111.32	8.83	0.30	0.04	2,120.49
(iii) Disputes Dues- MSME	-	-	-	-	-
(iv) Disputes Dues- Others	-	-	-	-	-
Total	2,111.32	8.83	0.30	0.04	2,120.49

(B) Trade payable ageing schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1.58	-	-	-	1.58
(ii) Others	140.80	0.57	-	0.04	141.41
(iii) Disputes Dues- MSME	-	-	-	-	-
(iv) Disputes Dues- Others	-	-	-	-	-
Total	142.38	0.57	-	0.04	142.99

Note 23.2 Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)*

Particulars	As at	As at
	31 March 2023	31 March 2022
a) Amount remaining unpaid to supplier covered under MSMED Act at the end of the year		
-Principal	-	1.58
-Interest	-	
-Total	-	1.58
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) The amount of interest accrued and remaining unpaid at the end of the year.	-	7.56

e)The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-	-
f) The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period.	-	-

**This information has been determined to the extent such parties have been identified on the basis of information available with the company.*

Note 24 Other Financial Liability*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Interest payable	2.29	2.08
Interest Payable to MSME	-	7.56
Total	2.29	9.64

Note 25 Other Current Liabilities*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Accrued Salary & Benefits	19.05	15.70
Expenses Payable	3.94	8.73
Statutory dues payable	6.69	35.85
Total	29.68	60.28

Note 26 Provisions*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Provision for Employees Benefits		
i) Gratuity	0.06	0.04
Total	0.06	0.04

Note 26.1 Movement of provisions

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening	7.97	1.86
Addition	1.18	6.11
Deletion	-	-
Closing	9.15	7.97
Current	0.06	0.04
Non-current	9.09	7.93

Note 27 Current Tax Liabilities*(INR in lakhs)*

Particulars	As at	As at
	31 March 2023	31 March 2022
Provision for Current Year Tax	188.95	45.80
Total	188.95	45.80

Note 27.1 Movement of provisions

Particulars	As at	As at
	31 March 2023	31 March 2022
Opening	45.80	-
Addition	188.95	45.80
Deletion	(45.80)	-
Closing	188.95	45.80

Note 28 : Revenue from operations*(INR in lakhs)*

Particulars	For year ended 31st March 2023	For year ended 31st March 2022
Sale of Products:		
Empty glass bottles & Other Products	-	56.91
Edible Oils	5852.59	2812.33
Liquor Bottling Services	885.30	1257.17
Total	6737.89	4126.41

Note 29 Other income*(INR in lakhs)*

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Unpaid liabilities written back	13.01	1.82
Interest on Loan	67.80	0.27
Other Income	3.75	-
Total	84.56	2.09

Note 30 Purchase of Stock in Trade*(INR in lakhs)*

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Empty glass bottles & Other Products (A)	-	56.47
Edible Oils		

Opening Stock	-	-
Add: Purchases of Edible Oils	5,117.37	2,729.28
Less: Closing Stock (including In-Transit)	-	-
(B)	5,117.37	2,729.28
Total (A+B)	5,117.37	2,785.75

Note 31 Cost of raw material consumed*(INR in lakhs)*

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Consumption of Packing Material & consumables		
Opening Stock	16.60	-
Add: Purchases of Purchase Material	520.52	601.25
Less: Closing Stock (including In-Transit)	77.71	16.60
Total	459.41	584.65

Note 32 Employee benefit expense*(INR in lakhs)*

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Salaries, Wages and Incentives	170.84	103.44
Contribution to Provident & Other Funds	0.19	-
Provision for Long term employees benefits	3.78	3.88
Staff Welfare Expenses	3.19	3.44
Total	178.00	110.76

Note 32.1 Compensation Paid To Key Managerial Personnel included in above: *(INR in lakhs)*

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Salaries, Wages and Incentives	111.71	-
Total	111.71	-

*Refer note 45 for related party disclosure.***Note 33 Finance Cost***(INR in lakhs)*

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Interest expenses:		
- Interest on Vehicle Loan	3.86	1.32
- Interest on unsecured loan	55.02	1.10
- Financial liabilities measured at amortized cost	10.15	-
	69.03	2.42
Bank Charges	0.60	0.07

Total	69.63	2.49
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Note 34 Depreciation and Amortisation Expenses:*(INR in lakhs)*

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Depreciation on Property, Plant and Equipment	110.80	59.72
Depreciation on Right of use Assets	15.18	
Total	125.98	59.72

Note 35 Other Expenses*(INR in lakhs)*

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Auditors Remuneration (Refer Note 35.1)	2.00	0.60
Power & Fuel	23.66	18.32
Repairs & Maintenance	12.21	20.01
Labour Charges	11.81	20.18
Fee & Taxes	27.46	20.46
Legal & Professional Expenses	31.65	33.30
Festival Expenses	4.72	19.13
Rent	29.39	5.17
Advertisement	0.63	5.92
Website Expenses	0.95	0.11
Printing & Stationery	4.36	2.37
Telephone, Postage & Internet Expenses	0.74	0.23
Insurance Expenses	3.77	1.20
Tours & Travelling & Conveyance	12.33	10.25
Security Services Agency charges	5.62	3.81
Miscellaneous Expenses	8.38	11.61
Total	179.68	172.67

Note 35.1 Payment to the auditors as:*(INR in lakhs)*

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
- Statutory Auditor		
a) Statutory Audit Fees	2.00	0.40
b) For Taxation Matters	-	-
c) Certification Fees	-	0.20
Total	2.00	0.60

Note 36 Earnings Per Equity Share (EPS):**(A) Earnings Per Share**

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Profit after Tax	476.74	306.99
Basic Earnings Per Share	4.12	3.42
Diluted Earnings Per Share	3.81	3.19
Par Value Per Equity Share	10.00	10.00

(B) Weighted Average Number of Equity Shares Used as Denominator:

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Number of Equity shares at the beginning of the year	95,42,000	86,50,000
Add: Weighted average number of equity shares issued during the year	2,082,366	2,56,603
Weighted average number of Equity shares for Basic EPS	1,16,24,366	89,06,603
Add: Adjustment for Share Warrants	9,73,632	6,35,397
Weighted average number of equity shares for Diluted EPS	1,25,97,998	95,42,000

Note 37 Contingent Liabilities and commitments:*(INR in lakhs)*

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Contingent Liabilities:		
a) Claims against the company not acknowledged as Debts.	Nil	Nil
Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	Nil	Nil

Note 38 Disclosures as required under Ind-AS 116*(INR in lakhs)***"Leases":****(A) Maturity analysis of lease liabilities (contractual undiscounted cash flows) on unconditional basis:**

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022

Upto one year	20.08	-
After one year but not more than five years	86.21	-
More than five years	-	-

**The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.*

(B) Amounts recognised in Statement of profit and loss:

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Depreciation on ROU assets	15.18	-
Interest on lease liabilities	10.15	-
Lease payments not recognised as liability in 'Other Expenses':		
----Expenses relating to short-term leases	29.39	5.17
----Expenses relating to leases of low-value assets	-	-

(C) Amounts recognised in Statement of cash flows:

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Total cash outflow for leases	19.17	-

(D) Future lease Commitments

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
The total future cash outflow for leases that had not yet commenced	-	-

Note 39 Movement in Deferred Tax Assets / (Liability)

(INR in lakhs)

(A) Movement in Deferred Tax Assets

Particulars	Brought forward business losses and depreciation	Employee Benefit Obligation	Total Deferred Tax Assets
As at 31 March 2021	30.52	0.37	30.89
----Profit & Loss	(30.52)	1.63	(28.89)
----Other Comprehensive income	-	-	-
As at 31 March 2022	-	2.00	2.00
----Profit & Loss	-	0.55	0.55
----Other Comprehensive income	-	0.06	0.06

As at 31 March 2023	-	2.61	2.61
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(B) Movement in Deferred Tax Liability

Particulars	Depreciation / amortization on PPE	Other timing differences	Total Deferred Tax Liability
As at 31 March 2021	0.09	-	0.09
----Profit & Loss	30.50	-	30.50
----Other Comprehensive income		-	-
As at 31 March 2022	30.59	-	30.59
----Profit & Loss	17.41	-	17.41
----Other Comprehensive income	-	-	-
As at 31 March 2023	48.00	-	48.00

Note 40 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(INR in lakhs)

Particulars	As at	As at
	31 MARCH 2023	31 MARCH 2022
Accounting Profit (Profit / (loss) before tax)	692.38	412.46
Enacted tax rates in India	27.82%	27.82%
Computed expected tax expense	192.62	114.75
Tax Effect of non-deductible expenses	40.03	18.49
Tax reversals due to expenses allowed for Indian tax purpose	(50.13)	(87.43)
Interest on income tax	6.43	-
Total Current Income tax expense	188.95	45.81

The applicable Indian corporate statutory tax rate for the year ended 31 March 2023 and 31 March 2022 is 27.82%.

Note 41 Disclosures of Ratios:*(INR in lakhs)*

S.No	Ratio	Numerator	Denominator	31st March, 2023	31st March, 2022	% Variance	Reasons for change in ratio by more than 25% as compared to the previous year
Performance Ratios							
1	Net profit ratio	Profit after Tax	Net Sales	0.07	0.07	-4.89%	Increase is due to better operating margins

2	Net capital turnover ratio*	Net Sales	Working capital	10.83	7.76	39.52%	Increase in Revenue and increased in working capital
3	Return on capital employed	Earning before Interest and taxes	Capital Employed	0.35	1.37	-74.13%	Decrease is due to long term investments made in Subsidiary and associate companies
4	Return on equity ratio	Net Profit after Tax	Average Shareholder Equity	0.23	1.14	-79.48%	Decrease is due to long term investments made in Subsidiary and associate companies
5	Return on Investment	Interest Income	Weighted Average Cost of Investment	0.69	NA	NA	There was no investment in previous year
6	Debt service coverage ratio	Earning Available for debt service	Debt service	NA	NA	NA	The company has no borrowings from bank's and FIs except for vehicle loan
Leverages Ratios							
7	Debt-equity ratio	Total Debt	Shareholder Equity	0.72	4.24	-83.00%	Debt equity ratio has improved due to increase in the shareholders' equity
Liquidity Ratios							
8	Current Ratio	Current Ratio	Current Liabilities	0.64	0.41	54.67%	Current ratio has improved due to higher increase in current assets as compared to current liabilities.

Activity Ratios							
9	Inventory turnover ratio	Sale	Average Inventory	142.89	497.17	-71.26%	The ratio has improved with increase in the turnover of the company
10	Trade receivables turnover ratio	Net Credit Sale	Avg Account Receivable	0.20	0.07	199.05%	This is due higher level of trade receivables vis a vis previous year
11	Trade Payable turnover ratio	Net Credit Purchase	Avg Trade Payable	0.22	0.08	173.64%	This is due higher level of trade payables vis a vis previous year

Note 42 Investment in Subsidiary, Associate and Joint Venture

(INR in lakhs)

(A) Company's investment in direct subsidiary:

Particulars	Country of Incorporation	Portion of ownership interest as at		Method used to account incorporation for the investment
		31 MARCH 2023	31 MARCH 2022	
M/s Carya Chemicals & Fertilzers Private Limited	India	50.73%	-	Cost

(B) Company's investment in Associate:

Particulars	Country of Incorporation	Portion of ownership interest as at		Method used to account incorporation for the investment
		31 MARCH 2023	31 MARCH 2022	
M/s Shri Gang Industries & Allied Products Limited	India	20.08%	-	Cost

(C) Disclosure required under Section 186(4) of the Companies Act, 2013 for year ended 31 March, 2023

Particulars	Investment made	Loan Given	Gross Outstanding Balance	Purpose of Loan Given
M/s Carya Chemicals & Fertilzers Private Limited	2,638.10	76.00	76.00	Business Expansion

M/s Shri Gang Industries & Allied Products Limited	360.00	-	-	
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Note 43 Additional Notes

(A) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(B) The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

(C) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(D) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(E) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other person or entities ("ultimate beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries. The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding that the Company shall lend or invest in other persons or entities identified by or on behalf of the Funding Party or provide any guarantee, security or the like from to or on behalf of the Ultimate Beneficiaries.

(F) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(G) The Company has not made any provision for Corporate Social Responsibility (CSR) required as per S.135 of Companies Act, 2013 since the same is not applicable.

(H) The company does not have any borrowings from banks and financial institutions on the basis of security of current assets.

(I) The company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

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

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

Note 44 Disclosures under Ind AS 19 "Employee Benefits":*(INR in lakhs)*

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

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
i) Change in benefit obligation		
a)Present value of obligation as at the beginning of the period	7.97	1.86
b)Acquisition adjustment	-	-
c)Interest cost	0.58	0.12
d)Past service cost	-	-
e)Current service cost	3.20	3.76
f)Curtailment cost/(Credit)	-	-
g)Settlement cost/(Credit)	-	-
h)Benefits paid	-	-
i)Actuarial (gain)/loss on obligation	(2.60)	2.23
j) Present value of obligation as at the end of period	9.15	7.97
ii) Fair value of plan assets :		
a)Fair value of plan assets at the beginning of the period	-	-
b)Acquisition adjustment	-	-
c)Actual return on plan assets	-	-
d)Employer contributions	-	-
e)Benefits paid	-	-
f)Fair value of plan assets at the end of the period	-	-
g)Funded status	(9.15)	(7.97)
h)Excess of actual over estimated return on plan assets	-	-
iii)Fair value of plan assets :		
a)Expected return on plan assets	-	-
b)Actual return on plan assets	-	-
c)Actuarial gain/(loss) on plan assets	-	-
iv)Actuarial gain / loss recognized		
a)Actuarial gain / (loss) for the period- obligation	2.60	(2.23)
b)Actuarial gain / (loss) recognized in the period	2.60	(2.23)
c)Unrecognized actuarial gains / (losses) at the end of period	-	-
v)The amounts to be recognized in balance sheet and related analysis		
a)Present value of obligation as at the end of the period	(9.15)	(7.97)
b)Fair value of plan assets as at the end of the period		-
c)Funded status / Difference	1.18	6.11
d)Excess of actual over estimated		-
e)Unrecognized actuarial (gains) / losses		-

f) Net asset / (liability) recognized in balance sheet	(9.15)	(7.97)
As Current Liability (amount due within one year)	(0.06)	(0.04)
As Non Current Liability (amount due over one year)	(9.09)	(7.93)
vi) Expenses recognized in the statement of profit and loss		
a) Current service cost	3.20	3.76
b) Past Service cost		
c) Interest cost	0.58	0.12
d) Expected return on plan assets	-	-
e) Curtailment cost/ (Credit)	-	-
f) Settlement cost/(cost)	-	-
g) Net actuarial (gain)/ loss recognized in the period	-	-
h) Expenses recognized in the statement of profit & losses	3.78	3.88
vii) Reconciliation statement of expense in the statement of profit and loss		
a) Present value of obligation as at the end of period	(9.15)	(7.97)
b) Present value of obligation as at the beginning of the period	(7.97)	(1.86)
c) Benefits paid		
d) Actual return on plan assets		
e) Actuarial gain/(loss) on PBO to be recognized in OCI	2.60	(2.23)
f) Acquisition adjustment		
g) Expenses recognized in the statement of profit & losses	3.78	3.88
viii) Sensitivity Analysis of the defined benefit obligation		
a) Impact of the Change in discount rate		
Present value of obligation at the end of the period	9.15	7.97
a) Impact due to increase of 0.50%	(0.15)	(0.16)
b) Impact due to decrease of 0.50%	0.17	0.18
b) Impact of the Change in salary increase		
Present value of obligation at the end of the period	9.15	7.97
a) Impact due to increase of 0.50%	0.17	(0.16)
b) Impact due to decrease of 0.50%	(0.15)	0.18
ix) Actuarial Assumptions:		
Particulars		
Mortality table	IALM (2012-14)	IALM (2012-14)
Discount rate	7.39%	7.26%
Expected rate of return on plan assets	N.A	N.A

Rate of escalation in salary per annum	5.00%	5.00%
Employee turnover up to 30 years	5.00%	5.00%
Above 30years but up to 44 years	3.00%	3.00%
Above 44 years	2.00%	2.00%

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

Note 45 The Related Party disclosures as per IND AS 24 "Related Party Disclosures"

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 (INR in lakhs)

S.NO.	Relationship	Name
1	Key Managerial Personnel (KMP)	Suraj Prakash Gupta, Managing Director Ashu Malik, Whole Time Director Sanjai Kapoor, CFO (w.e.f June 22,2022) Chhavi Agrawal, Company Secretary (Upto October 18,2022) Snehlata Sharma, Company Secretary (w.e.f October 19,2022)
2	Subsidiary Company	Carya Chemicals & Fertilizers Pvt Ltd (w.e.f June 15,2022)
3	Associate Company	Shri Gang Industries & Allied Products Ltd (w.e.f July 09, 2022)

(B) Transactions during the year with the Related Parties

Particulars	For the year ended on	For the year ended on
	31 MARCH 2023	31 MARCH 2022
Managerial Remuneration Expense		
Key Managerial Personnel		
Salary to Managing Director, Suraj Prakash Gupta	72.00	40.50
Salary to Whole Time Director, Ashu Malik	10.50	8.50
Salary to CFO, Sanjai Kapoor	23.25	-
Salary to Company Secretary, Bhanumathy Ramchandran	-	0.46
Salary to Company Secretary, Chhavi Agrawal	3.50	1.17
Salary to Company Secretary, Snehlata Sharma	2.46	-
Salary to CFO, Sujeet Gupta	-	2.60
	111.71	53.23
Managerial Remuneration Payable		
Key Managerial Personnel		
Salary to Managing Director, Suraj Prakash Gupta	9.95	4.39
Salary to Whole Time Director, Ashu Malik	0.84	3.67

Salary to CFO, Sanjai Kapoor	2.00	-
Salary to Company Secretary, Chhavi Agrawal	-	0.41
Salary to Company Secretary, Snehlata Sharma	0.43	-
	13.22	8.47
Interest received from Carya Chemicals & Fertilzers Pvt Ltd, Subsidiary	22.48	-
	22.48	-
Unsecured Loan received- Suraj Prakash Gupta, MD		
Opening Balance	2.60	190.00
Loan received	24.00	23.10
Loan repaid	8.60	210.50
Closing Balance	18.00	2.60
Unsecured Loan given- Carya Chemicals & Fertilzers Pvt Ltd, Subsidiary		
Opening Balance (i.e. on June 15,2022, date of becoming subsidiary)	86.00	-
Loan given	-	-
Loan repaid	10.00	-
Closing Balance	76.00	-
Amount due from Carya Chemicals & Fertilzers Pvt Ltd, Subsidiary		
Interest Receivable	5.29	-
	5.29	-
Investment in Equity Shares		
Carya Chemicals & Fertilzers Pvt Ltd, Subsidiary	2,638.10	-
Shri Gang Industries & Allied Products Ltd	360.00	-
	2,998.10	-
Reimbursement of Expenses from: Shri Gang Industries & Allied Products Ltd:		
Expenses incurred	4.23	-
Amount received against expenses incurred	4.02	-
Closing Amount Recoverable	0.22	-

Note 46 Fair Value Measurements

(INR in lakhs)

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on presumption that transaction to sell asset or transfer liability takes place either:

- i. In the principal market for asset or liability, or
- ii. In absence of a principal market, in most advantageous market for asset or liability.

Fair Value of an asset or liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using asset in its highest and best use or by selling it to another market participant that would use asset in its highest and best use.

The Company uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising use of relevant observable inputs and minimizing use of unobservable inputs.

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 lowest level input that is significant to fair value measurement is directly or indirectly observable.

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(A) Carrying amounts of Financial Assets and Financial Liabilities in each category are as follows:
(INR in lakhs)

Particulars	As at		As at	
	31 March 2023		31 March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
At amortised cost				
Investments	2,998.10	2,998.10	-	-
Trade receivable	2,421.54	2,421.54	231.72	231.72
Cash and Cash Equivalents	5.87	5.87	285.78	285.78
Loans	136.00	136.00	778.50	778.50
Other Financial Assets	79.20	79.20	27.93	27.93
Total	5,640.71	5,640.71	1,323.93	1,323.93

Financial Liability				
At amortised cost				
Borrowings including short term	1,044.49	1,044.49	1,957.78	1,957.78
Lease liabilities including short term	79.52	79.52	-	-
Trade payables	2,120.49	2,120.49	142.99	142.99
Other financial liabilities	2.29	2.29	9.64	9.64
Total	3,246.79	3,246.79	2,110.41	2,110.41

- a) Carrying amount of Trade Receivables, Trade Payables, other financial assets, other financial liabilities and Cash and Cash Equivalent are considered to be the same as their Fair Value due to their short term nature.
- b) Carrying amount of Financial Assets and Liabilities carried of Amortized Cost is considered a reasonable approximation of fair value.

(B) Fair Value Hierarchy

The following table provides the fair value measurement hierarchy for financial assets and liabilities:

(INR in lakhs)

Particulars	31 March 2023			31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	-	-	2,998.10	-	-	-
Trade receivable			2,421.54			231.72
Cash and Cash Equivalents			5.87			285.78
Loans	-	-	136.00	-	-	778.50
Other Financial Assets	-	-	79.20	-	-	27.93
Total	-	-	5,640.71	-	-	1,323.93

(INR in lakhs)

Particulars	31 March 2023			31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liability						
Borrowings including short term	-	-	1,044.49	-	-	1,957.78
Lease liabilities including short term	-	-	79.52	-	-	-
Trade payables	-	-	2,120.49	-	-	142.99
Other financial liabilities	-	-	2.29	-	-	9.64
Total	-	-	3,246.79	-	-	2,110.41

Note 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(INR in lakhs)

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 and analyse exposure by magnitude of risk.

The Company's overall risk management procedures to minimise potential adverse effects of financial market on the Company are as follows:

(A) Market Risk

Market risk is attributable to all the market risk sensitive financial instruments including investments and deposits, foreign currency receivables or payables. It includes three types of risks :a) Interest rate risk b) Currency risk and c) price and commodity risk.

- A) Interest Rate Risk: The Company's borrowing are at fixed rates. Therefore, interest rate risk does not have any major impact on the company.
- B) Currency Risk: Since, Company does not have any foreign currency dealings, this risk is not applicable to the Company.
- C) Price and commodity risk: The Company majorly purchase Spirits and Grain in its manufacturing . Since , prices are generally regulated, there are no major movements in the prices . Therefore, the adversity of this risk is low.

(B) Credit Risk

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company's exposure to credit risk primarily consists of trade receivables and other financial assets . The Company deals with only few customers since liquor operations are government regulated . Therefore, default risk on the part of debtors is significantly low.

(C) Liquidity Risk

The Company's principle source of liquidity are Cash and cash equivalents and cash generated from operations . The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay. The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk.

Note 48 CAPITAL MANAGEMENT

(INR in lakhs)

(A) Risk Management

Capital management is driven by Company's policy to maintain a sound capital base to support the continued development of its business. The Management and Board of Directors seeks to maintain a prudent balance between different components of Company's capital. Management monitors capital structure and net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities including lease liabilities less cash and cash equivalents and short term investments.

The capital structure is governed by policies approved by the Board of Directors and monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, lease liabilities, less cash and cash equivalents.

Particulars	As at	
	31 March 2023	31 March 2022
Borrowings including current maturities and short term borrowings	1,044.49	1,957.78
Trade Payables	2,120.49	142.99
Other Payables including Lease Liabilities	81.81	9.64
Less: Cash & Cash Equivalents	(5.87)	(285.78)
Net Debt (A)	3,240.92	1,824.63

Equity		1,229.42	954.20
Other equity		2,386.99	(499.46)
Total Equity Capital	(B)	3,616.41	454.74
Capital and Net Debt	(C=A+B)	6,857.33	2,279.37
Gearing Ratio (%)	(A/C*100)	47.26%	80.05%

(B) Dividends

The Company has not declared any dividends in the current and previous year.

Note 49 Segment Reporting Disclosure as per Indian Accounting Standard (Ind AS) 108 “Operating Segments” *(INR in lakhs)*

The company has two business segments- Trading Operations and Liquor Operations.

Particulars	Trading operations		Liquor operations		Unallocated		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
1. Segment Revenue	5,852.59	2,871.32	885.30	1,257.17	-	-	6,737.89	4,128.49
Less: Inter-segment Revenue	-	-	-	-	-	-	-	-
Total	5,852.59	2,871.32	885.30	1,257.17	-	-	6,737.89	4,128.49
2. Segment Results	710.78	60.64	145.36	412.03	-	-	856.14	472.67
Less:								
a) Finance Cost	-	-	-	-	(69.63)	(2.42)	(69.63)	(2.42)
B) Other unallocable expenses	-	-	-	-	(94.13)	(57.79)	(94.13)	(57.79)
Total	710.78	60.64	145.36	412.03	(163.76)	(60.21)	692.38	412.46
3. Segment Assets	2,356.24	196.88	1,412.09	1,398.07	3,368.03	1,112.84	7,136.36	2,707.79
4. Segment Liabilities	2,076.52	118.20	854.72	995.01	588.71	1,139.84	3,519.95	2,253.05

Information about Geographical Segment:

Secondary Segment Information	India		Outside India		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue	6,737.89	4,126.41	-	-	6,737.89	4,126.41
Non-Current Assets	4,305.33	1,239.83	-	-	4,305.33	1,239.83

Information about major customers :

Major customers having revenue exceeding 10% of total revenues	For the year ended on 31 March 2023		For the year ended on 31 March 2022	
	Rs. In Lakhs	%	Rs. In Lakhs	%
Magnum Traders	-	-	1,099.79	26.65 %
Shree Sai Sagar Oil Refinery	-	-	695.54	16.86 %
K R Foods Ltd.	-	-	1,017.00	24.65 %
Rajasthan State Ganganagar Sugar Mills Ltd.	885.30	13.14 %	1,257.17	30.47 %
Legacy Commodities Pvt. Ltd.	3,102.83	46.05 %	-	-
Regent Entrprises Limited	869.75	12.91 %	-	-
Euroasia Holding Private Limited	1,320.00	19.59 %	-	-

Note 50 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 51 Previous year's figures have been regrouped/reclassified, wherever considered necessary, to conform to current year's classification.

For PAWAN SHUBHAM & CO.
Chartered Accountants
Firm's Registration No: 011573C

**For and On behalf of the Board of Directors of
SURAJ INDUSTRIES LTD**

Sd/-
(CA Krishna Kumar)
PARTNER
Membership No. 523411

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

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

Place: New Delhi
Date: 30.05.2023

Sd/-
Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D

Sd/-
Snehlata Sharma
Company Secretary
M.No: 62066

CONSOLIDATED FINANCIAL STATEMENT

INDEPENDENT AUDITORS'S REPORT

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

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of **SURAJ INDUSTRIES LTD** (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”) which includes Group’s share of profit / (loss) in its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity for the year then ended, notes to the financial statements including summary of significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March, 2023, and their consolidated profit, consolidated total comprehensive income and consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. In our opinion, there are no key audit matters to be communicated in our report.

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

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, when it becomes available, compare with the financial statements of the subsidiary and associate to the extent it relates to these entities and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude, that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated changes in equity of the Group including its Associate in accordance with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies included in the Group and of its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies included in the Group and its Associate are responsible for assessing the ability of the Group and its Associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and its Associate are responsible for overseeing the financial reporting process of the Group and its Associate.

Auditor's Responsibility for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability and its Associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit of the subsidiary and associate, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and returns.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”, which is based on the auditors' reports of the Holding Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements reporting of Holding Company.
 - 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and its Associate – Refer Note No. 39 to the consolidated financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March, 2023.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2023.
- iv. (a) The Management of the Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management of the Holding Company has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note No. 17(f) to the consolidated financial statements, no dividend has been declared by the Holding Company during the year.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor’s Report) Order, 2020 (the “Order”/ “CARO”) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor’s report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company, we give in “**Annexure B**” a statement on the matter specified in paragraphs 3(xxi) of the Order
3. In our opinion and as per information and explanations given to us, the managerial remuneration for the year ended 31st March, 2023 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 of the Act.

For **PAWAN SHUBHAM & CO.**
Chartered Accountants
ICAI Firm Registration Number: 011573C

Sd/-
CA Krishna Kumar
Partner
Membership Number: 523411
UDIN: 23523411BGWIHO4169

Place of Signature: New Delhi
Date: 30th May, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

Referred to in paragraph 1(f) of the Independent Auditors’ Report of even date to the members of SURAJ INDUSTRIES LTD on the Consolidated financial statements for the year ended 31st March 2023

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **SURAJ INDUSTRIES LTD** (hereinafter referred to as “Holding Company”), as of that date.

Management’s Responsibility for Internal Financial Controls

The Management and Board of Directors of the Holding Company are 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 (“the 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 the Holding Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to consolidated financial statements 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) Act., to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March, 2023, 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 issued by the ICAI”.

For **PAWAN SHUBHAM & CO.**
Chartered Accountants
ICAI Firm Registration Number: 011573C

Sd/-
CA Krishna Kumar
Partner
Membership Number: 523411

UDIN: 23523411BGWIHO4169

Place of Signature: New Delhi
Date: 30th May, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 2 of the Independent Auditors' Report of even date to the members of SURAJ INDUSTRIES LTD on the Consolidated financial statements as of and for the year ended 31st March, 2023

I. As required under clause 3(xxi) of the Order we report as under:

According to the information and explanations given to us, following company incorporated in India and included in the Consolidated financial statements, have certain remarks included in the report under Companies (Auditor's Report) Order, 2020 ("CARO"):

Sr. No.	Name	CIN	Clause number of the CARO report which is qualified or adverse
1	Suraj Industries Ltd (Holding Company)	L26943HP1992PLC016791	Nil
2	Carya Chemicals & Fertilizers Private Limited	U24297DL2013PTC252503	XVIII

For **PAWAN SHUBHAM & CO.**
Chartered Accountants
ICAI Firm Registration Number: 011573C

Sd/-
CA Krishna Kumar
Partner
Membership Number: 523411
UDIN: 23523411BGWIHO4169

Place of Signature: New Delhi
Date: 30th May, 2023

SURAJ INDUSTRIES LTD

Consolidated Balance sheet as at 31st March 2023

(Rs. in Lakhs)

	Particulars	Note No.	31st March 2023
			Audited
I.	ASSETS		
	Non current assets		
1.	(a) Property, Plant and Equipment	3	1132.96
	(b) Capital Work in progress	4	1163.09
	(c) Right of Use Assets	5	1147.20
	(d) Intangible Assets		0.71
	(e) Financial Assets		
	- Investments	6	624.11
	- Other Financial Assets	7	48.07
	(f) Income Tax Assets	8	0.28
	(g) Other Non Current Assets	9	1734.70
			5851.12
2.	Current assets		
	(a) Inventory	10	77.71
	(b) Financial Assets		
	- Trade receivable	11	2421.54
	- Cash and bank balances	12	1744.78
	- Loans	13	60.00
	- Other Financial Assets	14	38.34
	(c) Income Tax Assets	15	31.61
	(d) Other current assets	16	150.27
			4524.25
	Total		10,375.37
II.	EQUITY AND LIABILITIES		
	Shareholder's funds		
	(a) Equity share capital	17	1229.42
	(b) Other Equity	18	2651.08
			3880.50
	(c) Non Controlling Interests		2561.21
			6441.71
	Non current liabilities		
	(a) Financial Liabilities		
	- Borrowings	19	39.01
	- Lease liability	20	70.08
	(b) Provisions	21	9.09
	(c) Deferred tax liabilities (Net)	22	45.39
	(d) Other non-current liabilities		-
			163.57
	Current liabilities		
	(a) Financial Liabilities		
	- Borrowings	23	1015.48
	- Lease liability	24	9.43
	- Trade payables	25	-
	A) total outstanding dues of micro enterprises and small enterprises		-

B) total outstanding dues of creditors other than micro enterprises and small enterprises		2120.49
-other Financial Liability	26	4.02
(b) Other current liabilities	27	431.66
(c) Provisions	28	0.06
(d)Current Tax Liabilities	29	188.95
		3770.09
Total		10375.37

Significant accounting policies

2

Other notes to account

3-51

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Pawan Shubham & Co.

Chartered Accountants

Firms's Registration No.: 011573C

For and on behalf of the Board of Directors of

SURAJ INDUSTRIES LTD

Sd/-

(CA Krishna Kumar)

PARTNER

Membership No. 523411

Sd/-

Suraj Prakash Gupta

(Managing Director)

DIN: 00243846

Sd/-

Syed Azizur Rahman

(Director)

DIN: 00242790

Place : New Delhi

Date : 30-05-2023

Sd/-

Sanjai Kapoor

Chief Financial Officer

PAN No. AALPK5266D

Sd/-

Snehlata Sharma

Company Secretary

M.No.62066

SURAJ INDUSTRIES LIMITED
Consolidated Statement of Profit and Loss for the year ended on 31st March 2023
(Rs in Lakh)

Particulars	Note No.	For the year ended on 31st March, 2023 Audited
INCOME:		
I. Revenue from operations	30	6737.89
II. Other income	31	84.56
III Total income (I+II)		6822.45
IV Expenses		
Purchase of Stock in Trade	32	5117.37
Cost of material consumed	33	459.41
Employee benefit expense	34	178.00
Finance cost	35	69.63
Depreciation and amortization expense	36	125.98
Other expense	37	179.68
Total expenses		6130.07
V Profit/ (loss) before share of profit/(loss) of Associate		692.38
Share of Profit/(loss) of Associate (net of tax)		246.11
VI Profit/ (loss) before tax (III-IV)		956.49
Tax expense		
Current tax		188.95
Deferred tax charge/(credit)		16.87
Earlier year taxes		9.83
Total Tax Expense		215.65
VIII Profit/ (loss) for the period (V-VI)		740.84
IX Other comprehensive income		
- Items not be reclassified to profit or loss		2.60
-Income tax on above		0.06
Other Comprehensive income for the year net of Tax		2.66
X Total comprehensive income for the year net of TAX (VIII+IX)		743.50
Profit/(Loss) attributable to		740.84
Equity Shareholders of Holding Company		-
Non Controlling Interests		
Other Comprehensive Income attributable to		2.66
Equity Shareholders of Holding Company		-
Non Controlling Interests		
Total Comprehensive Income attributable to		743.50

	Equity Shareholders of Holding Company		-
	Non Controlling Interests		743.50
	Total Comprehensive Income for the year net of Tax		
XI	Earning per equity share:	38	
	(1) Basic		6.40
	(2) Diluted		5.90
	Nominal value of equity shares		10.00

Significant accounting policies

2

Other notes to account

3-51

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Pawan Shubham & Co.

Chartered Accountants

Firms's Registration No.: 011573C

For and on behalf of the Board of Directors of

SURAJ INDUSTRIES LTD

Sd/-

(CA Krishna Kumar)

PARTNER

Membership No. 523411

Sd/-

Suraj Prakash Gupta

(Managing Director)

DIN: 00243846

Sd/-

Syed Azizur Rahman

(Director)

DIN: 00242790

Place : New Delhi

Date : 30-05-2023

Sd/-

Sanjai Kapoor

Chief Financial Officer

PAN No. AALPK5266D

Sd/-

Snehlata Sharma

Company Secretary

M.No.62066

SURAJ INDUSTRIES LIMITED**Statement of changes in equity as at 31st March 2023****A. Equity Share Capital**

Particulars	Balance as at 31 March, 2022	Change in Equity Share Capital during the year	Balance as at 31 March, 2023
Nos. of Shares	9,542,000	2,752,172	12,294,172
Amount in Lakhs	954.20	275.22	1,229.42

B. Other Equity

(INR in Lakh)

Particulars	Reserve and Surplus				Other Comprehensive Income	Total	Non-controlling interest
	Capital Reserve	Share Premium	Equity Component of other financial instruments (share warrants)	Retained Earnings			
Balance as at 31 March, 2022	231.69	-	27.42	(756.21)	(2.37)	(499.47)	-
2022-23							
Amount received against Share warrants	-	-	282.27	-	-	282.27	-
Less: Share warrants converted to equity	-	-	(109.70)	-	-	(109.70)	-
Share capital including premium	-	2234.48	-	-	-	2234.48	2561.21
Net Profit/ (Net Loss) for the current year			-	740.84	-	740.84	-
Add: Actuarial Gain/(Loss) for the year on PBO			-		2.66	2.66	-
Balances as at 31st March 2023	231.69	2234.48	199.99	(15.37)	0.29	(2651.08)	2561.21

Significant accounting policies 2
Other notes to account 3-51
The accompanying notes form an integral part of the financial statement

As per our report of even date attached

For Pawan Shubham & Co.

Chartered Accountants

Firms's Registration No.: 011573C

For and on behalf of the Board of Directors of

SURAJ INDUSTRIES LTD

Sd/-

(CA Krishna Kumar)

PARTNER

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Suraj Prakash Gupta

(Managing Director)

DIN: 00243846

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(Director)

DIN: 00242790

Place : New Delhi

Date : 30-05-2023

Sd/-

Sanjai Kapoor

Chief Financial Officer

PAN No. AALPK5266D

Sd/-

Snehlata Sharma

Company Secretary

M.No.62066

SURAJ INDUSTRIES LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED ON 31st MARCH 2023

1. CORPORATE INFORMATION

Suraj Industries Ltd (hereinafter referred to as "SIL" or "the Holding Company" or "the Company") (CIN-L26943HP1992PLC016791) is a public limited company incorporated under the provisions of the Companies Act, 1956 having its registered office at Plot No. 2, Phase III, Sansarpur Terrace, Kangra, Himachal Pradesh-173212, India and their corporate office at F-32/3, Second Floor, Okhla Industrial Area, Phase- II, New Delhi-110020.

The company has ventured into bottling and packaging of alcoholic beverages i.e Rajasthan Made Liquor and Country Liquor for the state of Rajasthan.

2. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Consolidated Financial Statements (hereinafter referred as Consolidated Financial Statements or the Financial Statements) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015. These Consolidated financial statements includes Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss including Other Comprehensive Income and Consolidated Statement of Changes in Equity for the year ended 31st March, 2023, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as Consolidated Financial Statements or the Financial Statements).

The Consolidated Financial Statements comprise Financial Statements of Holding Company and it's Subsidiary (Collectively known as "Group") and Share of Profit/(Loss) of Associate for the year ended 31st March, 2023.

The financial statements are prepared on the historical cost convention, except for certain financial instruments which are measured at fair value. Accounting policies have been consistently applied except where:

- iii) A newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- iv) The Group presents an additional balance sheet at the beginning of the earliest comparative period when: it applies an accounting policy retrospectively; it makes a retrospective restatement of items in its financial statements; or, when it reclassifies items in its financial statements, and the change has a material effect on the financial statements.

All amounts are stated in Lakhs of Rupees, rounded off to two decimal places, except when otherwise indicated.

The financial statements were authorised for issue by the Board of Directors of the company on 30.05.2023.

b. BASIS OF CONSOLIDATION

Basis of Accounting

- Financial Statements of the Subsidiary and Associate in the consideration are drawn up to same reporting date as of Holding Company for purpose of consolidation.
- Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110– ‘Consolidated Financial Statements’ specified under Section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Principles Of Consolidation

Subsidiaries are those entities in which the Holding Company directly or indirectly, has interest more than 50% of voting power or otherwise control composition of board or governing body so as to obtain economic benefits from activities.

Associates are all entities where the group has significant influence but not control or joint control. This is generally when the group holds between 20% and 50% of voting rights. Investment in associates are accounted for using equity method of accounting.

Consolidated Financial Statements have been prepared as per the following principles

- Financial Statements of Holding Company and its Subsidiary are combined on a line by line basis by adding together of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances, intra-group transactions, unrealized profits or losses in accordance with Ind AS 110–‘Consolidated Financial Statements’ notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended time to time.
- Non-Controlling Interest (NCI) in net assets of the consolidated subsidiaries is identified and presented in Consolidated Balance Sheet separately from liabilities and equity attributable to Holding Company’s shareholders. NCI in net assets of consolidated subsidiary consists of:- a) Amount of equity attributable to NCI at the date on which investment in a subsidiary is made; and b) NCI share of movement in equity since the date the Holding Subsidiary relationship came into existence,
- For acquisitions of additional interests in subsidiary, where there is no change in control, Group recognises a reduction to NCI of the respective Subsidiary with difference between this figure and cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of NCI, difference between cash received from sale or listing of subsidiary shares and increase to NCI is also recognised in equity.
- If Group loses control over a subsidiary, it derecognises related assets (including goodwill), liabilities, NCI and other components of equity, while any resultant gain or loss is recognised in profit and loss account. Any investment retained is recognised at fair value. Results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from effective date of acquisition or up to effective date of disposal, as appropriate.
- In case of Associate and Joint Venture, investments are accounted for using equity method in accordance with Ind AS-28 “Investments in Associates and Joint Ventures”. Under equity method, carrying amount of investment in Associates and Joint Ventures is increased or decreased to recognize the Group’s share of Profit and Loss and Other Comprehensive Income of Associate and Joint Venture, adjusted where necessary to ensure consistency with Accounting Policies of

Group. Goodwill relating to associate or joint venture is included in carrying amount of investment and is not tested for impairment individually. The carrying amount of these investments are tested for impairment in accordance with Ind AS-36 “Impairment of Assets”.

- Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented to extent possible, in same manner as Holding Company’s Separate Financial Statements except as otherwise stated in notes to the accounts.

c. 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:

- e) it is expected to be realised in, or intended for sale or consumption in, the Group's normal operating cycle;
- f) it is held primarily for the purpose of being traded;
- g) it is expected to be realised within twelve months after the reporting period; or
- h) 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:

- e) it is expected to be settled in the Group's normal operating cycle;
- f) it is held primarily for the purpose of being traded;
- g) it is due to be settled within twelve months after the reporting period; or
- h) the group 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.

d. 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.

e. PROPERTY, PLANT AND EQUIPMENT

Initial recognition and measurement

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

- c) it is probable that future economic benefits associated with the item will flow to the entity; and
- d) 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).

Borrowing Cost attributable to acquisition, construction of qualifying assets is capitalized until such time as the assets are substantially ready for their intended use. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalised.

Subsequent Measurement

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 labour, 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.

Depreciation / amortization

- d. 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.
- e. 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 / discard.
- f. Assets residual values and useful lives are reviewed and adjusted, at the end of each reporting period.

The following useful lives are applied:

Asset Category	Useful Life
Building	
----- Factory Buildings	30 years
----- Building (other than factory buildings)	60 years
----- Other (including temporary structure, etc.)	05 years
----- Leasehold Building Improvements	Over the lease period
Plant and Equipment	10-25 years
Furniture and Fittings	10 years
Office Equipment	5 years
Computers	
----- Servers and networks	06 years
----- End user devices viz. desktops, laptops, etc.	03 years

f. CAPITAL WORK-IN-PROGRESS

Capital Work in Progress comprises of Property, Plant and Equipment that are not ready for their intended use at the end of reporting period and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalized and other direct expenditure. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of Property, Plant and Equipment. Costs are capitalised till the period of assets are substantially ready for their intended use. Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is substantially ready for its intended use.

g. RIGHT OF USE ASSETS**Group as a Lessee**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Finance lease

The Company has entered into land lease arrangement at various locations for a period of 90 years. In case of lease of land for 90 years and above, it is likely that such leases meet the criteria that at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset. Accordingly, the Company has classified leasehold land as finance leases applying Ind AS 17. For such leases, the carrying amount of the right of-use asset at the date of initial application of Ind AS 116 is the carrying amount of the lease asset on the transition date as measured applying Ind AS 17. Leasehold land is amortised on a straight-line basis over the unexpired period of their respective lease. Leasehold improvements are depreciated on straight line basis over their initial agreement period.

h. INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost of acquisition, less accumulated depreciation/ amortisation and impairment loss, if any. The cost of Intangible Assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities). Amortisation is recognised in Statement of Profit and Loss account on straight-line basis over estimated useful lives of respective intangible assets, but not exceeding useful lives given hereunder:

Asset Category	Useful Life
Computer Software	05 years

An item of Intangible Asset or any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between net disposal proceeds and carrying amount of the asset) is included in Statement of Profit and Loss Account when asset is derecognised.

i. FINANCIAL INSTRUMENTS**1. Financial Assets****Initial recognition and measurement**

Financial Assets are recognised when the Group becomes a party to contractual provisions of Financial Instrument. Financial assets are initially measured at Fair Value. Transaction costs that are directly attributable to acquisition of financial assets (other than financial assets at Fair Value through Profit or Loss) are added to fair value of financial assets. Transaction costs directly attributable to acquisition of financial assets at Fair Value through profit or loss are recognised immediately in statement of Profit and Loss.

Subsequent measurement

I. Debt Instruments at Amortised Cost

A 'debt instrument' is measured at amortised cost if both of the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. All other debt instruments are measured at Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit and Loss (FVTPL) based on the Group's business model.

II. Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through Profit and Loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit and Loss (FVTPL) on an instrument-to-instrument basis.

III. Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets that are debt instruments, and are measured at amortised cost e.g., Loans, Debt Securities, Deposits and Trade Receivables or any contractual right to receive cash or another financial asset that result from transactions that are within scope of Ind AS 115.

The Group follows 'Simplified Approach' for recognition of impairment loss allowance on trade receivables. Application of simplified approach recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12 month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized under the head 'Other Expenses' in the statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

i. Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. This allowance reduces the net carrying amount.

ii. Debt instruments measured at FVTPL: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Change in fair value is taken to the statement of Profit and Loss.

iii. Debt instruments measured at FVTOCI: Since financial assets are already reflected at Fair Value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'Accumulated Impairment Amount' in the Other Comprehensive Income (OCI). The Group does not have any Purchased or Originated Credit Impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

IV. Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- i. The rights to receive cash flows from asset has expired, or
- ii. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either :-
 - (a) The Group has transferred substantially all risks and rewards of the asset, or
 - (b) The Group has neither transferred nor retained substantially all risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates, if and to what extent it has retained risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects rights and obligations that the Group has retained.

2. Financial liability

Initial recognition and measurement

Financial liabilities are classified at initial recognition as:

- d. Financial liabilities at fair value through Profit or Loss
- e. Loans and Borrowings
- f. Payables

All financial liabilities are recognised initially at fair value and in case of loans and borrowings and payables, they are recognised net of directly attributable transaction costs.

Subsequent measurement

Measurement of financial liabilities depends on their classification as below:

- d. **Financial liabilities at Fair Value Through Profit or Loss (FVTPL):** Gains or losses on liabilities are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to statement of profit and loss. However, the Group may transfer cumulative gain or loss

within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

- e. Loans and Borrowings:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (hereinafter referred as EIR) method. Gains and Losses are recognised in statement of profit and loss when liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included as Finance Costs in the statement of profit and loss.
- f. Trade and Other Payables:** These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid.

Derecognition of Financial liability

A Financial Liability is de-recognised when obligation under the liability is discharged or cancelled or expires.

j. INVESTMENTS

Associates and Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to net assets of joint venture. Joint control is contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require unanimous consent of parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is power to participate in financial and operating policy decisions of investee but is not control or joint control over those policies.

Investment in joint ventures and associates are carried at cost as per Ind AS 27. Cost comprises price paid to acquire investment and directly attributable cost.

k. INVENTORY

S. No.	Particulars / Item Type	Method of Valuation
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

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.

l. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise Cash in Hand, Balances in Bank Account, Remittance in Transit, Cheques in hand and Demand Deposits, together with other short-term, highly liquid investments (original maturity less than 3 months) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

m. TAXES

Current Income Tax

Current Income tax assets and liabilities are measured at amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside Profit and Loss is recognised outside profit and loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred Income Taxes are calculated using Balance Sheet Approach, on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that temporary differences will not reverse in foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to extent that it is probable that taxable profit will be available against which deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilized.

Carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and same taxation authority.

Tax expense for the year comprises of current tax and deferred tax.

Indirect Taxes

Expenses and Assets are recognised net of the amount of Indirect Taxes viz. GST/VAT, except when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, indirect tax is recognised as part of cost of acquisition of asset or as part of expense item, as applicable.

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.

n. REVENUE RECOGNITION

Revenue from contracts

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Taxes collected from customers on behalf of Government are not treated as Revenue.

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through expected life of the financial asset to gross carrying amount of a financial asset. When calculating effective interest rate, the Group estimates expected cash flows by considering all contractual terms of financial instrument but does not consider expected credit losses.

Other Income

Other claims including interest on outstanding are accounted for when there is virtual certainty of ultimate collection.

o. EMPLOYEE BENEFIT SCHEMES

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months.

Compensated Absences

Group provides for encashment of accumulated leaves with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment/availment. The liability is provided based on number of days of unutilized leave at each Balance Sheet date on basis of an independent actuarial valuation.

Gratuity

Liabilities with regard to gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in Other Comprehensive Income and shall not be reclassified to the Statement of Profit and Loss in subsequent period.

Provident Fund

Eligible employees of the Group receive benefits from a Provident Fund, which is a defined benefit plan. Both the eligible employee and the group make monthly contributions to provident fund plan equal to a specified percentage of covered employee's salary.

p. FOREIGN CURRENCY**Functional and presentation currency**

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

q. EARNINGS PER SHARE

- c. **Basic EPS** is calculated by dividing profit/ (loss) attributable to equity shareholders of the group by weighted average number of equity shares outstanding during the period.
- d. **Diluted EPS** is computed using profit/ (loss) for the year attributable to shareholder' and weighted average number of equity and potential equity shares outstanding during the period, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

r. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The assessments undertaken in recognising provisions and contingencies have been made in accordance with applicable Ind AS. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Provisions

Provisions represent liabilities to the Group for which amount, or timing is uncertain. Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost.

Contingent Liabilities

In normal course of business, contingent liabilities may arise from litigation and other claims against the Group. There are certain obligations which management of the Group has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Show Cause Notices received are not treated as Contingent Liabilities. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent Assets

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

s. CASH FLOW STATEMENT

Cash flows are reported using indirect method as set out in Ind AS -7 “Statement of Cash Flows”, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows from operating, investing and financing activities of the Group are segregated based on available information.

t. SEGMENT REPORTING

The Group has two business segments- Edible Oil Operations and Liquor Operations and segment-wise results, assets and liabilities are accordingly given.

u. FAIR VALUE MEASUREMENT

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on presumption that transaction to sell asset or transfer liability takes place either:

- i. In the principal market for asset or liability, or
- ii. In absence of a principal market, in most advantageous market for asset or liability.

The principal or the most advantageous market must be accessible to the Group. Fair Value of an asset or liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using asset in its highest and best use or by selling it to another market participant that would use asset in its highest and best use.

The Group uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising use of relevant observable inputs and minimizing use of unobservable inputs. 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 lowest level input that is significant to fair value measurement is directly or indirectly observable.

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

v. EXCEPTIONAL ITEMS

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments of subsidiaries, associate and joint ventures and impairment losses/write down in the value of investment in subsidiaries, associates and joint ventures and significant disposal of fixed assets.

SURAJ INDUSTRIES LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR
ENDED ON 31st MARCH 2023

Note 3 Property, Plant and Equipment

(INR in lakhs)

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Computer	Vehicles	Office Equipment	Total
Gross Carrying Amount							
As at 31 March 2022	167.93	1,004.20	0.94	-	48.50	50.29	1,271.86
Additions	-	-	-	0.48	30.85	0.30	31.63
Disposal / Adjustment	-	-	-	-	-	-	-
As at 31 March 2023	167.93	1,004.20	0.94	0.48	79.35	50.59	1,303.49
Depreciation and Impairment							
As at 31 March 2022	3.99	47.70	0.45	-	1.61	5.97	59.72
Additions	24.53	66.09	0.08	0.09	9.84	10.18	110.81
Disposal / Adjustment	-	-	-	-	-	-	-
As at 31 March 2023	28.52	113.79	0.53	0.09	11.45	16.15	170.53
Net Carrying Value							
As at 31 March 2023	139.41	890.41	0.41	0.39	67.90	34.44	1,132.96

Note 4 Capital Work in Progress (CWIP)

(A) The changes in carrying value of Capital Work in Progress are as follows:

(INR in lakhs)

Particulars	Buildings	Plant and Equipment	Furniture and Fixtures	Computer	Office Equipment	Preoperative expenses pending allocation	Total
As at 31 March 2022	312.73	-	-	1.28	22.20	622.35	958.56
Additions	44.84	20.37	-	0.38	0.25	138.69	204.53
Transfer to PPE / ROU*	-	-	-	-	-	-	-
As at 31 March 2023	357.57	20.37	-	1.66	22.45	761.04	1,163.09

Note 4.1 Capital Work in Progress Ageing Schedule

Capital Work- in Progress (CWIP) ageing schedule as at 31st March, 2023 is as follows:

(INR in lakhs)

Capital Work in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Buildings	44.84	-	-	312.73	357.57
Plant and Equipments	-	-	-	-	-
Furniture and Fixtures	20.37	-	-	-	20.37
Computer	0.39	-	-	1.28	1.67
Office Equipments	0.25	-	-	22.20	22.45
Preoperative expenses pending allocation	138.69	12.80	12.19	597.35	761.03
Total	204.54	12.80	12.19	933.56	1,163.09

Note 5 Right of Use Assets (ROU Assets)

Changes in the carrying value of Right of Use assets are as follows:

(INR in lakhs)

Particulars	Leasehold Land	Leasehold Building	Total
<u>Gross Carrying Amount</u>			
As at 31 March 2022	1,142.14	-	1,142.14
Additions	-	88.54	88.54
Disposal / Adjustment	-	-	-
As at 31 March 2023	1,142.14	88.54	1,230.68
<u>Depreciation and Impairment</u>			
As at 31 March 2022	56.76	-	56.76
Additions	11.54	15.18	26.72
Disposal / Adjustment	-	-	-
As at 31 March 2023	68.30	15.18	83.48
<u>Net Carrying Value</u>			
As at 31 March 2023	1,073.84	73.36	1,147.20

Notes:

(a) Refer note 40 for lease liabilities recognized on behalf of ROU Assets.

Note 6 Investments*(INR in lakhs)*

Particulars	As at
	31 March 2023
Investment in Equity Shares (Unquoted)	
Investment in Associate Company	
36,00,000 equity shares (PY: Nil) of M/s Shri Gang Industries & Allied Products Ltd @ Rs 10 per share)	624.11

Total	624.11
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Note 7 Other Financial Assets- Non Current*(INR in lakhs)*

Particulars	As at
	31 March 2023
Security/Earnest Money Deposits	35.69
Bank deposits (due for maturity after twelve months from the reporting date)*	2.00
Security Deposits	10.38
Total	48.07

Note 8 Income Tax Assets*(INR in lakhs)*

Particulars	As at
	31 March 2023
Tds/tcs Receivable	0.28
Total	0.28

**Refer note 42 for reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes.*

Note 9 Other Non Current Assets*(INR in lakhs)*

Particulars	As at
	31 March 2023
Capital Advance	1,734.70
Total	1,734.70

Note 10 Inventories*(INR in lakhs)*

Particulars	As at
	31 March 2023
Packing Material	76.69
Consumables	1.02
Total	77.71

Note 11 Trade Receivables*(INR in lakhs)*

Particulars	As at
	31 March 2023
Secured, Considered Good	-
Unsecured, Considered Good	2,421.54
Receivables having Significant Increase in Credit Risk	-
Receivables Credit Impaired	-
Total Trade Receivables (Gross)	2,421.54
Less: Expected Credit Loss (ECL)	-

Total	2,421.54
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Note 11.1 Trade Receivables (Current) Ageing Schedule as at 31st March, 2023**(A) Trade Receivables Ageing Schedule as at 31 March, 2023**

Particulars	Outstanding for following periods from due date of payment				
	> 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
(i) Undisputed Trade Receivable, considered good	2,383.31	-	-	-	-
(ii) Undisputed Trade Receivable, considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivable, considered good	-	-	38.23	-	-
(iv) Disputed Trade Receivable, considered doubtful	-	-	-	-	-
Total	2,383.31	-	38.23	-	-

Note 12 Cash and bank balances*(INR in lakhs)*

Particulars	As at
	31 March 2023
Balance with banks:	
In Current Accounts	1,730.28
Cash in Hand	14.50
Total	1,744.78

Note 13 Loans*(INR in lakhs)*

Particulars	As at
	31 March 2023
Loans to Others	60.00
Loans to Related Party	-
Total	60.00

Note 14 Other Financial Assets*(INR in lakhs)*

Particulars	As at
	31 March 2023
Interest Receivable from Related Party	-
Interest Receivable from Others	38.21
Interest Accrued on Bank deposits above (net of tds)	0.13
Total	38.34

Note 15 Income Tax Assets*(INR in lakhs)*

Particulars	As at
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	31 March 2023
TDS/TCS Receivable	31.61
Total	31.61

**Refer note 42 for reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes.*

Note 16 Other current assets*(INR in lakhs)*

Particulars	As at
	31 March 2023
GST Recoverable	42.29
MAT Credit	23.63
Prepaid Expenses	24.94
Advances to Supplier - Others	59.19
Amount Recoverable - Related Party	0.22
Total	150.27

Note 17 Equity Share Capital*(INR in lakhs)*

Particulars	As at
	31 March 2023
Authorised share capital 2,00,00,000 Equity Shares of Rs. 10/- each	2,000.00
	2,000.00
Issued. Subscribed & Paid-up 1,22,94,172 Equity Shares of Rs. 10/- each	1,229.42
	1,229.42

a) Details of reconciliation of the number of equity shares outstanding:

Particulars	31 March 2023	
	Number	(INR in lakhs)
Shares outstanding at the beginning of the year	9,542,000	954.20
Add: Shares issued during the year	2,752,172	275.22
Shares outstanding at the end of the year	12,294,172	1,229.42

b) Details of shares in the Company held by each shareholder holding more than 5 percent shares:

Name of the shareholder	31 March 2023	
	No. of Shares	% of Holding
Suraj Gupta	6,028,030	49.03%
Ayodhya Finlease Ltd	2,455,172	19.97%
	8,483,202	69.00%

c) Promoter's Shareholding as at 31 March 2023 and percentage change in shareholding during the year as compared to previous year is as follows:

Name of the Promoters	31 March 2023	
	No. of Shares	% of Total Shares
Suraj Prakash Gupta	60,28,030	49.03%
Shuchi Bahl	1,85,000	1.50%
Anita Gupta	10	0.00%
Rajesh Gupta	10	0.00%
M/s Global Spirits Private Limited	84,378	0.69%
Total	62,97,428	51.22%

d) Terms / rights attached to Equity shares:

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of shareholders except in case of interim dividend. In event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount in proportion of their shareholding.

e) The Company has not issued any shares for consideration other than cash or as bonus shares, nor any shares had been brought back during the year.

f) The Company has not declared any dividends in the current year or preceding year.

Note 18 Other Equity

(INR in lakhs)

Particulars	As at
	31 March 2023
Share Premium	2,234.48
Capital Reserve	231.69
Equity Component of other financial instruments (share warrants)	199.99
Retained Earnings	(15.37)
Other Comprehensive Income	0.29
Total	2,651.08

Note 19 Borrowings-Non current

(INR in lakhs)

Particulars	As at
	31 March 2023
Secured	
Finance Lease Obligations on Hire Purchase of Vehicles*	50.97
Less: Current Maturities of Finance Lease Obligations on Hire Purchase of	(11.96)

Vehicles	
Loan From Related Party	-
Total	39.01

*Secured against hypothecation of respective vehicles.

Note 20 Lease Liability Non Current *(INR in lakhs)*

Particulars	As at
	31 March 2023
Lease liability	70.08
Total	70.08

Note 21 Provisions *(INR in lakhs)*

Particulars	As at
	31 March 2023
Provision for Gratuity	9.15
Less: Current value of Gratuity	(0.06)
Total	9.09

Note 22 Deferred Tax Asset/Liability *(INR in lakhs)*

Particulars	As at
	31 March 2023
Deferred Tax Asset	
Unabsorbed Depreciation & Business Loss as per Income Tax Act	-
Employee Benefit Obligation	2.55
Employee Benefit Obligation-OCI	0.06
Total (A)	2.61
Deferred Tax Liability	
WDV of Fixed Assets	48.00
Total (B)	48.00
Net Deferred Tax Asset/(Liability) (A)-(B)	(45.39)

Note 23 Borrowings-Current *(INR in lakhs)*

Particulars	As at
	31 March 2023
Unsecured Loans	
- From Bodies Corporate	450.52
- From NBFC	525.00
- From Related Party	18.00
Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles	11.96
Loan From Others	10.00
Total	1,015.48

Note 24 Lease Liability Current *(INR in lakhs)*

Particulars	As at
	31 March 2023
Lease liability	9.43
Total	9.43

Note 25 Trade Payables*(INR in lakhs)*

Particulars	As at
	31 March 2023
Outstanding dues of micro enterprises and small enterprises	-
Outstanding dues of creditors other than micro enterprises and small enterprises	2120.49
Total	2120.49

Note 25.1 Trade Payables ageing schedule**(A) Trade payable ageing schedule as at 31st March 2023**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	2,111.32	8.83	0.30	0.04	2,120.49
(iii) Disputes Dues-MSME	-	-	-	-	-
(iv) Disputes Dues- Others	-	-	-	-	-
Total	2,111.32	8.83	0.30	0.04	2,120.49

Note 25.2 Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)*

Particulars	As at
	31 March 2023
a) Amount remaining unpaid to supplier covered under MSMED Act at the end of the year	
-Principal	-
-Interest	-
-Total	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-
d) The amount of interest accrued and remaining unpaid at the end of the year.	-

e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-
f) The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period.	-

**This information has been determined to the extent such parties have been identified on the basis of information available with the company.*

Note 26 Other Financial Liability*(INR in lakhs)*

Particulars	As at
	31 March 2023
Interest payable	4.02
Interest Payable to MSME	-
Interest payable related party	-
Total	4.02

Note 27 Other Current Liabilities*(INR in lakhs)*

Particulars	As at
	31 March 2023
Accrued Salary & Benefits	27.45
Expenses Payable	9.18
Statutory dues payable	8.05
Capital Creditors	386.58
Other payable	0.40
Total	431.66

Note 28 Provisions*(INR in lakhs)*

Particulars	As at
	31 March 2023
Provision for Employees Benefits	
i) Gratuity	0.06
Total	0.06

Note 28.1 Movement of provisions

Particulars	As at
	31 March 2023
Opening	7.97
Addition	1.18
Deletion	-
Closing	9.15
Current	0.06

Non-current	9.09
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Note 29 Current Tax Liabilities*(INR in lakhs)*

Particulars	As at
	31 March 2023
Provision for Current Year Tax	188.95
Total	188.95

Note 29.1 Movement of Current Tax Liability

Particulars	As at
	31 March 2023
Opening	45.80
Addition	188.95
Deletion	(45.80)
Closing	188.95

Note 30 Revenue from operations*(INR in lakhs)*

Particulars	For the year ended on
	31 MARCH 2023
Sale of Products:	
Empty glass bottles & Other Products	-
Edible Oils	5,852.59
Liquor Bottling Services	885.30
Total	6,737.89

Note 31 Other income*(INR in lakhs)*

Particulars	For the year ended on
	31 MARCH 2023
Unpaid liabilities written back	13.01
Interest on Loan	67.80
Other Income	3.75
Total	84.56

Note 32 Purchase of Stock in Trade*(INR in lakhs)*

Particulars	For the year ended on
	31 MARCH 2023
Empty glass bottles & Other Products (A)	-
Edible Oils	
Opening Stock	-

Add: Purchases of Edible Oils	5,117.37
Less: Closing Stock (including In-Transit)	-
(B)	5,117.37
Total (A+B)	5,117.37

Note 33 Cost of raw material consumed*(INR in lakhs)*

Particulars	For the year ended on
	31 MARCH 2023
Consumption of Packing Material & consumables	
Opening Stock	16.60
Add: Purchases of Purchase Material	520.52
Less: Closing Stock (including In-Transit)	77.71
Total	459.41

Note 34 Employee benefit expense*(INR in lakhs)*

Particulars	For the year ended on
	31 MARCH 2023
Salaries, Wages and Incentives	170.84
Contribution to Provident & Other Funds	0.19
Provision for Long term employees benefits	3.78
Staff Welfare Expenses	3.19
Total	178.00

Note 34.1 Compensation Paid To Key Managerial Personnel included in above:*(INR in lakhs)*

	For the year ended on
	31 MARCH 2023
Salaries, Wages and Incentives	111.70
Contribution to Provident & Other Funds	0.02
Total	111.72

Note 35 Finance Cost*(INR in lakhs)*

Particulars	For the year ended on
	31 MARCH 2023
Interest expenses:	
- Interest on Vehicle Loan	3.86
- Interest on unsecured loan	55.02
- Financial liabilities measured at amortised cost	10.15
	69.03
Bank Charges	0.60
Total	69.63

Note 36 Depreciation and Amortisation Expenses:*(INR in lakhs)*

Particulars	For the year ended on
	31 MARCH 2023
Depreciation on Property, Plant and Equipment	110.80
Depreciation on Right of use Assets	15.18
Total	125.98

Note 37 Other Expenses*(INR in lakhs)*

Particulars	For the year ended on 31 MARCH 2023
Auditors Remuneration (Refer Note 37.1)	2.00
Power & Fuel	23.66
Repairs & Maintenance	12.21
Labour Charges	11.81
Fee & Taxes	27.46
Legal & Professional Expenses	31.65
Festival Expenses	4.72
Rent	29.39
Advertisement	0.63
Website Expenses	0.95
Printing & Stationery	4.36
Telephone, Postage & Internet Expenses	0.74
Insurance Expenses	3.77
Tours & Travelling & Conveyance	12.33
Security Services Agency charges	5.62
Miscellaneous Expenses	8.38
Total	179.68

Note 37.1 Payment to the auditors as:

Particulars	For the year ended on 31 MARCH 2023
- Statutory Auditor	
a) Statutory Audit Fees	2.00
b) For Taxation Matters	-
c) Others	-
Total	2.00

Note 38 Earnings Per Equity Share (EPS):**(A) Earnings Per Share**

Particulars	For the year ended on
	31 MARCH 2023
Profit after Tax	740.84
Basic Earnings Per Share	6.40
Diluted Earnings Per Share	5.90
Par Value Per Equity Share	10.00

(B) Weighted Average Number of Equity Shares Used as Denominator:

Particulars	For the year ended on
	31 MARCH 2023
Number of Equity shares at the beginning of the year	9,542,000.00
Add: Weighted average number of equity shares issued during the year	2,082,366.38
Weighted average number of Equity shares for Basic EPS	11,624,366.38
Add: Adjustment for Share Warrants	973,631.72
Weighted average number of equity shares for Diluted EPS	12,597,998.09

Note 39 Contingent Liabilities and commitments:*(INR in lakhs)*

Particulars	For the year ended on
	31 MARCH 2023
Contingent Liabilities:	
a) Claims against the company not acknowledged as Debts.	Nil
Commitments:	
a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	Nil

Note 40 Disclosures as required under Ind-AS 116 "Leases":*(INR in lakhs)***(A) Maturity analysis of lease liabilities (contractual undiscounted cash flows) on unconditional basis:**

Particulars	For the year ended on 31 MARCH 2023
Upto one year	20.08
After one year but not more than five years	86.21
More than five years	-

**The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.*

(B) Amounts recognised in Statement of profit and loss:

Particulars	For the year ended on
	31 MARCH

	2023
Depreciation on ROU assets	26.72
Interest on lease liabilities	10.15
Lease payments not recognised as liability in 'Other Expenses':	
----Expenses relating to short-term leases	29.39
----Expenses relating to leases of low-value assets	-

(C) Amounts recognised in Statement of cash flows:

Particulars	For the year ended on 31 MARCH 2023
Total cash outflow for leases	19.17

(D) Future lease Commitments

Particulars	For the year ended on 31 MARCH 2023
The total future cash outflow for leases that had not yet commenced	-

Note 41 Movement in Deferred Tax Assets / (Liability)**(A) Movement in Deferred Tax Assets***(INR in lakhs)*

Particulars	Brought forward business losses and depreciation	Employee Benefit Obligation	Total Deferred Tax Assets
As at 31 March 2022	-	2.00	2.00
----Profit & Loss	-	0.55	0.55
----Other Comprehensive income	-	0.06	0.06
As at 31 March 2023	-	2.61	2.61

(B) Movement in Deferred Tax Liability

Particulars	Depreciation / amortization	Other timing differences	Total Deferred Tax Liability

	on PPE		
As at 31 March 2022	30.59	-	30.59
----Profit & Loss	17.41	-	17.41
----Other Comprehensive income	-	-	-
As at 31 March 2023	48.00	-	48.00

Note 42 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(INR in lakhs)

Particulars	For the year ended on 31 MARCH 2023
Accounting Profit (Profit / (loss) before tax) (excluding share of associate)	692.38
Enacted tax rates in India	27.82%
Computed expected tax expense	192.62
Tax Effect of non-deductible expenses	40.03
Tax reversals due to expenses allowed for Indian tax purpose	(50.13)
Interest on income tax	6.43
Total Current Income tax expense	188.95

The applicable Indian corporate statutory tax rate for the year ended 31 March 2023 and 31 March 2022 is 27.82%.

Note 43 Additional Notes

- (A) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (B) The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013.
- (C) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- (D) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (E) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other person or entities ("ultimate beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries. The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the

understanding that the Company shall lend or invest in other persons or entities identified by or on behalf of the Funding Party or provide any guarantee, security or the like from to or on behalf of the Ultimate Beneficiaries.

- (F) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (G) The Company has not made any provision for Corporate Social Responsibility (CSR) required as per S.135 of Companies Act, 2013 since the same is not applicable.
- (H) The company does not have any borrowings from banks and financial institutions on the basis of security of current assets.
- (I) The company has not been declared as wilful defaulter by any bank or financial institution or any other lender.
- (J) The Company did not have any foreign exchange contracts including derivative contracts for which there were any material foreseeable losses.
- (K) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (L) The Company has not presented any statement of cash flows since there is no comparative period for its preparation.
- (M) During the year ended 31.03.2023, the company acquired 2,63,81,000 equity shares of M/s Carya Chemicals & Fertilizers Pvt Ltd (Carya), which constitutes 50.73% of the paid up share capital of Carya. By virtue of this Carya has become a subsidiary company of Suraj Industries Ltd. Further, during the year ended 31.03.2023, the company acquired 36,00,000 equity shares of M/s Shri Gang Industries & Allied products Ltd (Shri Gang), which constitutes 20.08% of the paid up share capital of Shri Gang. By virtue of this Shri Gang has become a associate company of Suraj Industries Ltd. Accordingly, consolidated financial results have been prepared for the first time during FY 2022-23. Therefore, there are no consolidated financial results and consolidated statement of assets & liabilities for the year ended 31.03.2022. Since there is no consolidated statement of assets & liabilities as on 31.03.2022, therefore consolidated cash flow statement for year ended 31.03.2023 cannot be prepared.

Note 44 Disclosures under Ind AS 19 "Employee Benefits."

(INR in Lakhs)

The Company has a defined benefit gratuity plan as long term benefits to employees. Provision is made on the basis of actuarial valuation.

Particulars	For the year ended on
	31 MARCH 2023
i) Change in benefit obligation	
a) Present value of obligation as at the beginning of the period	7.97
b) Acquisition adjustment	-
c) Interest cost	0.58

d)Past service cost	-
e)Current service cost	3.20
f)Curtailment cost/(Credit)	-
g)Settlement cost/(Credit)	-
h)Benefits paid	-
i)Actuarial (gain)/loss on obligation	(2.60)
j)Present value of obligation as at the end of period	9.15
ii) Fair value of plan assets :	
a)Fair value of plan assets at the beginning of the period	-
b)Acquisition adjustment	-
c)Actual return on plan assets	-
d)Employer contributions	-
e)Benefits paid	-
f)Fair value of plan assets at the end of the period	-
g)Funded status	(9.15)
h)Excess of actual over estimated return on plan assets	-
iii)Fair value of plan assets :	
a)Expected return on plan assets	-
b)Actual return on plan assets	-
c)Actuarial gain/(loss) on plan assets	-
iv)Actuarial gain / loss recognized	
a)Actuarial gain / (loss) for the period- obligation	2.60
b)Actuarial gain / (loss) recognized in the period	2.60
c)Unrecognized actuarial gains / (losses) at the end of period	-
v)The amounts to be recognized in balance sheet and related analysis	
a)Present value of obligation as at the end of the period	(9.15)
b)Fair value of plan assets as at the end of the period	
c)Funded status / Difference	1.18
d)Excess of actual over estimated	
e)Unrecognized actuarial (gains) / losses	
f) Net asset / (liability)recognized in balance sheet	(9.15)
As Current Liabilty (amount due within one year)	(0.06)
As Non Current Liabilty (amount due over one year)	(9.09)
vi)Expenses recognized in the statement of profit and loss	
a) Current service cost	3.20
b) Past Service cost	
c) Interest cost	0.58
d) Expected return on plan assets	-

e) Curtailment cost/ (Credit)	-
f) Settlement cost/(cost)	-
g) Net actuarial (gain)/ loss recognized in the period	-
h) Expenses recognized in the statement of profit & losses	3.78
vii) Reconciliation statement of expense in the statement of profit and loss	
a) Present value of obligation as at the end of period	-
b) Present value of obligation as at the beginning of the period	-
c) Benefits paid	
d) Actual return on plan assets	
e) Actuarial gain/(loss) on PBO to be recognized in OCI	
f) Acquisition adjustment	2.60
g) Expenses recognized in the statement of profit & losses	2.60
viii) Sensitivity Analysis of the defined benefit obligation	
a) Impact of the Change in discount rate	
Present value of obligation at the end of the period	
a) Impact due to increase of 0.50%	(0.15)
b) Impact due to decrease of 0.50%	0.17
b) Impact of the Change in salary increase	
Present value of obligation at the end of the period	
a) Impact due to increase of 0.50%	0.17
b) Impact due to decrease of 0.50%	(0.15)
ix) Actuarial Assumptions:	
Particulars	
Mortality table	IALM (2012-14)
Discount rate	7.39%
Expected rate of return on plan assets	N.A
Rate of escalation in salary per annum	5.00%
Employee turnover up to 30 years	5.00%
Above 30years but up to 44 years	3.00%
Above 44 years	2.00%

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

Note 45 The Related Party disclosures as per IND AS 24 "Related Party Disclosures"

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 (INR in lakhs)

S.NO.	Relationship	Name
1	Key Managerial Personnel (KMP)	Suraj Prakash Gupta, Managing Director Ashu Malik, Whole Time Director Sanjai Kapoor, CFO (w.e.f June 22,2022) Chhavi Agrawal, Company Secretary (Upto October 18,2022) Snehlata Sharma, Company Secretary (w.e.f October 19,2022)
2	Associate Company	Shri Gang Industries & Allied Products Ltd (w.e.f July 09, 2022)

(B) Transactions during the year with the Related Parties

Particulars	For the year ended on
	31 MARCH 2023
Managerial Remuneration Expense	
Key Managerial Personnel	
Salary to Managing Director, Suraj Prakash Gupta	72.00
Salary to Whole Time Director, Ashu Malik	10.50
Salary to CFO, Sanjai Kapoor	23.25
Salary to Company Secretary, Chhavi Agrawal	3.50
Salary to Company Secretary, Snehlata Sharma	2.46
	111.71
Managerial Remuneration Payable	
Key Managerial Personnel	
Salary to Managing Director, Suraj Prakash Gupta	9.95
Salary to Whole Time Director, Ashu Malik	0.84
Salary to CFO, Sanjai Kapoor	2.00
Salary to Company Secretary, Snehlata Sharma	0.43
	13.22
Unsecured Loan received- Suraj Prakash Gupta, MD	
Opening Balance	2.60
Loan received	24.00
Loan repaid	8.60

Closing Balance	18.00
Investment in Equity Shares	
Shri Gang Industries & Allied Products Ltd	360.00
	360.00
Reimbursement of Expenses from:	
Shri Gang Industries & Allied Products Ltd:	
Expenses incurred	4.23
Amount received against expenses incurred	4.02
Closing Amount Recoverable	0.22

Note 46 Fair Value Measurements*(INR in lakhs)*

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on presumption that transaction to sell asset or transfer liability takes place either:

- i. In the principal market for asset or liability, or
- ii. In absence of a principal market, in most advantageous market for asset or liability.

Fair Value of an asset or liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using asset in its highest and best use or by selling it to another market participant that would use asset in its highest and best use.

The Company uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising use of relevant observable inputs and minimizing use of unobservable inputs.

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 lowest level input that is significant to fair value measurement is directly or indirectly observable.

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(A) Carrying amounts of Financial Assets and Financial Liabilities in each category are as follows:

(INR in Lakhs)

Particulars	As at	
	31 March 2023	
	Carrying Value	Fair Value
Financial Assets		
At amortised cost		
Investments	624.11	624.11
Trade receivable	2,421.54	2,421.54
Cash and Cash Equivalents	1744.78	1744.78
Loans	60.00	60.00
Other Financial Assets	86.41	86.41
Total	4936.84	4936.84
Financial Liability		
At amortised cost		
Borrowings including short term	1,054.49	1,054.49
Lease liabilities including short term	79.52	79.52
Trade payables	2,120.49	2,120.49
Other financial liabilities	4.02	4.02

Total	3,258.52	3258.52
--------------	-----------------	----------------

- a) Carrying amount of Trade Receivables, Trade Payables, other financial assets, other financial liabilities and Cash and Cash Equivalent are considered to be the same as their Fair Value due to their short term nature.
- b) Carrying amount of Financial Assets and Liabilities carried of Amortized Cost is considered a reasonable approximation of fair value.

(B) Fair Value Hierarchy*(INR in Lakhs)*

Particulars	31 March 2023		
	Level 1	Level 2	Level 3
Financial Assets			
Investments	-	-	624.11
Trade receivable			2,421.54
Cash and Cash Equivalents			1744.78
Loans	-	-	60.00
Other Financial Assets	-	-	86.41
Total	-	-	4936.84

(INR in Lakhs)

Particulars	31 March 2023		
	Level 1	Level 2	Level 3
Financial Liability			
Borrowings including short term	-	-	1,054.49
Lease liabilities including short term	-	-	79.52
Trade payables	-	-	2,120.49
Other financial liabilities	-	-	4.02
Total	-	-	3258.52

Note 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES*(INR in lakhs)*

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 and analyse exposure by magnitude of risk.

The Company's overall risk management procedures to minimise potential adverse effects of financial market on the Company are as follows:

(A) Market Risk

Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables or payables. It includes three types of risks: a) Interest rate risk, b) Currency risk and c) price and commodity risk.

A) Interest Rate Risk: The Company's borrowings are at fixed rates. Therefore, interest rate risk does not have any major impact on the company.

B) Currency Risk: Since, Company does not have any foreign currency dealings, this risk is not applicable to the Company.

C) Price and commodity risk: The Company majorly purchases Spirits and Grain in its manufacturing. Since, prices are generally regulated, there are no major movements in the prices. Therefore, the adversity of this risk is low.

(B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company's exposure to credit risk primarily consists of Trade receivables and other financial assets. The Company deals with only few customers since liquor operations are government regulated. Therefore, default risk on the part of debtors is significantly low.

(C) Liquidity Risk

The Company's principle source of liquidity are Cash and cash equivalents and cash generated from operations. The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay. The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk.

Note 48 CAPITAL MANAGEMENT

(INR in lakhs)

(A) Risk Management

Capital management is driven by Company's policy to maintain a sound capital base to support the continued development of its business. The Management and Board of Directors seeks to maintain a prudent balance between different components of Company's capital. Management monitors capital structure and net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities including lease liabilities less cash and cash equivalents and short term investments. The capital structure is governed by policies approved by the Board of Directors and monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, lease liabilities, less cash and cash equivalents.

Particulars	As at	
	31 March 2023	
Borrowings including current maturities and short term borrowings	1,054.49	
Trade Payables	2,120.49	
Other Payables including Lease Liabilities	83.53	
Less: Cash & Cash Equivalents	(1,744.78)	
Net Debt	(A)	1,513.73

Equity		1,229.42
Other equity		2,651.08
Total Equity Capital	(B)	3,880.50
Capital and Net Debt	(C=A+B)	5,394.23
Gearing Ratio (%)	(A/C*100)	28.06%

(B)Dividends

The Company has not declared any dividends in the current and previous year.

Note 49 Segment Reporting*(INR in lakhs)***Disclosure as per Indian Accounting Standard (Ind AS) 108 “Operating Segments”**

The company has two business segments- Trading Operations and Liquor Operations.

Particulars	Trading operations	Liquor operations	Unallocat ed	Total
	31 March 2023	31 March 2023	31 March 2023	31 March 2023
1. Segment Revenue	5,852.59	885.30	-	6,737.89
Less: Inter-segment Revenue	-	-	-	-
Total	5,852.59	885.30	-	6,737.89
2. Segment Results	710.78	145.36	-	856.14
Less:				
a) Finance Cost	-	-	(69.63)	(69.63)
b) Other unallocable expenses	-	-	(94.13)	(94.13)
Profit/ (loss) before share of profit /(loss) of Associate	710.78	145.36	(163.76)	692.38
Share of profit/ (loss) of Associate (net of tax)				264.11
Profit / (Loss) before tax				956.49
3. Segment Assets	2,356.24	7,371.92	647.21	10,375.37
4. Segment Liabilities	2,076.52	1,268.43	588.71	3,933.66

Information about Geographical Segment:

Secondary Segment Information	India	Outside India	Total
	31 March 2023	31 March 2023	31 March 2023
Revenue	6,737.89	-	6,737.89
Non Current Assets	5,851.12	-	5,851.12

Information about major customers

:

Major customers having revenue exceeding 10% of total revenues	For the year ended on 31 March 2023	
	Rs. In Lakhs	%
Rajasthan State Ganganagar Sugar Mills Ltd.	885.30	13.14%
Legacy Commodities Pvt. Ltd.	3,102.83	46.05%
Regent Entrprises Limited	869.75	12.91%
Euroasia Holding Private Limited	1,320.00	19.59%

Note 50 Additional Information in pursuant to Schedule III of the Companies Act, 2013 for the financial year ended March 31, 2023

(INR in lakhs)

S . N o .	Name of Entity	Own ership Inter est	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Other Comprehensive Income	
			As % of consol idated net assets	Amount	As % of consolid ated profit or loss	Amou nt	As % of consolid ated other compreh ensive income	Amo unt	As % of consoli dated total other compr ehensi ve income	Amou nt
1	Holding Company	-	56.14 %	3,616.41	64.35%	476.73	100.00%	2.66	64.48%	479.39
2	Subsidiary Company Carya Chemicals & Fertilzers Private Limited	50.73 %	43.86 %	2,825.30	0.00%	-	0.00%	-	0.00%	-
3	Associate Company Shri Gang Industries & Allied Products Limited	20.08 %	0.00%	-	35.65%	264.11	0.00%	-	35.52%	264.11

Note 51 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**For PAWAN SHUBHAM & CO.
Chartered Accountants
Firm's Registration No: 011573C**

**Sd/-
(CA Krishna Kumar)
PARTNER
Membership No. 523411**

**Place: New Delhi
Date: 30.05.2023**

**For and On behalf of the Board of Directors of
SURAJ INDUSTRIES LTD**

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

**Sd/-
Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D**

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

**Sd/-
Snehlata Sharma
Company Secretary
M.No: 62066**