

# **ANNUAL REPORT**

## **2020 - 2021**



**SURAJ PRODUCTS LIMITED**

*Formerly*

**CHAMPION CEMENT INDUSTRIES LTD.**

**BARPALI, KESRAMAL, RAJGANGPUR,  
SUNDERGARH, ODISHA - 770017**

## **SURAJ PRODUCTS LIMITED**

### **SURAJ PRODUCTS LIMITED**

CIN: L26942OR1991PLC002865

#### **BOARD OF DIRECTORS**

Mr. C.K.Bhartia, Chairman (Independent)  
Mr. Y.K.Dalmia, Managing Director  
Mrs. Neha Singhania, Independent Director  
Mrs. Sunita Dalmia, Promoter Director  
Mr. Gagan Goyal, Executive Director

#### **AUDITOR**

M/S B D S & Co.  
35A, Raja Basanta Roy Road,  
2nd Floor, Kolkata - 700029

#### **CHIEF FINANCIAL OFFICER**

Mr. M.K.Hati

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. A.N.Khatua

#### **BANKER**

Canara Bank

#### **REGISTRAR & SHARE TRANSFER AGENTS**

M/S MCS Share Transfer Agent Limited,  
383, Lake Gardens, 1st Floor,  
Kolkata- 700045  
Telephone: 033-40724052,  
E-mail: mcssta@rediffmail.com

#### **REGISTERED OFFICE:**

Vill: Barpali  
P.O.: Kesarmal (Rajgangpur)  
Dist: Sundargarh  
Odisha - 770017  
EPBX No: 09437049074  
Email: suproduct@gmail.com, info@surajproducts.com  
Website: www.surajproducts.com

#### **KOLKATA OFFICE:**

59, N.S.Road, 1st Floor  
Kolkata - 700001  
Tel/Fax- 033-22107117

## **SURAJ PRODUCTS LIMITED**

### **NOTICE OF THE 30th ANNUAL GENERAL MEETING**

Notice is hereby given that the thirtieth Annual General Meeting of the members of SURAJ PRODUCTS LIMITED will be held on **Thursday the 30th day of September, 2021 at 12:30 PM** at the Registered Office of the Company situated at Vill: Barpali, Po-Kesramal, Rajgangpur, Dist-Sundargarh, Odisha-770017 to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the Financial Year ended 31st March, 2021 together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Sunita Dalmia (DIN- 00605973) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 ("Act") and being eligible seeks re-appointment.

#### **SPECIAL BUSINESS:**

3. Re-appointment of Mr. C.K.Bhartia (DIN-00192694) as an Independent Director:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modifications or re-enactment thereof for the time being in force), read with Schedule IV to the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Mr. C.K.Bhartia (DIN-00192694), who was appointed as an Independent Director at the 25th Annual General Meeting of the Company and who holds office upto 30th August, 2021 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed there under and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 years commencing with effect from 1st September 2021 up to 30th August 2026, based on the recommendation of the Nomination and Remuneration Committee and the Board."

4. Re-appointment of Mr. Gagan Goyal (DIN-00192664) as whole-time Director:

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

"RESOLVED THAT in accordance with the provisions of Section 196, 197, and 203 read with Schedule V of the Companies Act, 2013 and all other applicable Provisions if any of the Companies Act, 2013 (the Act), read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and other applicable provisions of companies Act 2013 and subject to such other approvals, as may be necessary, approval of the members be and are hereby accorded to the re-appointment of Mr. Gagan Goyal (DIN- 00678938) as the whole-time Director of the Company for a period of five years, with effect from August 01, 2021 at such remuneration, perquisites and benefits, as set out in the annexed explanatory statement."

## **SURAJ PRODUCTS LIMITED**

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be deemed necessary, proper and expedient to implement this Resolution."

### **Notes:**

1. In view of the continuing COVID 19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of Ordinary and Special Resolutions by Companies under the Companies Act, 2013 and the rules made there under on account of the threat posed by Covid-19. Circular No. 20/2020 dated May 5, 2020 in relation to" Clarification on holding Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio visual means (OAVM) and Circular No. 02/2021 dated January 13, 2021 in relation to "Clarification on holding Annual General Meeting (AGM) through Video conferencing (VC) or other audio visual means(OAVM) (Collectively referred to as: MCA Circulars" and SEBI vide Circular No-SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI(LODR), Regulations, 2015-Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (LODR) Regulations, 2015 due to Covid-19 pandemic (Collectively referred to as "SEBI Circulars) permitted the sending of Annual Report through online mode.
2. Pursuant to the Circular No-14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM and participate thereat.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized Agency. The facility of casting votes by a member using remote e-voting system.
4. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.surajproducts.com](http://www.surajproducts.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and Calcutta Stock Exchange Limited at [www.bseindia.com](http://www.bseindia.com), and [www.cse-india.com](http://www.cse-india.com) respectively and AGM Notice is also available on the website of NSDL (Agency for providing the Remote e-voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
5. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
6. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of 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 of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings

## **SURAJ PRODUCTS LIMITED**

to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agent Limited for assistance in this regard. The amendment does not prohibit the shareholders from holding the shares in physical form. The Shareholders have an option of holding shares in physical form even after April 01, 2019. However, any shareholder who is desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

7. Further, SEBI vide Press Release No. 12/2019 dated March 27, 2019 clarified that the transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 01, 2019
8. To support the "Green Initiative", Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in physical form.
9. Members are requested to intimate changes, if any pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), Mandates, nominations, power of Attorney, bank details such as, name of the bank and branch details, bank account number, MICR Code, IFSC code etc, to their DPs in case the shares are held by them in electronic form and to RTA MCS Share Transfer Agent Limited in case the shares are held by them in physical form.
10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.surajproducts.com](http://www.surajproducts.com) and website of Stock Exchanges.
11. The Business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
12. Pursuant to Section 91 of the Companies Act, 2013, the Register of members and share transfer books of the Company will be closed from 24th day of September 2021 to 30th September 2021, both days inclusive.
13. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the Electronic form are therefore requested to submit their PAN to their Demat Accounts. Members holding physical shares can submit their PAN to the Company/ MCS Share Transfer Agent Limited.
14. The relevant detail of Director seeking appointment/re-appointment under item Nos. 2, 3 and 4 above pursuant to Regulations 26(4) and 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this notice.
15. Corporate members intending to send their authorized representative (s) to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representatives to attend and vote on their behalf at the Meeting.
16. The Company had declared Dividend @7% i.e. ₹ 0.70 per equity shares of the Company for the Financial Year 2009-10, @ 8 % i.e. ₹ .80 for the Financial Year 2010-11, @ 9 % ₹ 0.9 for the Financial Year 2011-12 , @ 5 % i.e. ₹ 0.50 for the Financial Year 2012-13 @ 6% i.e. ₹ 0.60 for the Financial Year 2013-14 and @ 7% i.e. ₹ 0.70 for the Financial Year 2014-15. All the

## **SURAJ PRODUCTS LIMITED**

equity shareholders of the Company are requested to contact the Company/ Share Transfer Agent i.e. M/s MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata-700045, for payment of their dividend amount, if they have not been paid. The un-paid dividend for the Financial Year 2013-14 and 2014-15 as on 31.03.2021 are ₹ 6,28,396/-, and ₹ 7,64,483/- respectively.

Members are requested to note that as per Section 124 of the Companies Act, 2013, dividends not en-cashed or claimed within seven years from the date of transfer to the Company's Un-paid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF).

17. Members, who have not encashed their dividend warrants issued for the years 2013-14 to 2014-15, are requested to immediately forward the same for revalidation to our Share Registrars at their address given in the Annual Report.
18. Members are requested to send all communications relating to shares to the Company's Registrar and Share Transfer Agent. (Physical and Electronic) M/s MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata- 700045. E- mail: mcssta@rediffmail.com.

### **E-VOTING INSTRUCTIONS:**

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AS UNDER:-**

The remote e-voting period begins on Monday, 27th September, 2021 at 9:00 A.M. and ends on Wednesday, 29th September, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23rd September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

#### **A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

## SURAJ PRODUCTS LIMITED

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> 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 options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 held 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 options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their 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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> </ol>

## SURAJ PRODUCTS LIMITED

Type of shareholders	Login Method
	<p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
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. Once 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 options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**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 for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

### **B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

#### **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.



## SURAJ PRODUCTS LIMITED

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## **SURAJ PRODUCTS LIMITED**

- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

- 1. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period. Now you are ready for e-Voting as the Voting page opens.
- 2. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 3. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 4. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 5. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

- 1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [lnpanda2004@gmail.com](mailto:lnpanda2004@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Vikram Jha at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- 1. In case shares are held in physical mode please provide 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 [companysecretary@surajproducts.com](mailto:companysecretary@surajproducts.com)

## **SURAJ PRODUCTS LIMITED**

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [companysecretary@surajproducts.com](mailto:companysecretary@surajproducts.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **OTHER INSTRUCTIONS:**

- A. The e-voting period commences at 9:00 AM on Monday, 27th September, 2021 and ends at 5:00 PM on Wednesday, 29th August, 2021. During this period shareholders of the Company holding shares either in physical form or in dematerialized form as on cut-off date of 23rd September, 2021 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- B. The voting right of shareholders shall be proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 23rd September, 2021.
- C. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut off date i.e. 23rd September, 2021 may obtain the User Id and password by sending a request at [companysecretary@surajproducts.com](mailto:companysecretary@surajproducts.com) or to the Registrar at [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com) of this notice. However, if the member is already registered with CDSL for remote e-voting, then he can use his existing user ID and password for casting the vote through e-voting.
- D. Mr. Laksmi Narayan Panda of M/S L N Panda & Associates, Company Secretaries, Rourkela has been appointed as the Scrutinizer to scrutinize the voting casted at AGM and remote e-voting process in a fair and transparent manner.
- E. The scrutinizer shall unblock the votes casted through remote e-voting in the presence of at least two witnesses not in employment of the Company and shall not later than two days submit a consolidated scrutinizer's report of the total votes cast in favour and against, if any forthwith to the Chairman of the meeting.
- F. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to have been passed on the date of the Meeting i.e. 30th September, 2021.
- G. As the 30th AGM is being held at the Registered Office of the Company at Vill: Barpali, Po- Kesramal, Rajgangpur, Dist- Sundargarh, Odisha-770017.

## SURAJ PRODUCTS LIMITED

- H. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the this Annual General Meeting. Members seeking to inspect such documents can send an email to [companysecretary@surajproducts.com](mailto:companysecretary@surajproducts.com)
- I. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at <https://surajproducts.com>. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.

Registered Office:

At- Vill: Barpali,  
Po- Kesarmal, Rajgangpur,  
Dist- Sundargarh, Odisha- 770017  
E-mail: [suproduct@gmail.com](mailto:suproduct@gmail.com)  
Website: [www.surajproducts.com](http://www.surajproducts.com)

By order of the Board of Directors

A.N.Khatua  
Company Secretary  
Membership No- ACS21776

Place: Barpali

Date: the 28th day of August, 2021

### **Explanatory Statement Pursuant to section 102 of the Companies Act, 2013:**

In conformity with the provisions of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice and should be taken as forming part of the Notice.

#### **Item No.3 of the Notice:**

Mr. C.K.Bhartia (DIN-00192694) was appointed as Independent Director of the Company by the members of the Company at the 25th Annual General Meeting held on 28th September, 2016, for a period of five years, commencing with effect from 1st September, 2016 upto 30th August, 2021.

Based on the recommendation of the Nomination and Remuneration Committee and pursuant to the performance evaluation of Mr. C.K.Bhartia as a member of the Board and considering his background, experience and contribution, the continued association of the Director would be beneficial to the Company, the Board at its meeting held on 28th Day of August, 2021, proposed his re-appointment as Independent Director of the Company, not liable to retire by rotation, for a second term of five years commencing with effect from 1st September, 2021 upto 30th August, 2026. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a member, proposing their respective candidature for the office of Director.

The Company has received from Mr. C.K.Bhartia (DIN-00192694) (i) Consent to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. (ii) Intimation in Form DIR-8 in terms of Rules to the effect that he is not disqualified under the provisions of Section 164(2) of the Act, (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended(Listing

## **SURAJ PRODUCTS LIMITED**

Regulations), (iv) Confirmation in terms of Regulation 25(8) of the Listing Regulations that he is not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties and (v) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated 20th June 2018, that he has not been debarred from holding office of a Director by virtue of any order passed by Securities and Exchange Board of India or any other such Authority.

He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Rules, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

### **Item No.4 of the Notice:**

The term of office of Mr. Gagan Goyal (DIN- 00678938) as Whole-time Executive Director is due for expiry on 30th July, 2021. Considering the valuable contribution made by him during his tenure, the Board of Directors at their meeting held on August 28, 2021, have re-appointed Mr. Gagan Goyal (DIN- 00678938) as whole-time Director of the Company for a further period of 5 years with effect from 1st August, 2021, subject to the approval of shareholders in the ensuing Annual General Meeting and on the basis of recommendation of Nomination and Remuneration Committee. The main terms and conditions of his appointment are furnished below:

**Terms of Appointment:** Five years with effect from 1st August, 2021.

**Salary:** Salary of Rs. 90,000- 10,000- 1,30,000 per month.

#### **a. Allowances:-**

- (i) Residential Accommodation:  
Company shall provide rent free un-furnished accommodation for occupation by self and family or House Rent Allowance @ 25% of Salary.
- (ii) Leave Travel Allowance:  
Once in a year for self and family, as per Rules of the Company.

#### **b. Perquisites & Benefits:-**

- (i) Contribution to Superannuation Fund as per Rules of the Company: Contribution to Superannuation Fund to the extent it is not taxable under the Income-Tax Act.
- (ii) Gratuity:  
Gratuity at the rate of one month's salary for each completed year of service.
- (iii) Medical Expenses:  
Reimbursement of medical expenses including hospitalization and surgical charges incurred in India and abroad for him and his family as per the rules of the Company or as decided by the Board.
- (iv) Personal Accident Insurance:  
Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company.
- (v) Leave and Leave Encashment:  
In accordance with the rules of the Company or as decided by the Board.
- (vi) Car:  
Company shall provide fully maintained one car with driver/reimbursement of driver's salary as per the rules of the Company or as decided by the Board.

## **SURAJ PRODUCTS LIMITED**

(vii) Communication facilities:

Expense incurred towards mobile, telephone and other suitable communication facilities at the residence will be reimbursed as per the rules of the Company or as decided by the Board.

(viii) Others:

Such of the perquisites, benefits and allowances in accordance with the rules of the Company or as decided by the Board.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

**Other Terms & Conditions:-**

As long as Mr. Gagan Goyal (DIN- 00678938) functions as the Whole-time Director of the Company, no sitting fee will be paid to him for attending the meeting of the Board of Directors or Committee thereof. He will not be subject to retirement by rotation.

This explanatory may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The Resolution for appointment of Mr. Gagan Goyal as Whole-time Director is recommended to the members for approval. Mr. Gagan Goyal may be concerned or interested in the resolution as Director. No other Director is concerned or interested in the Resolution.

A brief profile of the Directors proposed to be re-appointed is given below:

**ANNEXURE TO THE NOTICE**

Pursuance to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the information about the Director seeking appointment in the Annual General Meeting is as follows:

Name of Director	<b>Mrs. Sunita Dalmia</b>
DIN	00605973
Date of Birth	03.05.1964
Qualification	Graduate
Expertise in specific functional areas	She has come from business family and has possessed good business sense and administrative capabilities.
List of other Companies in which Directorship held (excluding in Foreign companies)	1. Molisati Vinimay Pvt. Ltd. 2. NIP Power Pvt. Ltd. 3. Balbhadra Infratech Pvt. Ltd. 4. Brex Technology Pvt. Ltd. 5. Excel Infra Projects. Pvt. Ltd. 6. Kedarnath Mining Pvt. Ltd. 7. Kremlin Traders Pvt. Ltd. 8. Plasma Infrastructure Pvt. Ltd. 9. Tirupati Vincom Pvt. Ltd. 10. Pushpdant Investment Consultants Pvt. Ltd. 11. Sidhishree Financial Consultants Pvt. Ltd.
Chairman/Member of Committees of the Board of Directors of other Companies in which he is a Director (excluding in foreign Chairman of Companies)	Nil
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	7,72,400 Shares
Relationship with other Directors/ Key Managerial Personnel	Related to Mr. Y. K. Dalmia, Managing Director in capacity as wife.

## SURAJ PRODUCTS LIMITED

<b>Name of Director</b>	<b>Mr. C.K.Bhartia</b>
DIN	00192694
Date of Birth	26/06/1962
Qualification	B.Com, Chartered Accountant
Expertise in specific functional areas	Having experience of over 30 years in the areas of Finance, Accounts and Capital Market. He has expertise in Equity Research and Investment.
List of other Companies in which Directorship held (excluding in Foreign companies)	1. Utkal Polymer Ltd. 2. Monsoon Forgings (P) Ltd. 3. Utkal Forgings (P) Ltd.
Chairman/Member of Committees of the Board of Directors of other Companies in which he is a Director (excluding in foreign Chairman of Companies)	Nil
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	Nil

<b>Name of Director</b>	<b>Mr. Gagan Goyal</b>
DIN	00678938
Date of Birth	23.03.1968
Qualification	Graduate
Expertise in specific functional areas	Expertise in the field of Accounts, Purchase, Stores and Project implementation.
List of other Companies in which Directorship held (excluding in Foreign companies)	None
Chairman/Member of Committees of the Board of Directors of other Companies in which he is a Director (excluding in foreign Chairman of Companies)	Nil
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company.	Nil

Registered Office:

At- Vill: Barpali,  
Po- Kesarmal, Rajgangpur,  
Dist- Sundargarh, Odisha- 770017  
E-mail:suproduct@gmail.com  
Website: www.surajproducts.com

By order of the Board of Directors

A.N.Khatua  
Company Secretary  
Membership No- ACS21776

Place: Barpali

Date: the 28th day of August, 2021



## SURAJ PRODUCTS LIMITED

### DIRECTORS' REPORT TO SHAREHOLDERS

Dear Shareholders,

Your Directors have pleasure in presenting their Report on the business and operations of your Company along with the Audited Accounts of the company for the year ended 31st March 2021.

#### FINANCIAL RESULTS:

Particulars	Current Year ( ₹ In Lac)	Previous Year ( ₹ In Lac)
<b>Sales and other income</b>	<b>21791.04</b>	<b>11824.61</b>
Profit before depreciation	2394.48	1055.72
Depreciation	943.49	674.01
<b>Profit for the year</b>	<b>1450.99</b>	<b>381.71</b>
Provision for tax	534.25	(158.74)
<b>Profit after tax</b>	<b>916.74</b>	<b>540.45</b>
Other comprehensive income	13.89	-
<b>Total comprehensive income</b>	<b>930.63</b>	<b>540.45</b>
Profit brought forward from the previous year	2865.63	2325.18
<b>Balance carried forward to Next year</b>	<b>3796.26</b>	<b>2865.63</b>

#### PERFORMANCE:

During the year under review, the Company achieved Net Sales of Rs. 21,769.88 Lacs as against Rs.11, 799.25 Lacs in the previous years. The EBITDA for the year was Rs. 2394.48 Lacs in comparison to Rs.1055.72 Lacs in the previous year. After providing for interest, depreciation and tax, the profit after tax of the Company was Rs.916.74 Lacs as against Rs.540.45 Lacs in the previous year, which resulted in EPS of Rs.8.04 in the current year.

#### OPERATIONAL REVIEW:

The performance of the Company during the year was impressive despite massive disruptions caused by the COVID-19 pandemic in the initial months of the financial year. The Company adopted focused approach on improving its volumes, operational efficiencies and operating facilities at optimum levels. The multiprolonged strategy has helped the Company in seizing the opportunity offered by the pick-up in the economic activities in the country especially the steel intensive sectors like infrastructure, construction etc.

During the year, the Company produced 38,326 MT, sold 592 MT and captively consumed 46,208 MT of sponge iron compared to previous year's production of 35,869MT, sales of 4,587 MT and captive consumption of 10,405 MT. The Company produced 25,483 MT, sold 13,342 MT and captively consumed 11,610 MT of Pig Iron as compared to last year's production of 18,147 MT, sales of 10,946 MT and captive consumption of 6,726 MT. The Company produced 52,162 MT and sold 8,261 MT and captively consumed 44,202 MT of MS Ingot/Billet compared to previous year's production of 31,132 MT and sales of 19,058 MT & captive consumption of 11,643 MT. The Company produced 42,752 MT of TMT Bars & sold 43,870 MT compared to previous year's production of 11,049 MT and sale of 9074 MT.

## **SURAJ PRODUCTS LIMITED**

### **FUTURE PROSPECTS:**

The Global steel demand is expected to be up by 6% in the year 2021 as a result of economic recovery post COVID-19 pandemic supported by government spending and stimulus packages. The Indian steel industry is also expected to remain buoyant amidst strong domestic demand recovery, accommodative government policies and export opportunities.

### **Impact of Covid 19 on Business operation:**

The outbreak of Covid-19 pandemic has led to an unprecedented health crisis and has disrupted economic activities and global trade, while weighing on consumer sentiments.

During the year under review, the Government of India had imposed stringent nationwide lockdowns, in phases, which severely impacted manufacturing activities. Though the steel and mining sectors were allowed to operate under the Essential Services Maintenance Act, 1968 they were subject to certain guidelines. Steel demand was affected as key steel consuming sectors struggled to operate amidst weakening economic activities, working capital constraints, shortage of manpower and logistical issues.

The risk-intelligent culture embedded across the Company helped in developing and adopting a multi-pronged strategy to effectively respond to the evolving pandemic situation. The health and safety of our employees and the communities in which we operate continue to be the foremost priority of the Company. To mitigate the risks and challenges faced by the Company during the pandemic, the Company enhanced safety and hygiene norms at offices, implemented work from home, staggered shift timings for safety of employees and leveraged digital platforms for its day-to-day operations.

Further details on the impact of Covid-19 on the Company's operations, cash flow, liquidity and profitability as well as the Company's contribution to the Community in wake of the pandemic is provided in the Management Discussion and Analysis as annexed to this report.

### **DIVIDEND:**

After careful assessment of the available profit during the financial year ended 31st March, 2021, your Directors have not recommended any dividend on the equity shares for the financial year ended 31st March, 2021.

### **SAFETY:**

The Company is committed for the implementation of the best possible practices for ensuring the safety of its all stakeholders including employees and contractors. The Company strongly believes that providing safe & healthy working environment to its workforce is not only a statutory requirement but also its moral responsibility.

The Company has developed safety standards, SOPs and safety manual systems and procedures which addresses employee safety, occupational health, process safety and emergency preparedness.

The Company has a structured system for periodically review policies, objectives and targets for continual improvements through corrective and preventive actions and provides safe and healthy working for all by implementing "Zero Accident" policy.

## **SURAJ PRODUCTS LIMITED**

### **MATERIAL CHANGES AND AMENDMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### **SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATOR OR COURT OR TRIBUNALS:**

During the period under review there were no significant and material orders passed by the Regulators/ Courts or Tribunals impacting the going concern status of the Company and its operations in future.

### **CHANGE IN NATURE OF BUSINESS, IF ANY:**

During the year under review there is no change in nature of business of the Company.

### **CLOSURE OF MEMBERS AND SHARE TRANSFER BOOKS:**

The Register of Members and Share Transfer Books of the Company will be closed with effect from Friday September 24, 2021 to Thursday September 30, 2021 (both days inclusive) for the purpose of Annual General Meeting.

### **AMOUNT CARRIED TO ANY RESERVE IF ANY:**

The Company had not carried any amount to any reserve from its profit & loss account for the current financial year.

### **SHARE CAPITAL:**

The Authorized Share Capital of the Company is ₹ 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 Equity Shares of ₹10/- each. As on March 31, 2021 the paid-up share capital of the Company is ₹. 11,40,00,000 (Rupees Eleven Crores and Forty Lacs only) divided into 1,14,00,000 Equity Shares of ₹. 10/- each. During the year your Company has not issued any equity shares.

### **DEPOSITS:**

During the year, the Company has not accepted any 'Deposits' as defined under the Companies Act, 2013.

### **DIRECTORS & KEY MANAGERIAL PERSONNEL:**

During the year under review, there are following changes in Board of Directors of the Company:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, **Mrs. Sunita Dalmia** (DIN- 00605973), Non-Executive Promoter Director, retires by rotation at the forthcoming Annual General Meeting and Being eligible, offers herself for re-appointment. Members' approval is being sought at the ensuing Annual General Meeting for her re-appointment.

In terms of Section 149 of the Act, **Mr. C.K. Bhartia** (DIN-00192694) was appointed as Independent Director by the members on 28th September, 2016, for a period of five years commencing with effect from 1st September, 2016 upto 30th August, 2021.

The Board on 28th August 2021, based on the recommendations of Nomination and Remuneration Committee and pursuant to performance evaluation of Mr. C.K.Bhartia as a member of the Board and

## **SURAJ PRODUCTS LIMITED**

considering his background, experience and he has passed the proficiency test, his continuing association would be beneficial to the Company, recommended his re-appointment as Independent Director of the Company, not liable to retire by rotation, for a second term of five years commencing with effect from 1st September, 2021 upto 30th August, 2026 for approval of the members by way of a Special Resolution at the ensuing AGM of the Company.

Accordingly Members' approval is being sought at the ensuing AGM for his re-appointment.

In terms of Section 149, 196, 197 and 203 of the Act **Mr. Gagan Goyal** (DIN-00678938) was appointed as the Whole-time Director of the Company by the Members on 28th September, 2016 for a period of five years commencing with effect from 1st August, 2016 upto July 30, 2021.

The Board on 28th August 2021, based on the recommendations of Nomination and Remuneration Committee and pursuant to performance evaluation of Mr. Gagan Goyal as a member of the Board and considering his experience and contribution, his continuing association would be beneficial to the Company, recommended his re-appointment as Whole Time Director of the Company, not liable to retire by rotation, for a further period of five years commencing with effect from 1st September, 2021 upto 30th August, 2026 for approval of the members by way of a Special Resolution at the ensuing AGM of the Company.

Accordingly Members' approval is being sought at the ensuing AGM for his re-appointment.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel (KMP) of the Company as on 31st March, 2021:

- i. Mr. Y.K.Dalmia, Managing Director
- ii. Mr. Gagan Goyal, Executive Director
- iii. Mr. M.K.Hati, Chief Financial Officer
- iv. Mr. A.N.Khatua, Company Secretary

### **PERFORMANCE EVALUATION:**

Pursuant to the provisions of Section 134 (3) (p) of the Companies Act, 2013, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the non-independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

### **DETAILS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:**

The Company has not given any loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013.

### **AUDITORS REPORT & AUDITORS' OBSERVATION:**

There is no audit qualification in the Company's Financial Statements. The company continues to adopt practices to ensure best practice as per Indian Accounting Standards. The Notes on Accounts referred to in the Auditors' Report enclosed are self-explanatory and do not call for any further comments.

## **SURAJ PRODUCTS LIMITED**

### **STATUTORY AUDIT:**

Messers BDS & Co (formerly Bharat D. Sarawgee & Co), Chartered Accountants (Firm Registration Number 326264E) was appointed as the Statutory Auditors of the Company at the 26th Annual General Meeting of the Company held on 29th day of September, 2017, to hold office from the conclusion of twenty sixth (26th) Annual General Meeting until the conclusion of thirty first (31st) Annual General Meeting of the Company, at such remuneration as may be mutually agreed by the Board of Directors of the Company and the Auditors.

The Statutory Auditor Messers BDS & Co has submitted an un-qualified Audit Reports for the financial year 2020-21 and no frauds were detected by the Auditor during the financial year.

### **COST AUDIT:**

Pursuant to Section 148 of the Companies Act, 2013 read with rules made there under, the Board has re-appointed M/s A S & Associates, Cost Accountants (Registration No-000523) to audit the Cost Accounts of the Company for the year ending 31st March, 2022.

The Company has submitted Cost Audit Report and other documents for the year ended 31st March 2020 with the Central Government by filing Form CRA-4 vide SRN-R77838647 dated 26.12.2020.

### **SECRETARIAL AUDIT:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Messers L.N.Panda & Associates, Rourkela a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure I". The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks for the year under review.

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

### **AUDIT COMMITTEE RECOMMENDATION:**

During the year all the recommendations of the Audit Committee were accepted by the Board. The composition of the Audit Committee is as described in the Corporate Governance Report.

### **LISTING FEES:**

The shares of the Company are listed at Bombay Stock Exchange and Calcutta Stock Exchange Limited. The Scrip Code at BSE is 518075 and at CSE is 13054.

The respective listing fees for the above Stock Exchanges up to the year 2021-22 have been paid.

### **PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (prevention, prohibition and Redressal) Act, 2013 and the Rules framed there under. It has constituted an internal Complaint Committee in compliance with the above mentioned Act and Rules. During the Financial Year 2020-21, no complaint has been received.

## **SURAJ PRODUCTS LIMITED**

### **SAFETY, HEALTH & ENVIRONMENT:**

The Company is committed to provide a safe and healthy working environment and achieving an injury and illness free work place. During the year under review, there was no lost time injury incident reported.

### **RECONCILIATION OF SHARE CAPITAL:**

As directed by Securities Exchange Board of India (SEBI), Reconciliation of Share Capital is being carried out quarterly by a practicing Company Secretary. The findings of the Reconciliation of Share Capital were satisfactory.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to section 134 (5) of the Companies Act, 2013 the Board of Directors of the Company confirm that;

- (i) In the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts for the financial year ended 31st March, 2021 on a going concern basis;
- (v) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

During the year under review, there have been no material changes and commitments affecting the financial position of the Company.

### **NUMBER OF BOARD MEETINGS DURING F.Y. 2020-21:**

During the FY 2020-21 the number of meeting of Board of Directors of the Company comes to 4(Four). The details of the number of meetings of the Board held during the financial year forms part of the Corporate Governance Report.

## **SURAJ PRODUCTS LIMITED**

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

The prescribed details as required Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in **Annexure 'A'** forming part of this report.

### **ACKNOWLEDGMENTS:**

Your Directors wish to thank all stakeholders, employees and business partners and Company's banker for their continued support and valuable co-operation. The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

### **DECLARATION OF INDEPENDENCE:**

The Company has received Declaration of Independence from Mr. C.K.Bhartia (DIN- 00192694) and Mrs. Neha Singhania (DIN- 06879112), the Independent Directors of the Company as per sub-section (6) of Section 149 of the Companies Act, 2013.

### **NOMINATION & REMUNERATION POLICY:**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified industry professionals for the Board of Management and other executive level in order to achieve the Company strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long term strategy. The policy is designed to encourage behaviour that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The Company's Remuneration Policy is available on the company's website <https://www.surajproducts.com>

### **RELATED PARTY TRASACTIONS:**

All transactions entered into with related parties (as defined under the Companies Act, 2013) during the financial year were in the ordinary course of business and on an Arm's length pricing basis, and do not attract the provisions of Section 188 of the Companies Act, 2013 and were within the ambit of clause 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant transactions with related parties during the financial year which were in conflict with interests of the Company. Suitable disclosure as required by the Accounting Standards has been made in the notes to the Financial Statements.

### **VIGIL MECHANISM POLICY:**

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any.

## **SURAJ PRODUCTS LIMITED**

The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

### **WHISTLE BLOWER POLICY:**

The Company has a "Whistle Blower Policy" to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company.

### **PARTICULARS OF EMPLOYEES AND MANAGERIAL REMUNERATION**

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report.

The Statement containing particulars of employees as required under section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection in terms of Section 136 of the Act, any member interested may write to the Company Secretary and the same will be furnished on request.

### **CORPORATE SOCIAL RESPONSIBILITY:**

The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Government alone will not be able to get success in its endeavour to uplift the downtrodden of Society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc. our company has adopted CSR as a strategic tool for sustainable growth. Pursuant to Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of the Company has in place a Corporate Social Responsibility (CSR) Policy including the CSR activities and their budgets as well as recommendation of any subsequent change/modification to the CSR Policy. The CSR Policy has been posted on the website of the Company available at the link [www.surajproducts.com](http://www.surajproducts.com).

### **STATEMENT PURSUANT TO LISTING AGREEMENT:**

Your Company's shares are listed with Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited. We have paid the Annual Listing Fees and there are no arrears.

### **PREVENTION OF INSIDER TRADING:**

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's 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.

All Board Directors and the designated employees have confirmed compliance with the Code.



## **SURAJ PRODUCTS LIMITED**

### **MANAGERIAL REMUNERATION:**

Executive Directors are paid remuneration by way of salary, perquisites and retirement benefits as recommended by the Nomination and Remuneration Committee and approved by the Board and shareholders of the Company. Key Managerial Personnel and senior Management Personnel are paid remuneration by way of fixed salary. The Company does not have any Stock Option Scheme. No severance pay is payable on termination of appointment.

There are no director who is in receipt of any commission from the company and who is a managing or whole-time director of the company.

### **EXTRACTS OF ANNUAL RETURN IN MGT- 9:**

The details forming part of the extract of the Annual Return for the year ended on 31st March, 2021, in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as Annexure- II and forms an integral part of this Report.

### **CORPORATE GOVERNANCE:**

The Company has been practicing the principles of good Corporate Governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate Section on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (LODR) Regulations, 2015 form part of this Annual Report.

The Managing Director and the Chief Financial Officer (CFO) of the Company have certified to the Board on financial statements and other matters in accordance with Regulation 17(8) of SEBI (LODR) Regulations, 2015 pertaining to MD/ CFO certification for the Financial Year ended 31st March, 2021.

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, form part of this Annual Report.

### **DISCLOSURES WITH RESPECT TO EMPLOYEES STOCK OPTION SCHEME:**

The Company does not have any Employee Stock Option Scheme during the period.

### **ACKNOWLEDGEMENT AND APPRECIATION:**

Your Directors would like to place on record our sincere appreciation for the continued support given by the Banks, Government Authorities, customers, vendors, shareholders and depositors during the period under review. The Directors also appreciate and value the contributions made by the employees of our Company at all levels.

On behalf of the Board of Directors

Place: Barpali  
Date: the 28th day of August, 2021

C. K. Bhartia  
Chairman  
(DIN-00192694)

## SURAJ PRODUCTS LIMITED

Annexure 'A'

### ANNEXURE TO THE DIRECTORS' REPORT:

Statement pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended 31st March, 2021.

#### 1. CONSERVATION OF ENERGY:

The Company has taken various steps for conservation of energy and has installed energy efficient equipments and thereby able to optimize the energy consumption.

ELECTRICITY		For the Year 2020-2021	For the Year 2019-2020
(a) Purchased Units	KWH	2,17,26,350	59,68,290
Amount	₹	13,56,97,287	403,64,339
Cost per Unit	₹	6.25	6.76
(b) Through Diesel Generator	KWH	66,939	1,25,678
Unit per Ltr. of Diesel		2.36	2.42
Cost per Unit *	₹	21.87	23.20
(C) 36,133 MW power (net) generated from CPP was consumed during the Year as compared to previous year figure of 36129 MW.			

#### POWER CONSUMPTION:

Consumption of electricity per ton of production cannot be determined product wise as company is having common processing facility for interdependent products.

#### 2. TECHNOLOGY ABSORPTION:

The Company continues to use technology & process know how developed in house.

#### 3. INDUSTRIAL RELATIONS:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

#### 4. FOREIGN EXCHANGE OUTGO:

	Current Year (₹)	Previous Year (₹)
Travelling Expenses:	-	25,312
Purchase of Material	-	42,19,378

On behalf of the Board of Directors

Place: Barpali  
Date: the 28th day of August, 2021

C. K. Bhartia  
Chairman  
(DIN-00192694)

**Form No. MR3****SECRETARIAL AUDIT REPORT****For The Financial Year Ended On 31st March, 2021**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of Companies (Appointment and Remuneration Personnel) Rules, 2014).

To  
The Members  
Suraj Products Limited (CIN- L26942OR1991PLC002865)  
At- Barpali, Po- Kesramal, Rajgangpur  
Dist. Sundargarh, Odisha- 770017

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Suraj Products Limited (Name of the company). (Herein-after called the company). Secretarial audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on my verification of the Suraj Products Limited'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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 has 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.

I/We have examined the books, papers, minute books, forms and returns filed and other records maintained by Suraj Products Limited ("the company") for the financial year ended on 31st March, 2021 according to the provisions of-

- i. The Companies Act, 2013(the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act,1956(SCRA) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act,1992(SEBI ACT)
  - a. The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulation,2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
  - c. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirement) Regulation, 2009;

## **SURAJ PRODUCTS LIMITED**

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulation, 1999;
- e. The Securities and Exchange Board of India (Issue and Listing of debt securities) Regulation, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998;
- vii. a. Income Tax Act, 1962
- b. GST Act
- c. Service Tax Act,
- d. The Air (Prevention & Control of Pollution) Act, 1981
- e. The Water (Prevention & Control of Pollution) Act, 1974
- f. Environmental (Protection) Act, 1986
- g. Orissa State Tax on Professions, Trades, Callings and Employments Act, 2000
- h. Orissa Entry Tax Act, 1999
- i. Factories Act, 1948
- j. Industrial Dispute Act, 1947
- k. Minimum Wages Act, 1948
- l. Industrial Employment (Standing Orders) Act, 1946
- m. Contract Labour (Regulation & Abolition) Act, 1970
- n. Payment of Wages Act, 1936
- o. Payment of Bonus Act, 1965
- p. Payment of Gratuity Act, 1972
- q. Apprentice Act, 1961
- r. Standards of Weight & Measurement Act, 1976
- s. Orissa Motor Vehicle Act, 1988
- t. The Petroleum Act, 1934
- u. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

- (i) Secretarial Standard issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchanges & Kolkata Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, Standard, etc. mentioned above except to the extent as mentioned below:

## **SURAJ PRODUCTS LIMITED**

1. The Company has filed details of Statement of amounts credited to Investor Education and Protection Fund) Pursuant to rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
2. The Company has paid the penalty imposed by BSE for violation of Regulation 23(9) of SEBI (LODR) Regulation 2015 for non-submission/delay in submission of Related Party Disclosures.(Intimation from BSE SOP-CReview-Jan2021(18/01/2021)
3. Company's website is not updated as the same was under maintenance as per information received from Management.
4. The Company has failed to intimate about the closure of trading window for the first & second quarter as per Clause 4 of Schedule B of SEBI (Prohibition of Insider Trading) Regulation 2015.

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

I 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.

Place: Rourkela

Date: the 19th day of July, 2021

LAKSHMI NARAYANA PANDA

L N PANDA & ASSOCIATES

ACS 23051

CP NO.8310

UDIN-A023051C000657511

Note: This report is to be read with our letter of even date which is annexed as '**ANNEXURE- A**' and forms an integral part of this Report.

## **SURAJ PRODUCTS LIMITED**

**'ANNEXURE A'**

To  
The Members,  
Suraj Products Limited  
Barpali, Po- Kesramal,  
Rajgangpur, Dist- Sundargarh,  
Odisha- 770017

Our report 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. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever 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 Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
- The second wave of COVID-19 outbreak was spread in all across the Country. Various State Governments including Odisha have declared Lock Down. Due to this impact the documents were obtained electronic mode wherever necessary. Due to this pandemic situation relaxations were allowed by regulators and complied within the extended time.

Place: Rourkela  
Date: the 19th day of July, 2021

LAKSHMI NARAYANA PANDA  
L N PANDA & ASSOCIATES  
CP NO.8310 / ACS 23051  
UDIN-A023051C000657511

**SURAJ PRODUCTS LIMITED**

Annexure -II

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on March 31, 2021**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN:- L26942OR1991PLC002865
- ii) Registration Date- 26.07.1991
- iii) Name of the Company- SURAJ PRODUCTS LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by Shares.
- v) Address of the Registered office and contact details:  
At- Barpali, Po.- Kesaramal, Rajgangpur, Dist- Sundargarh, Odisha- 770017  
Contact Detail: EPBX No. 9437049074, Email:suproduct@gmail.com,  
Website: www.surajproducts.com
- vi) Whether listed company: YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
M/S MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata-700045

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company during the financial year:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	TMT BAR	2410	69
2	PIG IRON	3304	16
3	MS INGOT/ BILLET	24103	11

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Company has no Holding, Subsidiary and Associate Companies.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):****i) Category-wise Share Holding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	24,84,800	-	24,84,800	21.80	24,84,800	-	24,84,800	21.80	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	59,17,000	-	59,17,000	51.90	59,17,000	-	59,17,000	51.90	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total(A) (1):-</b>	<b>84,01,800</b>	<b>-</b>	<b>84,01,800</b>	<b>73.70</b>	<b>84,01,800</b>	<b>-</b>	<b>84,01,800</b>	<b>73.70</b>	<b>-</b>

## SURAJ PRODUCTS LIMITED

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	84,01,800	-	84,01,800	73.70	84,01,800	-	84,01,800	73.70	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/Financial Institute	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non- Institutions</b>									
a) Bodies Corporate									
i) Indian	70,836	58,900	129,736	1.13	96,510	57,900	1,54,410	1.35	0.22
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	350	-	350	0.003	2683	-	2683	.023	0.02
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	493011	14,98,300	19,91,311	17.47	4,77,841	14,92,300	19,70,141	17.29	0.18
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	8,76,803	-	8,76,803	7.70	8,70,966	-	8,70,966	7.64	0.06
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>									
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	14,41,000	15,57,200	29,98,200	26.30	14,48,000	15,50,200	29,98,200	26.30	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	98,42,800	15,57,200	1,14,00,000	100.00	98,49,800	15,50,200	1,14,00,000	100	0.48



## SURAJ PRODUCTS LIMITED

### (ii) Shareholding of Promoters:

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Nip Power Pvt. Ltd.	28,27,000	24.80	-	28,27,000	24.80	-	-
2	Molisati Vinimay Pvt. Ltd.	25,50,000	22.36	-	25,50,000	22.36	-	-
3	Y.K.Dalmia	14,91,500	13.08	-	14,91,500	13.08	-	-
4	Sunita Dalmia	7,72,400	6.78	-	7,72,400	6.78	-	-
5	Balbhadra Infratech Pvt. Ltd.	5,40,000	4.74	-	5,40,000	4.74	-	-
6	Nivedita Dalmia	1,10,900	0.97	-	1,10,900	0.97	-	-
7	Nandita Dalmia	1,10,000	0.96	-	1,10,000	0.96	-	-
	<b>Total</b>	<b>84,01,800</b>	<b>73.69</b>	<b>-</b>	<b>84,01,800</b>	<b>73.69</b>	<b>-</b>	<b>-</b>

### (iii) Change in Promoters' Shareholding (please specify, if there is no change):

There has been no changes in the promoters' shareholding during the financial year ended March 31, 2021.

### IV. Shareholding of top ten shareholders (other than promoters, directors and KMP)

Sl. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Nand Lal Bhartiya HUF	5,00,000	4.38	5,00,000	4.38
2	Nand Lal Bhartiya	1,08,506	0.95	1,08,506	0.95
3	Meena Bhartiya	1,92,000	1.68	97,000	0.85
4	Sanjay Kumar Sarawagi	49697	0.44	49697	0.44
5	Neha Bhartiya	-	-	44,900	0.39
6	Vikash Bhartiya	-	-	44,263	0.38
7	MI Lifestyle Marketing Pvt. Ltd.	-	-	31,228	0.27
8	Elan Capital Advisors Pvt. Ltd.	28,200	0.25	28,200	0.25
9	Rabindra Kumar Bachhawat	26,600	0.23	26,600	0.23
10	Pritty Devi Sarawagi	18,072	0.15	18,072	0.15

### V. Shareholding of Directors and KMP:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>C.K.Bhartia, Chairman</b>				
	At the beginning of the year	400	0.0035		
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	-	-	400	0.0035

## SURAJ PRODUCTS LIMITED

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>2</b>	<b>Y.K.Dalmia, Managing Director</b>				
	At the beginning of the year	14,91,500	13.08	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	-	-	14,91,500	13.08
<b>3</b>	<b>Sunita Dalmia, Director</b>				
	At the beginning of the year	7,72,400	6.78	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	-	-	7,72,400	6.78
<b>4</b>	<b>M.K.Hati, CFO</b>				
	At the beginning of the year	500	0.004	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the End of the year	-	-	500	0.0044
<b>5</b>	<b>A.N.Khatua, Company Secretary</b>				
	At the beginning of the year	500	0.004	-	-
	Increase / Decrease in Share holding during the year	-	-	-	-
	At the end of the year	500	0.004	500	0.0044

### VI. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	31,01,53,078	27,07,96,037	-	58,09,49,115
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2,20,78,645	-	2,20,78,645
<b>Total (i+ii+iii)</b>	<b>31,01,53,078</b>	<b>29,28,74,682</b>	<b>-</b>	<b>60,30,27,760</b>
<b>Change in Indebtness during the financial year</b>				
· Addition	18,07,62,100	6,99,19,206	-	25,06,81,306
· Reduction	7,94,12,013	29,17,97,567	-	37,12,09,580
<b>Net Change Indebtness</b>	<b>10,13,50,087</b>	<b>(22,18,78,361)</b>	<b>-</b>	<b>(12,05,28,274)</b>
<b>At the end of the financial year</b>				
i Principal Amount	41,15,03,165	6,40,17,258	-	47,55,20,423
ii) Interest due but not paid	-	-	-	-
iii Interest accrued but not due	-	69,79,063	-	69,79,063
<b>Total (i+ii+iii)</b>	<b>41,15,03,165</b>	<b>7,09,96,321</b>	<b>-</b>	<b>48,24,99,486</b>

## SURAJ PRODUCTS LIMITED

### VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### A. Remuneration to Chairman, Whole-time Directors and/or Manager: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Chairman/WTD/ Manager		Total
		Y.K.Dalmia Managing Director	Gagan Goyal Executive Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	69,50,000 - -	9,40,000 48,040 -	78,90,000 48,040 -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>69,50,000</b>	<b>9,88,040</b>	<b>79,38,040</b>

#### B. Remuneration to other Directors: NIL

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN CHAIRMAN / MANAGER/WTD:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		A.N.Khatua Company Secretary	M.K.Hati Chief Financial Officer	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	8,00,500 48,040 -	10,00,000 48,040 -	78,90,000 96,080 -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Others, please specify	-	-	-
	<b>Total</b>	<b>8,48,540</b>	<b>10,48,040</b>	<b>18,96,580</b>

### VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the Financial year, Bombay Stock Exchange (BSE) has imposed penalty of Rs 2,12,400/- (including GST) on the Company for non-compliance of Regulation 23(9) of SEBI (LODR), Regulations, 2015 regarding non submission of Related party transaction disclosures. Subsequently the same was submitted at BSE Listing centre and requisite fine imposed had been paid by the Company. Subsequently BSE has waived the fine imposed pursuant to SEBI/ HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020.

## SURAJ PRODUCTS LIMITED

### REPORT ON CORPORATE GOVERNANCE 2020-21:

[As required under Schedule V of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

#### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company believes that ethical and fair behavior is an important in Business as in personal life and that all our policies and actions must be grounded in this- that we are a member of the communities we live and work in as individuals and as a Company and have responsibility to be fair, decent and avoid causing harm.

This will help the Company to achieve its goals of maximizing value to the shareholders and simultaneously fulfill its obligations to the other stakeholders such as customers, vendors, employees and to the society in general.

The Company recognizes that strong Corporate Governance is indispensable to resilient and vibrant capital markets and is therefore an important instrument of investor protection.

The Company continues to remain committed to a corporate culture of conscience and consciousness, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

#### 1. BOARD OF DIRECTORS:

Your Company's Board of Directors (Board) decides the policy and strategy for the Company and has the overall superintendence and control over the management of the Company. They also ensure that good Corporate Governance policies and practices are implemented in the Company. In the course of discharging their duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

##### A. Board Composition:

As on 31st of March, 2021, the Board of Directors of Suraj Products comprises of five Directors. The Board consists of the Chairman, who is a non-executive Independent Director, Managing Director who is Promoter & Executive Director, one Executive Director and two Non-Executive Directors, of which one is an Independent Director. Details of composition of Board of Directors are given below:

Sl.No.	Name of the Directors	Status	Category	Shareholding in the Company
1	Sri C.K.Bhartia	Chairman	Non Executive and Independent Director	400
2	Sri Y. K. Dalmia	Managing Director	Promoter and Executive Director	14,91,500
3	Smt. Sunita Dalmia	Director	Promoter and Non Executive Director	7,72,400
4	Smt. Neha Singhania	Director	Non Executive and Independent Director	NIL
5	Sri Gagan Goyal	Director	Executive Director	NIL

##### B. Board Meetings:

During the year 2020-21, the Board of the Company met four times on: 29/06/2020, 01/08/2020, 12/11/2020 and on 27/01/2021.

All the meetings were held in such manner that the gap between two consecutive meetings was not more than 120 days.

Name of the Directors	Attendance Particulars		Number of other Directorship and Committee Chairmanship / Membership		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Sri C. K. Bhartia	4	Yes	3	4	3
Sri Y. K. Dalmia	4	Yes	12	2	-
Smt. Sunita Dalmia	4	Yes	11	2	-
Smt. Neha Singhania	4	Yes	-	4	1
Sri Gagan Goyal	4	Yes	-	1	-

## SURAJ PRODUCTS LIMITED

### 2. FAMILIARIZATIONS PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Regulation 25(7) and 46 of the Listing Regulations the Company has conducted the Familiarization Programme for Independent Director and provided with necessary documents, report and internal policies to enable them to familiarize with the Company including the nature of the industry in which the Company operates, business model of the Company, roles, rights, responsibilities of IDs and any other relevant information. The details of familiarization programme conducted during the year is being hosted on the website of the company at [www.surajproducts.com](http://www.surajproducts.com)

### 3. INDEPENDENT DIRECTORS

All the Independent Directors of the Company furnished a declaration at the time of their appointment as well as at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence in terms of Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the requisite declarations were placed before the Board.

The Board confirms that in its opinion, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

None of the Independent Director of the Company have resigned before the expiry of his/her tenure during the period under review.

### 4. KEY SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:

The Board of directors of the Company comprises qualified member who bring in the required skills, expertise and competence to allow them to make effective contribution to the Board and its committees. The Board members are committed to ensuring that the Board is in well compliance with the highest standards of Corporate Governance.

In terms of SEBI Listing Regulations, 2015, the company identified the following list of core skills/expertise/competencies as is required in the context of company's business (es) and sector(s) for it to function effectively and those which are actually available with the Board:

Skills/Expertise/Competence	Details
Behavioral	Fulfilling a director's duties and responsibilities, putting the organization's interests before personal interests, acting ethically, active contributor, collaborative, performance oriented and professional.
Financial	Qualifications and/or experience in accounting and/or finance and the ability to analyze key financial statements, leadership of a financial firm or management of the finance functions of an expertise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes, or experience in actively supervising a principal financial officer, auditor or person performing similar functions.

## SURAJ PRODUCTS LIMITED

Skills/Expertise/Competence	Details
Diversity	Representations of gender, ethnic, geographic, cultural or other prospective that expands the Board's understanding of the needs and viewpoints of the company's customers, partners, employees, governments, and other stakeholders worldwide.
Industry	Experience in the financial services sector in which the company operates. Experience in driving business successfully around the world, with an understanding of diverse environments, economic conditions, cultures, and a broad perspective on global opportunities.
Technology	Significant backgrounds in technology, resulting in knowledge of how to anticipate technological trends, innovations and extend or create new business models.
Strategic Expertise	Ability to understand, critically access and review business strategies including acquisitions and other business combinations.
Board Service and Governance	Service on a public company board to develop insights and maintain board and management accountability, protects shareholder interests and observing appropriate governance practices.

Further in the table below, the specific areas of skills/ expertise/competencies of individual Board members have been highlighted.

Name of Directors	Skills/ Expertise/Competencies						
	Behavioral	Financial	Diversity	Industry	Technology	Strategic Expertise	Board Service and Governance
Sri C.K.Bhartia	✓	✓	✓	✓	✓	✓	✓
Sri Y.K.Dalmia	✓	✓	✓	✓	✓	✓	✓
Smt. Sunita Dalmia	✓	✓	✓	✓	✓	✓	✓
Smt. Neha Singhania	✓	✓	✓	✓	✓	✓	✓
Sri Gagan Goyal	✓	✓	✓	✓	✓	✓	✓

### 5. AUDIT COMMITTEE:

The Audit Committee consists of, Sri C.K.Bhartia, Smt. Neha Singhania and Sri Gagan Goyal. Sri C.K.Bhartia acts as Chairman of the Committee. During the period under review four Audit Committee meetings were held on 29/06/2020, 01/08/2020, 12/11/2020 and on 27/01/2021.

The composition of the Audit Committee and attendance of its meetings are given below:

Name of the Directors	No. of Audit Committee Meeting Attendance
Sri C.K.Bhartia (Independent Director)	4
Smt. Neha Singhania (Independent Director)	4
Sri Gagan Goyal (Executive Director)	4

## **SURAJ PRODUCTS LIMITED**

### **Term of reference of the Audit Committee:**

The Committee is entrusted with review of quarterly, half yearly and annual financial statements before submission to the Board. The scope of the audit committee, inter alia, includes review of the Company's financial reporting process, the financial statements; review the adequacy of the internal control systems. The Company Secretary acts as the Secretary of the Committee.

### **6. REMUNERATION AND NOMINATION COMMITTEE:**

A Committee of Directors comprising of, Smt. Neha Singhania, Sri C.K.Bhartia, and Smt. Sunita Dalmia has been formed as Compensation / Remuneration Committee for the purpose of recommending of the Executive Director, Senior Executives and Key Managerial Personnel's remuneration / revision / merit increment and related matters. No sitting fees are payable for the meeting of this Committee. Smt. Neha Singhania acts as Chairman of the Committee.

The purpose of the Remuneration committee of the Company shall be to discharge the Board's responsibilities relating to remuneration of the Company's Executive Directors and Key Managerial Personnel. The committee has overall responsibility for approving and evaluating and recommending plan, policies and programs relating to remuneration of Executive Directors and Key Managerial Personnel of the Company.

### **PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and based on SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/4 dated 5th January, 2017, the Board followed the formal mechanism for evaluating its annual performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process, whereby a structured questionnaire were prepared covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. Independent Directors' performance is evaluated based on their qualification, experience, knowledge and Quality of contribution to Board deliberations, ability to fulfill allotted functions / roles, attendance at meetings, Strategic perspectives or inputs regarding future growth/performance of the Company.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

The N&R Committee considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- ✓ Diversity of the Board.
- ✓ Demonstrable leadership skills;
- ✓ Commitment to high standards of ethics, personal integrity and probity;

## SURAJ PRODUCTS LIMITED

- ✓ Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- ✓ Having continuous professional development to refresh knowledge and skills.
- ✓ Degree holder in relevant disciplines;
- ✓ Experience of management in a diverse organization;
- ✓ Excellent interpersonal, communication and representational skills.

### 7. MANAGERIAL REMUNERATION:

The remuneration of Managing Director was fixed in the AGM held on 28.09.2018 and the remuneration of Executive Director was fixed in the AGM held on 28.09.2016.

#### (a) REMUNERATION TO DIRECTORS:

Following remuneration was paid to Directors during the Financial Year 2020-21:

Sri Y.K.Dalmia, Chairman	- ₹ 69,50,000 (63,50,000)
Sri Gagan Goyal, Executive Director	- ₹ 9,88,040 (9,28,040)

#### (b) REMUNERATION TO OTHER DIRECTORS:

Sitting fees of Rs. 50,000/- each paid to Non-Executive Directors for attending each meeting of Board of Directors of the Company.

Sl. no	Particulars of Remuneration	Name of Directors			Total Amount in ₹
1.	Non-Executive Directors	Sri C.K. Bhartia	Smt. Neha Singhania	Smt. Sunita Dalmia	-
	Fees for attending Board Meeting	2,00,000	1,50,000	2,00,000	5,50,000
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>Total (1)</b>	<b>2,00,000</b>	<b>1,50,000</b>	<b>2,00,000</b>	<b>5,50,000</b>
2.	Other Non-Executive Director				
	Fees for attending Board Meeting	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (1+2)</b>	<b>2,00,000</b>	<b>1,50,000</b>	<b>2,00,000</b>	<b>5,50,000</b>

### 8. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee consists of Sri C.K.Bhartia, Smt. Neha Singhania and Smt. Sunita Dalmia. Sri C.K.Bhartia acts as Chairman of the Committee. Sri A.N. Khatua, Company Secretary Serves as the Secretary of the Committee. The Committee to look into redressing of shareholders and investors grievances like transfer of shares, non receipt of Balance sheet, etc.



## **SURAJ PRODUCTS LIMITED**

During the financial year 2020-21 the Committee held four meetings as on 29/06/2020, 01/08/2020, 12/11/2020 and on 27/01/2021.

No complaints received by the Committee from investors during the year and all of have been resolved. There is no complaint outstanding at the end of the year.

Sri A.N.Khatua acts as Compliance Officer to this Committee under the Security Exchange Board of India (SEBI) Notification.

### **9. CSR COMMITTEE:**

The purpose of our Corporate Social Responsibility and Sustainability Committee is to formulate and recommend to the Board, a Corporate Social Responsibility policy, which shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure the Company should incur on Corporate Social Responsibility activities and to monitor from time to time the CSR activities and Policy of the Company. The Committee provides guidance in formulation of CSR strategy and its implementation and also reviews practices and principles to foster sustainable growth of the Company by creating values consistent with long-term preservation and enhancement of financial, manufacturing, natural, social, intellectual and human capital.

The CSR Committee consisting of Sri C.K.Bhartia, Sri Y.K.Dalmia and Smt. Neha Singhania. Sri C.K.Bhartia acts as the Chairman of the Committee. Sri A.N.Khatua acts as Secretary to the Committee. The role of the CSR Committee is to formulate the CSR policy, including the CSR activities and their budgets as well as recommendation to the Board of any subsequent change/modification to the CSR Policy. The CSR Policy is available on our website at <https://www.surajproducts.com>.

2 meetings of the Committee were held during the year ended March 31, 2021. The requisite quorum was present for all the meetings.

As the net profit of the Company in the immediate previous year does not exceed the threshold limit as per provisions of the Act and hence minimum investment limit in CSR activities is not applicable to the Company. In spite of that the Company continues to invest more than 2% of net profit in CSR activities, the details of peripheri expenses shown in the financial part of the Annual Report of the Company.

### **10. MD/ CFO CERTIFICATION:**

A certificate from the Managing Director & CFO on the Financial Statements of the Company was placed before the Board at its meeting held on 23.06.2021.

### **11. RISK ASSESSMENT & MINIMIZATION PROCEDURE:**

The risk assessment and its minimization procedures have been laid down by the Company and the same has been informed to board members. The procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

### **REMUNERATION POLICY FOR DIRECTORS:**

#### **• NON-EXECUTIVE DIRECTORS:**

The Company follows a policy on remuneration of Directors and Senior Management Employees. Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## SURAJ PRODUCTS LIMITED

The Nomination and Remuneration Committee have formulated the criteria for determining qualifications, positive attributes, and independence of a Director in line with the requirements as given under Schedule IV of the Companies Act, 2013. All the Independent Directors have been appointed based on such criteria.

Non-Executive Directors did not draw any remuneration from the Company. Sitting fees to Non-executive and Independent Directors is being paid for each meeting of the Board and Committees. None of our Non-Executive Directors has any pecuniary relationship or transaction with the Company, except to the extent of shareholding, if any in the Company.

The sitting fees paid to the Non-Executive Directors during the Financial Year 2020-21 are as under:

Name of Non-Executive Directors	Sitting fees (in ₹)	
	For Board Meeting	For Committee Meeting
Sri C.K.Bhartia	2,00,000	-
Smt. Sunita Dalmia	2,00,000	-
Smt. Neha Singhania	1,50,000	-
Total	5,50,000	-

### • EXECUTIVE DIRECTORS:

The Nomination and Remuneration Committee takes into account experience, qualification and prevailing industry practices before giving its recommendation to the Board. On recommendation of the Nomination and Remuneration Committee, the Board decides remuneration to be paid to Executive Director, subject to approval of shareholders in terms of provisions of the Companies Act, 2013, read with Schedule V thereof. The Committee aims towards rewarding, on the basis of performance and reviews on a periodical basis. No sitting fee is being paid to the Executive Director.

### Details of remuneration paid/payable to all the Directors during the financial year 2020-21

The Company has paid managerial remuneration by way of salary to its Managing Director and whole Time director and the same is within the limits specified under Schedule V of the Companies Act, 2013 and duly approved by the Board / shareholders of the Company.

### Criteria of making payment to Non-Executive directors

The Company is making payment of sitting fees only to Non-Executive directors for within the limits prescribed under Companies Act, 2013 for payment of sitting fees without approval of Central Government. Thus, requirement of obtaining approval of shareholders in general meeting shall not apply.

## 12. GENERAL BODY MEETING:

### a). ANNUAL GENERAL MEETING

Date	Venue	Time	No. of Special Resolution
28th Sept. 2018	Registered Office of the Company at Barpali	11:30 AM	--
30th Sept. 2019	Registered Office of the Company at Barpali	11:30 AM	--
21st Sept. 2020	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	12:30 PM	--

- b) During the year, no resolution was passed through postal ballot in accordance with Section 108 of the Companies Act, 2013.

## SURAJ PRODUCTS LIMITED

### 13. DISCLOSURES:

- a) **RELATED PARTY DISCLOSURE:** There are no materially significant related party transactions with its Promoters, the Directors or the Management and their Subsidiaries or relatives etc. which may have potential conflict with the interest of the Company at large.
- b) **NON-COMPLIANCE PENALTIES:** During the Financial year, Bombay Stock Exchange (BSE) has imposed penalty of Rs 2,12,400/- (including GST) on the Company for non-compliance of Regulation 23(9) of SEBI (LODR), Regulations, 2015 regarding non submission of Related party transactions disclosures. Subsequently the same was submitted at BSE Listing centre and requisite fine imposed had been paid by the Company. Subsequently BSE has waived the fine imposed pursuant to SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020.
- c) **CODE OF CONDUCT:** The Board formulated a code of conduct for the Board Members and the Senior Management of the Company. All Board Members and senior management personnel have affirmed their compliance with the code.
- d) During the financial year 2020-21, there is no audit qualification in the Company's Financial Statements.

### 14. MEANS OF COMMUNICATION:

- a) The quarterly and annual financial results are normally published in Business Standard (English and Hindi edition) and the Utkal Mail (Oriya daily) and also posted on the website of the Company ([www.surajproducts.com](http://www.surajproducts.com)).
- b) The financial results are displayed on the Company's Website viz: [www.surajproducts.com](http://www.surajproducts.com)
- c) The Management Discussion and Analysis Report is attached with Director's Report in this 30th Annual Report of the Company posted to the Share holders.

### 15. GENERAL INFORMATION FOR SHARE HOLDERS:

#### a. 30th Annual General Meeting:

Day	Date	Time	Venue
Thursday	30th September, 2021	12:30 PM	Regd. Office: Vill: Barpali, P. O.: Kesramal (Rajgangpur), Dist.: Sundargarh, Odisha.
Date of Book Closure		The Company's Register of members & share books will remain closed from 24th Sept. to 30th Sept. 2021	

- b) **Financial Calendar:** Approval of quarterly results: May, August, November and February. Annual General Meeting in September each Year.

#### c. Listing at Stock Exchange:

- (i) Bombay Stock Exchange Ltd. 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
- (ii) Calcutta Stock Exchange Ltd. 7, Lyons Range, Murgighata, Dalhousie, Kolkata, West Bengal 700001
- d. The respective listing fees for the above Stock Exchanges up to the year 2021-22 have been paid. Stock Code: 518075 at BSE and 13054 at CSE

#### e. Dematerialization of shares and liquidity:

The shares of the Company are dematerialized with Central Depository Services (India) Ltd and National Securities Depository Limited. The addresses of the Depositories are as under:

- |  |   |
|--|---|
| <b>1. National Securities Depository Limited</b><br>(ISIN -INE069E01019)<br>Trade world, 4th Floor,<br>Kamala Mills Compound<br>Lower parel, Mumbai - 400013 | <b>2. Central Depository Services (India) Limited</b><br>(ISIN - INE069E01019)<br>Phiroze Jeejeebhoy Towers,<br>28th Floor, Dalal Street, Senapati Bapat Marg,<br>Mumbai - 400023 |
|--|---|

## SURAJ PRODUCTS LIMITED

No. of Shares held in dematerialized and physical mode as on 31st March, 2021 is as under:

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in CDSL	94,92,431	83.27
Held in dematerialized form in NSDL	3,57,369	3.13
Physical	15,50,200	13.60
<b>TOTAL</b>	<b>1,14,00,000</b>	<b>100.00</b>

**f. Market price data: Monthly High/ Low price per share during 2020-21:**

Months	BSE Limited	
	High (Rs.)	Low (Rs.)
April, 2020	9.31	8.00
May, 2020	7.61	7.30
June, 2020	10.10	7.66
July, 2020	20.11	9.12
August, 2020	24.75	20.50
September, 2020	20.80	16.35
October, 2020	19.80	14.25
November, 2020	15.10	11.90
December, 2020	24.45	15.15
January, 2021	37.80	25.50
February, 2021	35.90	26.00
March, 2021	38.20	27.70

**g. Public Deposit:**

The Company has not accepted any deposit during the year under review.

**h. Registrar & Share Transfer Agent:**

M/s MCS Share Transfer Agent Limited,  
383, Lake Gardens, 1st Floor, Kolkata - 700045 Telephone: 033-40724052  
E-mail: mcssta@rediffmail.com, Contact Person: Mr. Partho Mukherjee

**i. CIN Number:** The CIN of the Company granted by Ministry of Corporate affairs is L26942OR1991PLC002865

**j. Share Transfer System:**

Share transfer system is entrusted to the Registrar and Share Transfer Agent. Transfer Committee is empowered to approve the share transfers. Transfer committee Meeting is held as and when required. The share transfers, issue of duplicate certificate etc are endorsed by Directors / Executives / Officers as may be authorised by the Transfer Committee. Grievances received from members and miscellaneous correspondences are processed by the Registrar within 15 days.

### 16. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2021:

**a. Details of shareholding as on 31st March, 2021**

Category	No. of Shares	% of Share Holding
Promoters Group	84,01,800	73.70
Private Corporate Bodies	1,57,093	1.38
Indian Public	28,41,107	24.92
<b>Total</b>	<b>1,14,00,000</b>	<b>100.00</b>

## SURAJ PRODUCTS LIMITED

### b. Distribution of shareholding as on 31st March, 2021:

Category	No. of Shares	No. of Shareholder	Percent Shares	Percent Holders
1 - 500	12,22,730	7961	10.7257	93.9906
501 - 1000	2,64,151	298	2.3171	3.5183
1001 - 5000	3,60,861	170	3.1654	2.0071
5001 - 10000	1,64,916	21	1.4466	.2479
10001 - 50000	2,80,036	10	2.4565	.1181
50001 - 100000	97,000	1	.8509	.0118
and Above	90,10,306	9	79.0378	.1063
<b>Total</b>	<b>11400000</b>	<b>8470</b>	<b>100.0000</b>	<b>100.0000</b>

### c. Shareholding pattern as on March 31, 2021:

Category	No of shareholders	Total Share	% of Equity
Promoter & Promoter Group	7	84,01,800	73.70
Resident Individuals	8406	28,41,107	24.92
Body Corporate	57	1,57,093	1.38
<b>Total</b>	<b>8470</b>	<b>114,00,000</b>	<b>100%</b>

#### 17. SECRETARIAL AUDIT:

As stipulated by Securities Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out in every half year and year ending and the report thereon is submitted to Stock Exchanges and is also placed before the Board of Directors.

#### 18. CORPORATE ETHICS:

The Company adheres to high standards of business ethics, compliance with various statutory and legal requirements and commitment to transparency in business dealing.

The Company Secretary of the Company is appointed as Compliance Officer and is responsible for adherence to the code.

#### 19. WEB- LINK FOR POLICY DETERMINING 'MATERIAL' SUBSIDIARIES:

The Policy for material subsidiary as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available at [www.surajproducts.com](http://www.surajproducts.com).

#### 20. COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON - MANDATORY REQUIREMENTS AND DISCRETIONARY REQUIREMENTS:

The Company has complied with the mandatory requirements as stipulated in SEBI LODR Regulations, 2015 with the Stock Exchanges. The Company has been regularly submitting the quarterly compliance report to the Stock Exchanges where the shares of the Company listed as required under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further the company has adopted various non mandatory requirements and discretionary requirements under Regulation 27 of SEBI Listing Regulations, 2015:

#### 21. POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

Pursuant to the requirements of Sexual Harassment of Women at Workplace (Prevention,

## SURAJ PRODUCTS LIMITED

Prohibition & Redressal) Act, 2013, your Company has a policy and framework for employees to report sexual harassment cases at workplace and our process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programmes against sexual harassment are conducted across the organization.

The details of complaint for the Financial Year 2020-21 under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are as under:

No. of complaints filed during the year	No. of Complaints disposed of during the year	No. of Complaints pending as on the end of the year
-	-	-

### 22. CERTIFICATION REGARDING NON-DISQUALIFICATION OR NON-DEBARMENT OF DIRECTORS:

The Company has obtained a certificate from M/s L.N.Panda & Associates certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the Company by Securities and Exchange Board of India (SEBI)/ Ministry of corporate Affairs (MCA) or any such Statutory Authority.

### 23. CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT PERSONNEL:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management Personnel and the said code is uploaded on the website of the company at [www.surajproducts.com](http://www.surajproducts.com). All the Board members and senior management personnel have confirmed compliance with the code. Affirmation regarding compliance of the Code of Conduct by the CEO of the Company has been published elsewhere in this Annual Report.

### 24. COMPLIANCE CERTIFICATE OF AUDITORS:

The Company has obtained a certificate from the Statutory Auditors confirming the compliance with the conditions of Corporate Governance.

### 25. PLANT - LOCATION:

Village - Barpali, Post - Kesramal (Rajgangpur)  
Dist - Sundargarh, Odisha, PIN - 770 017

### 26. ADDRESS FOR CORRESPONDENCE:

SURAJ PRODUCTS LIMITED  
Village- Barpali, Post - Kesramal (Rajgangpur)  
Dist - Sundargarh, Odisha. PIN - 770 017  
EPBxNo:-9437049074, E-mail: [suproduct@gmail.com](mailto:suproduct@gmail.com),  
Web Site: [www.surajproducts.com](http://www.surajproducts.com)

## **SURAJ PRODUCTS LIMITED**

### **Annexure to the Corporate Governance Report:**

#### **AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT(S)**

To

The members of  
SURAJ PRODUCTS LIMITED

We have reviewed the implementation of Corporate Governance procedures by M/s. Suraj Products Limited during the year ended 31st March, 2021 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our responsibility was limited to review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

As per Schedule of implementation stipulated in clause 49 of the Listing Agreements with Stock Exchanges, the Company is supposed to comply with all the conditions by March, 2021. During the year, initiated steps to set up various Committees and comply with the other requirements during the course of the year in stages.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Corporate Governance Clause of the listing agreements with Stock Exchanges have been substantially complied with by the Company and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

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

32A, C.R. Avenue, Trust House  
Kolkata - 700012  
Dated: the 23rd day of June, 2021  
UDIN- 21061505AAAAMZ8688

For B D S & Co.  
Chartered Accountants  
(Bharat D Sarawgee)  
Membership No. 061505

## SURAJ PRODUCTS LIMITED

### CERTIFICATE OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER ON CORPORATE GOVERNANCE:

The Board of Directors  
Suraj Products Limited

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2021 which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such 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 to the Auditors and the Audit Committee:
- (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant frauds 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.

Place: Barpali	Y.K.Dalmia Managing Director (DIN-00605908)	M.K.Hati Chief Financial Officer
Date: the 23rd day of June, 2021		

### MANAGEMENT DISCUSSION & ANALYSIS REPORT:

#### I. OVERVIEW:

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the financial year 2020-21. The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) complying with the requirements of Companies Act 2013(Act) and regulations issued by the Securities and Exchange Board of India (SEBI), each as amended from time to time.

#### II. EXTERNAL ENVIRONMENT:

##### 1. Macroeconomic condition:

Global GDP contracted by 3.5% in 2020 as Governments in both developed and emerging economies took measures to contain the spread of the Covid-19 virus. While the decline was sharper than the global financial crisis in 2009 but the scale of the fiscal response to the Covid-



## **SURAJ PRODUCTS LIMITED**

19 crisis was unprecedented and three times bigger than 2008-09 financial crisis. The response by policy makers prevented a collapse that would have been at least three times worse and the medium-term losses for the global economy are expected to be smaller than the global financial crisis.

While China is forecasted to continue its rapid growth in 2021, Latin America and Euro zone is expected to lag behind. US saw overall GDP decline of 3.5%. India's economy rebounded quickly from one of the world's longest and most stringent lockdowns, which also came with steepest fall in GDP in Q2. Real GDP grew by 0.4% in Q3 FY2021 after a contraction in the previous two quarters. Real GDP is estimated to have contracted by 8% in FY 2020-21.

### **2. Economic outlook:**

The accelerating rollout of Covid-19 vaccines in many advanced economies has set the stage for rapid recovery in the second half of this year and into 2022. Advanced economies will remain less affected by the virus this year and beyond, with low-income countries and emerging markets suffering more which is a contrast to 2009. While the global economy is expected to recover to its pre-pandemic level of output in 2022, the emerging-market and developing economies are expected to take until 2023 to recover to the pre-pandemic level.

### **3. Indian Economy:**

India witnessed a gradual resumption of economic activity from Q2 FY2021. The initial recovery was driven by government spending on infrastructure, exports and rural economy. The recovery gained momentum since August 2020 with pickup in consumption demand driven by festive buying and return of urban consumption. However the growth projections for FY 2021-22 have been revised to be below 11% due to acute resurgence of the virus in the country, as many cities and states went into lockdown. While the growth will depend upon the trajectory of the pandemic, the overall impact on the economy is expected to be less severe than last year.

India is expected to witness a full economy recovery in H2 FY 2022 driven by ongoing vaccination supporting the current recovery momentum and restart of investment cycle with significant spending on infrastructure. However normal growth levels would be seen in FY 2022-23 only, provided no further economic disruption occurs and success of the ongoing vaccination drive.

## **III. STEEL INDUSTRY:**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

#### **1. Global steel industry:**

Disruption on both demand and supply resulted in global steel demand in 2020 to fall by 0.2% against a growth of 3.75% in 2019. The total demand in 2020 was 1,772 MnT against 1,775 MnT in 2019. The impact of COVID-19 has been much more benign for the steel industry due to resurgent demand in China and better than expected post lockdown recovery globally in second half of 2020. China and Turkey were two key countries that saw an increase in finished steel demand of 9% and 13% respectively in 2020. North America and European Union have experienced strong decline in steel demand owing to the COVID-19 pandemic. India also contributed to global decline, as steel consumption in India declined by 13.7% to 88.5 MnT in 2020 against 102.6 MnT in 2019.

**2. Outlook for steel industry:**

Steel demand is expected to be strong due to recovery in manufacturing business around the world and global fiscal stimulus supporting infrastructure projects. The outlook for 2021 is expected to be positive because of unprecedented fiscal stimulus provided by Governments across Europe, US, Japan, Korea, Russia and China. These stimulus packages are expected to spur growth in these Nation's respective infrastructure sectors, boosting steel demand.

While it is expected that steel prices will consolidate closer to historical levels, prices are likely to remain high supported by strong iron ore prices, rebound in cooking coal prices, positive impact from stimulus plans, improved business confidence from the roll-out of vaccines, strong rebound of demand in 2021.

**3. Indian Steel Industry:**

India's steel industry has also suffered the production loss due to lockdown last year and recovered gradually since then, initially driven by export followed by gradual recovery in domestic demand. Strong rebound in manufacturing and infrastructure development activity has led to a sharp rise in both production and consumption of steel in India. In 2021,

India's steel demand is expected to grow by 20% over 2020, taking the demand higher than the pre-pandemic level of 103 MnT, driven by strong infrastructure spending and sustained demand of automotive and consumer durables.

**UPLIFTING RURAL DEMAND:**

The Indian Government is endeavoring to create world class infrastructure in the Country. It is planning to invest Rs. 25 trillion in infrastructure over next three years; Rs. 8 trillion will be used to develop 27 industrial clusters, while Rs. 5 trillion will be used for building roads, railways and port connectivity.

**CHANGING RURAL DEMAND:**

Indian's rural sector is slowly undergoing a transformation. Consumption patterns of people are slowly changing, facilitated by improved networking. People in villages are seeking information proactively from multiple sources, which also include social media.

**INDUSTRY STRUCTURE & DEVELOPMENT:**

Sponge iron & pig iron are intermediate products as source of metalics for electric steel making. Other source of metalics is steel scrap. The Sponge iron industry in India is divided into two types, those who are integrated with steel making and those in merchant sector. Suraj Products Limited is slowly graduating from a merchant plant to a steel producer.

In the Modern Economy Steel is a vital component to the development. The strength of steel industry shows the growth & development of all major industrial economies. Consumption of steel is a significant indicator of socio-economic development of the people of the country. Since incubation period for setting up integrated steel plants is large, the growth in demand of steel during the year was met generally by secondary steel sector or through import of steel. One of the sources of metallic's for secondary steel making sector is sponge iron and pig iron. Sponge iron industry, therefore, witnessed continued development for its product during the year. The trend is likely to continue in future. With the anticipated increase in rural spending and infrastructure, the steel demand is likely to be good.

## **SURAJ PRODUCTS LIMITED**

### **OPPORTUNITIES, THREATS & FUTURE OUTLOOK:**

#### **a) OPPORTUNITIES:**

The sponge iron sector is linked to the Nation's steel sector in such a way that a rise in demand for steel would increase the demand for sponge iron. The various sectors that are expected to contribute to the growing demand are infrastructure, roads, railways, bridges, airports, industrial plants, buildings, automobiles etc.

The renewed importance given by Government on affordable housing, roads, sagarmala projects and other infrastructure projects are expected to create steel demand, this will augur well for steel industry. As per the National Steel Policy crafted during FY 2017-18, the crude steel production target for India was set at 300 MnT by 2030.

#### **b) THREATS:**

Most of the steel producing industries are expected to witness a decline in crude steel output due to production cuts amidst ongoing lockdowns in various States. The COVID-19 pandemic has severely affected economies and industries globally, including steel industry.

The cost of iron ore and coal constitute more than 80% of cost of production. Therefore the profitability of the Company depends on market price of these raw materials. The only way to reduce the cost of iron ore and coal is to have captive mines for these raw materials, which the company does not have. The emergence of large players may pose threat due to their economies of scale.

#### **c) OUTLOOK:**

The basic aim of the Company is able to produce steel as per market requirements and able to manage market trend to its advantage. Opportunities abound in growing economies and opening of economy in India has created opportunities for Indian enterprise to move beyond national boundaries as well as to create productive assets.

Since infrastructure has linkages to other industries like cement, brick and steel through backward and forward linkages. The outlook for the industry looks reasonable, since India has good iron ore deposits, skilled manpower and growing demand for steel. The improved demand is expected to continue in the fiscal as well as on the back of ongoing Government funded infrastructure projects. In spite of a downturn in the Global steel demand, Indian steel demand could survive showing an upward trend, setting a road ahead for the growth of the domestic industry in the long run. The upward trend is expected to be continued on account of fiscal measures taken by the Government such as infusion of funds for development of infrastructure sector, introduction of stimulus packages for revival of industry besides factors like increase in consumption and production of steel, upcoming infrastructure and Greenfield projects, stabilization of prices etc.

### **RISK AND CONCERN:**

The key risks are global steel demand scenario, domestic steel demand, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials such as iron ore, coal and labour etc., coupled with market fluctuations. The Company does not apprehend any inherent risk in long run, with exception of certain primary concerns that have affected the progress of our industry in general like:

- a. Shortage of Labour
- b. Rising manpower and material costs
- c. Approvals and procedural difficulties
- d. Lack of adequate sources of finance.

Apart from this the industry is highly labour intensive and is subject to stringent Labour Laws.

## **SURAJ PRODUCTS LIMITED**

### **SEGMENT- WISE/ PRODUCT- WISE PERFORMANCE:**

In accordance with the Accounting Standard 17 issued by the Companies (Accounting Standards), Rules, 2006 including any further amendments thereof, the Company has a single business segment having four products namely Sponge iron, Pig Iron and MS Ingot/Billets & TMT Bar.

### **COMPANY'S PERFORMANCE:**

Gross Turnover : ₹ 217,91,04,413  
Profit before Taxation : ₹ 14,50,99,075  
Profit after Taxation : ₹ 9,16,74,118

### **INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:**

The company has adequate and effective internal control system commensurate with its size and nature of business to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly, applicable statutes, the Suraj Products Limited code of conduct and Corporate policies are duly complied with Internal audit and other control are reviewed periodically by Audit Committee.

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

Company possesses good quality of human resources. The Board wishes to place on record its appreciation for the sustained efforts and devoted contribution made by all the employees for its success. The Human Resources Department of the Company focuses on improving the work culture, employee engagement, effectiveness and efficiency. Various employee engagement interventions carried out in the year has resulted in better performance. On the safety front, the Company is focused on ensuring the safety of all employees. No Loss Time injury was reported during the year. The Company has maintained healthy and cordial industrial relations during the year.

### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, no case of sexual harassment was reported.

### **SAFETY MEASURES:**

Suraj Products Limited has taken various initiatives during the year in order to safeguard the health of the workers. Unsafe conditions in the plant are regularly inspected by the safety committee and deficiencies are attended immediately.

### **SAFETY TRAINING:**

Training of various Safety Standards is imparted to all employees.

### **HEALTH CHECK- UP:**

About 15 Medical Camps with qualified and experienced medical practitioners were conducted in nearby villages and about 1250 patients availed the service.

### **CAUTIONARY STATEMENT:**

The Management Discussion and Analysis Report may contain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statement as important factors could influence the Company's operations such as Government Policies, political and economic developments and such other factors are risk inherent to the Company's growth.

## **SURAJ PRODUCTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**SURAJ PRODUCTS LIMITED**  
**Reports on the Financial Statements**

#### **Opinion**

We have audited the accompanying IndAS Financial Statements of "**M/S. SURAJ PRODUCTS LIMITED**" (the "Company"), which comprise of the Balance Sheet as at 31st March, 2021, the related Statement of Profit and Loss(including Other Comprehensive Income), and the Cash Flow Statement for the year ended and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Sl. No.</b>	<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<b>1</b>	<b><i>Evaluation of uncertain tax positions</i></b>	<b><i>Principal Audit Procedures</i></b>
	The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes	Our procedure included, amongst others, assessing the appropriateness of management's assumptions and estimates in relation to uncertain tax positions, challenging those assumptions and considering advice received by management from external parties to support their position. We have involved our tax specialists to consider management's assessment of the tax positions and related provision/liability accruals when necessary. We concur with management estimates and the outcome of their procedures to determine the relevant provision/ liability.

## **SURAJ PRODUCTS LIMITED**

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

### **Responsibilities of Management and those charged with governance for the Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Ind AS Financial Statement**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks,

## **SURAJ PRODUCTS LIMITED**

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Ind AS 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 the Companies (Auditor's Report) Order, 2016("The Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 we give in the AnnexureA, a statement on the matters specified in Paragraphs 3 and 4 of the Order.

## **SURAJ PRODUCTS LIMITED**

2. As required by Section 143(3) of the Companies Act, 2013 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 appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of written representations received from the directors, as on 31st March, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act
- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and information and according to the explanation given to us:-
  - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements - Refer Note 33 to the Ind AS Financial Statements;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For B D S & Co.  
(Formerly Bharat D Sarawgee & Co.)  
Chartered Accountants  
Firm Registration No. 326264E

(Bharat D Sarawgee)  
Partner  
Membership No.: 061505

Place: Barpali  
Date: 23rd day of June, 2021  
UDIN- UDIN- 21061505AAAAMZ8688



**Annexure - A to the Auditors' Report**

**ADDITIONAL INFORMATION ANNEXED TO THE INDEPENDENT AUDITORS' REPORT**

**As required by the Companies (Auditor's Report) Order, 2016, issued by the Company Law Board in terms of section 143(11) of the Companies Act, 2013, and on the basis of such checks as we considered appropriate and as per the information and explanations given to us during the course of audit, we further state that:**

- (i) In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to information and explanation given to us the stocks have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, according to the information and explanation given to us:
  - a) The company has not granted any secured/ unsecured loans & advances to companies, firms, Limited Liability Partnerships & other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and as per the information & explanations given to us, the Company has not given any loans during the year and hence, the provisions of Section 185 and 186 of the Act are not applicable to the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Hence the directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.
- (vi) In our opinion and based on the information and explanation given to us, the Central Government of India has not prescribed the maintenance of cost records under u/s 148 (1) of the Companies Act for any of the products of the company.
- (vii) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee state insurance, income tax, sales tax, service tax, excise duty, cess and other material statutory dues applicable to it.
  - a) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, provident fund, employee state insurance, sales tax, excise duty

## SURAJ PRODUCTS LIMITED

and other material statutory dues were in arrears, as at 31st March, 2021 for a period of more than six months from the date they became payable.

- b) According to information and explanation given to us, there are no disputed dues of Sales Taxes, Entry Tax & Income Tax which has not been deposited. The particulars of dues of Income Tax which has not yet been deposited on account of dispute are as follows:

Name of Statute	Nature of Dues	Amount in ₹	Period to which the amount relates to	Forum where the dispute is pending
The Orissa Sales Tax Act 1947	Dispute regarding ITC	3,68,720	2005-2006 to 2007-2008	Sales Tax Tribunal, Odisha, Cuttack
The Orissa Sales Tax Act 1947	Dispute regarding ITC	5,39,432	01.10.2008 to 31.03.2012	Sales Tax Tribunal, Odisha, Cuttack
The Orissa Entry Tax Rules, 1999	Entry Tax on Inter-State Purchases	9,70,000	2002-2003 to 2003-2004	Dy. Commissioner (Appeals) Sundargarh Range, Rourkela
The Orissa Entry Tax Rules, 1999	Entry Tax on Inter-State Purchases	2,10,378	01.10.2008 to 31.03.2012	Sales Tax Tribunal, Odisha, Cuttack
The Orissa Entry Tax Rules, 1999	Entry Tax on Inter-State Purchases	10,64,589	01.04.2013 to 31.03.2015	Additional. Commissioner Sales Tax (Appeals), Rourkela
Central Sales Tax, 1956	Non- submission of C- Form Declaration	3,11,693	2004 to 2005	Additional. Commissioner Sales Tax (Appeals), Rourkela
Central Sales Tax, 1956	Non- submission of C- Form Declaration	1,78,849	2008 to 2012	Sales Tax Tribunal, Odisha, Cuttack
Income Tax Act, 1961	Reopening Proceedings U/s 147	17,01,300	2011 to 2012	Commissioner of Income Tax (Appeals)

- (viii) Based on our audit procedures and on the according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and bank. The company does not have any borrowings by way of debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, we report that no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanation given to us and based on the examination of records of the company, managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act.
- (xii) In our opinion and according to the information and explanation given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

## **SURAJ PRODUCTS LIMITED**

- (xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 & 188 of the Companies Act and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the company has not made private placement or preferential allotment of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For B D S & Co.  
(Formerly Bharat D Sarawgee & Co.)  
Chartered Accountants  
Firm Registration No. 326264E

(Bharat D Sarawgee)  
Partner  
Membership No.: 061505

Place : Barpali  
Date : 23rd day of June, 2021.

### **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of M/s. Suraj Products Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those

## **SURAJ PRODUCTS LIMITED**

Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B D S & Co.  
(Formerly Bharat D Sarawgee & Co.)  
Chartered Accountants  
Firm Registration No. 326264E

Place: Barpali  
Date : 23rd day of June, 2021.  
UDIN- UDIN- 21061505AAAAMZ8688

(Bharat D Sarawgee)  
Partner  
Membership No.: 061505

# SURAJ PRODUCTS LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
<b>I. ASSETS</b>			
<b>Non- Current Assets</b>			
a) Property, Plant & Equipment	3	692,422,095	762,873,432
b) Right-of-Use Assets	4	59,068,607	59,780,426
c) Deferred Tax Assets (Net)	5	8,468,529	35,664,871
d) Other Non-Current Assets	6	34,439,106	32,161,650
<b>Current Assets</b>			
a) Inventories	7	328,527,837	472,514,310
b) Financial Assets			
i) Trade Receivables	8	74,523,244	61,586,393
ii) Cash & Cash Equivalents	9	33,850,663	2,895,350
iii) Other Bank Balances	10	14,457,723	14,128,550
c) Current tax assets (net)	11	-	1,338,384
d) Other Current Assets	12	49,475,079	49,978,882
<b>TOTAL</b>		<b>1,295,232,883</b>	<b>1,492,922,248</b>
<b>II. EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	13	114,000,000	114,000,000
b) Other Equity	14	434,326,582	341,262,560
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	15	383,936,293	554,826,406
ii) Other Non Current Liabilities	16	5,534,531	6,737,188
iii) Lease Liability	4	5,132,633	5,132,945
<b>Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	17	164,821,234	254,340,323
ii) Trade Payables			
a) total outstanding dues of micro enterprises and small enterprises; and	18	864,008	505,956
b) total outstanding dues of creditors other than micro enterprises and small enterprises		39,390,368	130,558,548
iii) Other Financial Liabilities	19	99,956,072	50,102,841
b) Current Tax Liabilities (Net)	11	9,739,849	-
c) Other current liabilities	20	34,450,459	32,888,233
d) Lease Liability	4	3,080,854	2,567,248
<b>TOTAL</b>		<b>1,295,232,883</b>	<b>1,492,922,248</b>

Significant Accounting Policies

2

The accompanying notes are an integral part of these financial statements.

### As per our report attached of even date

FOR B D S & Co.  
(Formerly Bharat D Sarawgee & Co.)  
Chartered Accountants  
Firm Registration No. 326264E

(Bharat D Sarawgee)  
Partner  
Membership No. 061505  
Place : Barpali  
Date : 23rd Day of June, 2021

### For and on behalf of Board of Directors

C. K Bhartia	Y. K. Dalmia
Chairman	Managing Director
DIN-00192694	DIN-00605908

G. Goyal	S. Dalmia
Executive Director	Director
DIN-06678938	DIN-00605973

M. K. Hati	A. N. Khatua
Chief Financial Officer	Company Secretary

## SURAJ PRODUCTS LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2021

Particulars	Note No	For Year ended March 31, 2021 (₹)	For Year ended March 31, 2020 (₹)
<b>Revenue</b>			
I Revenue From Operations	21	2,176,988,129	1,179,924,635
II Other Income	22	2,116,284	2,536,534
III <b>Total Revenue (I+II)</b>		<b>2,179,104,413</b>	<b>1,182,461,169</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	1,372,375,848	864,733,017
Change in Inventories of Finished Goods	24	64,994,487	(82,797,230)
Manufacturing & Operating Costs	25	306,787,790	153,553,597
Employee Benefits Expense	26	95,843,122	57,261,297
Finance Costs	27	70,642,171	62,664,447
Depreciation and Amortisation Expenses	28	94,349,044	67,400,829
Other Expenses	29	29,012,876	21,474,063
<b>Total Expenses</b>		<b>2,034,005,338</b>	<b>1,144,290,020</b>
V <b>Profit Before Tax</b>		145,099,075	38,171,149
VI <b>Less: Tax Expenses</b>			
(a) Current Tax		26,387,160	6,371,528
(b) Deferred Tax		26,660,638	(22,393,415)
(c) Income tax earlier year		377,159	148,023
VII <b>Profit for the year</b>		<b>91,674,118</b>	<b>54,045,013</b>
VIII Other Comprehensive Income			
Items that will not be reclassified to statement of profit and loss			
(a) Remeasurement of defined employee benefit plans		1,925,608	-
(b) Income tax relating to items that will not be reclassified to profit or loss		(535,704)	-
<b>Other Comprehensive Income (net of tax)</b>		<b>1,389,904</b>	<b>-</b>
IX Total Comprehensive Income for the year		<b>93,064,022</b>	<b>54,045,013</b>
X Earnings per share (of ₹ 10/-each)			
(a) Basic		8.04	4.74
(b) Diluted		8.04	4.74

Significant Accounting Policies

2

The accompanying notes are an integral part of these financial statements.

#### As per our report attached of even date

FOR B D S & Co.  
(Formerly Bharat D Sarawgee & Co.)  
Chartered Accountants  
Firm Registration No. 326264E

(Bharat D Sarawgee)  
Partner

Membership No. 061505

Place : Barpali

Date : 23rd Day of June, 2021

#### For and on behalf of Board of Directors

C. K Bhartia	Y. K. Dalmia
Chairman	Managing Director
DIN-00192694	DIN-00605908

G. Goyal	S. Dalmia
Executive Director	Director
DIN-06678938	DIN-00605973

M. K. Hati	A. N. Khatua
Chief Financial Officer	Company Secretary

## SURAJ PRODUCTS LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2021

Particulars	Equity Share Capital	Securities Premium Reserve	Retained Earnings	Total
Balance as of April 1, 2020	114,000,000	54,700,000	286,562,560	455,262,560
Changes in equity for the year ended March 31, 2021	-	-	-	-
Profit for the year	-	-	91,674,118	91,674,118
Other comprehensive income			1,389,904	1,389,904
<b>Balance as of March 31, 2021</b>	<b>114,000,000</b>	<b>54,700,000</b>	<b>379,626,582</b>	<b>548,326,582</b>

### STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2020

Particulars	Equity Share Capital	Securities Premium Reserve	Retained Earnings	Total
Balance as of April 1, 2019	114,000,000	54,700,000	232,517,547	401,217,547
Changes in equity for the year ended March 31, 2020	-	-	-	-
Profit for the year	-	-	54,045,013	54,045,013
Other comprehensive income			-	-
<b>Balance as of March 31, 2020</b>	<b>114,000,000</b>	<b>54,700,000</b>	<b>286,562,560</b>	<b>455,262,560</b>

The accompanying notes are an integral part of these financial statements.

**As per our report attached of even date**

FOR B D S & Co.  
(Formerly Bharat D Sarawgee & Co.)  
Chartered Accountants  
Firm Registration No. 326264E

(Bharat D Sarawgee)  
Partner  
Membership No. 061505  
Place : Barpali  
Date : 23rd Day of June, 2021

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

C. K Bhartia  
Chairman  
DIN-00192694

G. Goyal  
Executive Director  
DIN-06678938

M. K. Hati  
Chief Financial Officer

Y. K. Dalmia  
Managing Director  
DIN-00605908

S. Dalmia  
Director  
DIN-00605973

A. N. Khatua  
Company Secretary

# SURAJ PRODUCTS LIMITED

## **CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2021**

	Year Ended March 31, 2021	Year Ended March 31, 2020
	(₹)	(₹)
<b>A Cash Flow from Operating Activities</b>		
Net Profit before Tax and extra ordinary items	145,099,075	38,171,149
<b>Add/(Deduct)</b>		
Depreciation and amortisation	94,349,044	67,400,829
Profit on Sale of Fixed Assets	(328,200)	(782,700)
Finance Cost	70,642,171	62,664,447
<b>Operating Cash Profit before Working Capital</b>	309,762,090	167,453,725
<b>Add/Deduct</b>		
Increase/(Decrease) in Trade Payable	(90,810,128)	94,978,440
(Increase)/Decrease in Trade & Other receivable	(12,433,050)	(50,585,773)
(Increase)/Decrease in Inventories	143,986,473	(213,518,998)
Increase/(Decrease) in Other Current & Non Current Liabilities	872,863	8,237,387
(Increase)/Decrease in Advances	(351,847)	115,701
<b>Cash flow from Operation</b>	351,026,402	6,680,482
Direct Tax (net of refund)	(15,686,086)	(9,240,913)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	335,340,316	(2,560,431)
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment	(23,197,488)	(165,214,006)
Sale of Fixed Assets	339,800	1,600,100
<b>Net Cash Outflow from Investing Activities</b>	(22,857,688)	(163,613,906)
<b>C Cash Flow from Financing Activities</b>		
(Repayment)/Proceeds from Long -Term Borrowing(Net)	(120,528,274)	147,529,138
Proceeds from Short -Term Borrowing (Net)	(89,519,089)	79,438,381
Unpaid Dividend transferred to Statutory Fund	(508,608)	(843,719)
Financial Cost	(70,642,171)	(62,664,447)
<b>Net Cash Flow from Financing Activities</b>	(281,198,142)	163,459,353
<b>Net Cash Flow during the Year(A+B+C)</b>	31,284,486	(2,714,984)
Cash and Cash Equivalent (Opening Balance)	17,023,900	19,738,884
Cash and Cash Equivalent (Closing Balance)	48,308,386	17,023,900
	31,284,486	(2,714,984)
<b>Cash and its Components</b>		
Cash on hand	1,730,208	1,864,597
Bank Balances	32,120,455	1,030,753
Cash & Bank balances as per Note 8	33,850,663	2,895,350
Add: Other Bank Balances as per Note 9	14,457,723	14,128,550
	48,308,386	17,023,900

Note:

Other Bank Balances include dividend of ₹ 1,392,879/- (Previous Year ₹ 1,901,487/-) which is not available for use by the company as they represent corresponding unpaid dividend liability.

1. Cash Flow Statement has been prepared following the indirect method as set out in Ind AS -7 specified under Section 133 of the Companies Act, 2013 except in case of interest paid / received, purchase and sale of Investments which have been considered on the basis of actual movements of cash with necessary adjustments in the corresponding assets and liabilities.

2. Cash and Cash Equivalents represent Cash & Bank balances.

Significant Accounting Policies

2

The accompanying notes are an integral part of these financial statements.

### **As per our report attached of even date**

FOR BDS & Co.  
(Formerly Bharat D Sarawgee & Co.)  
Chartered Accountants  
Firm Registration No. 326264E

(Bharat D Sarawgee)  
Partner  
Membership No. 061505  
Place : Barpali  
Date : 23rd Day of June, 2021

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

C. K Bhartia  
Chairman  
DIN-00192694

G. Goyal  
Executive Director  
DIN-06678938

M. K. Hati  
Chief Financial Officer

Y. K. Dalmia  
Managing Director  
DIN-00605908

S. Dalmia  
Director  
DIN-00605973

A. N. Khatua  
Company Secretary



## **SURAJ PRODUCTS LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

#### **1. CORPORATE INFORMATION**

Suraj Products Limited ('SPL' or 'the company') is a public limited company incorporated in India with its registered office at Vill: Barpali, PO; Kesarmal, Rajgangpur, Dist: Sundargarh, Odisha is engaged in production of Sponge Iron by direct reduction of Iron Ore, Pig Iron, Ingots/Billet, TMT Bars & Generation of Power. Company share are listed & traded in Bombay stock Exchange and Calcutta Stock Exchange.

#### **2. BASIS OF PREPARATION & PRESENTATION**

##### **A. Statement of Compliance with Ind AS:**

The Financial Statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 & the provisions of the Act (to the extent notified) and guidelines issued by Securities Exchange Board of India (SEBI).

The Financial statements for the year ended 31st March, 2021 were approved by the Board of Directors and authorized for issue on 23rd day of June, 2021.

##### **B. Historical Cost Convention:**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans - plan assets measured at fair value;

##### **C. Use of Estimates & Judgments:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ.

Key sources of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets & liabilities within the next financial year, are in respect of useful life of property, plant & equipment, valuation of deferred tax liabilities, provisions and contingent liabilities. The accounting policies followed by the company for the same have been disclosed in subsequent notes.

##### **D. Revenue Recognition:**

Sales are recognized on the basis of the fair value of the consideration, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Expenses are accounted for on accrual basis and provision is made for all expenses.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the asset to that asset's net carrying amount on initial recognition.

##### **E. Leases:**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration.

**Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold Land 90 years

**Lease Liabilities**

The Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

**F. Property, Plant & Equipment & Depreciation:**

Property, Plant & Equipment is stated at cost net of recoverable taxes less accumulated depreciation and cumulative impairment loss, if any. All costs, including financing costs till commencement of commercial production are capitalized.

- a) Depreciation has been provided on pro-rata basis on assets acquired after 01.04.2002 on a Written down Value Method and on assets acquired prior to 01.04.2002 on a straight Line Basis Method. Freehold land is not depreciated
- b) Effective from 1st April, 2014, the Company depreciates its Property, plant & equipment over the useful life in the manner prescribed in Schedule II of the Act.
- c) Depreciation, useful lives and residual values are reviewed periodically, at each financial year end.
- d) No depreciation is charged on the assets disposed off / discarded during the year.

**G. Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation and cumulative impairment loss, if any. All costs, including financing costs till commencement of commercial production are capitalized.

**H. Inventories:**

Inventories are valued at Cost or Net Realisable Value whichever is lower.

## **SURAJ PRODUCTS LIMITED**

- a) In case of Raw Material, Stores and spares, consumables, the cost includes duties and taxes(net of GST wherever applicable) and is arrived on weighted average cost basis.
- b) Cost of Finished goods includes the cost of raw material, cost of conversion and other manufacturing costs incurred in bringing the inventories to their present location and condition.

### **I. Employees Benefits:**

#### **Short Term Obligation**

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

In view of Revised AS-15 earned leave which cannot be carried forward to future periods are "short term" benefit only if the employees are entitled to either encash or utilize the benefits during the period of twelve months following the end of the accounting period (when they became entitled to the leave). In other cases the benefit is required to be treated as "long term". According to the policy of the company, no leave can be carried forward beyond the end of the financial year. Accordingly all leave granted has been accounted for in the current financial year.

#### **Post Employment obligation**

The company operates the following post employments scheme:

- (i) Defined benefit plans such as gratuity, and
- (ii) Defined contribution plan such as provident fund, etc.

#### **Defined Benefit Plans**

The liabilities or assets recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefits obligation is calculated annually by actuaries using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### **Defined Contribution plan**

The Company makes defined contribution to Employees Provident Fund Organisation (EPFO), Pension Fund, and Employees State Insurance (ESI), which are accounted on accrual basis as expenses in the statement of Profit and Loss in the period during which the related services are rendered by employees.

**J. Accounting For Taxation:****Current Tax:**

Provision for current taxation is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961.

**Deferred Tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**K. Borrowing Cost:**

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets.

**L. Impairment of Assets:**

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the Statement of Profit and Loss.

**M. Earnings Per Share:**

Basic Earnings per Share is calculated by dividing the net profit or loss after tax for the year attributable to the shareholders by the weighted average number of equity shares outstanding during the year. For purpose of calculating diluted earnings per share, the net profit or loss for the year and weighted number of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares.

## **SURAJ PRODUCTS LIMITED**

### **N. Provisions and Contingent Liabilities:**

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, for which it is probable that a cash outflow will be required and a reliable estimate can be made of the amount of obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent Liabilities are disclosed when the company has a possible obligation or a present obligation and it is probable that a cash outflow will not be required to settle the obligation.

### **O. Cash Flow Statement**

Cash flows are reported using the indirect method, 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. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **P. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are measured at fair value except when amortised cost approach is used. Transaction costs that is directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition): the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition): the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised in profit or loss for FVTOCI debt instruments. All other financial assets are subsequently measured at fair value.

#### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument

## **SURAJ PRODUCTS LIMITED**

and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### **Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

### **Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by Company are classified as either financial liabilities or as' equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

#### **Financial liabilities**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' Line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

**NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**3: PROPERTY, PLANT & EQUIPMENT**

Gross Block	Land (Freehold)	Factory Building	Plant & Equipment	Pollution Control	Electric Installation Equipment	Motor Vehicles	Furniture & Fixtures	Others	Power Plant	Total
Balance as at 1st April, 2019	5,689,101	86,514,333	178,221,602	85,717,534	71,692,172	25,986,903	2,200,944	133,357,369	325,375,993	977,183,268
Additions during the year	-	16,358,027	133,455,679	1,267,500	59,952,231	10,082,734		94,334,705		315,627,276
Sales during the year	34,700	-	-	-	-	-				34,700
Balance as at 31st March, 2020	5,654,401	102,872,360	311,677,281	86,985,034	131,644,403	36,069,637	2,200,944	227,692,074	325,375,993	1,230,172,127
Additions during the year		2,904,484	14,965,031		581,421	4,746,552				23,197,488
Sales during the year	11,600									11,600
Balance as at 31st March, 2021	5,642,801	105,776,844	326,642,312	86,985,034	132,225,824	40,816,189	2,200,944	227,692,074	325,375,993	1,253,358,015
Accumulated Depreciation										
Balance as at 1st April, 2019	-	52,513,323	105,093,544	56,866,603	52,795,007	21,879,531	1,972,548	78,095,267	31,393,862	400,609,685
Charge for the year	-	3,423,125	13,385,519	3,188,036	9,294,469	2,029,366	50,445	12,535,309	22,782,741	66,689,010
Reversal on sales during the year	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	-	55,936,448	118,479,063	60,054,639	62,089,476	23,908,897	2,022,993	90,630,576	54,176,603	467,298,695
Charge for the year	-	4,169,059	24,418,488	2,869,876	17,608,351	3,907,638	33,388	19,659,772	20,970,652	93,637,225
Reversal on sales during the year	-									-
Balance as at 31st March, 2021	-	60,105,507	142,897,551	62,924,515	79,697,827	27,816,535	2,056,381	110,290,348	75,147,255	560,935,920
Net Block										
Balance as at 1st April, 2019	5,689,101	34,001,010	73,128,058	28,850,931	18,897,165	4,107,372	228,396	55,262,102	293,982,131	514,146,266
Balance as at 31st March, 2020	5,654,401	46,935,912	193,198,218	26,930,395	69,554,927	12,160,740	177,951	137,061,498	271,199,390	762,873,432
Balance as at 31st March, 2021	5,642,801	45,671,337	183,744,761	24,060,519	52,527,997	12,999,654	144,563	117,401,726	250,228,738	692,422,095

## SURAJ PRODUCTS LIMITED

### NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March-21 (₹)	As at 31st March-20 (₹)
<b>4 RIGHT-OF-USE ASSETS</b>		
<b>Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:</b>		
<b>Particulars</b>		
<b>Leasehold Land</b>		
Opening Balance	59,780,426	60,315,845
Additions	-	176,400
Depreciation Expense	711,819	711,819
Termination / Adjustment	-	-
Closing Balance	<u>59,068,607</u>	<u>59,780,426</u>
<b>Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year:</b>		
<b>Particulars</b>		
Opening Balance	7,700,193	7,186,885
Additions	-	-
Accretion of Interest	513,294	513,308
Payment	-	-
Closing Balance	<u>8,213,487</u>	<u>7,700,193</u>
Current	<u>3,080,854</u>	<u>2,567,248</u>
Non Current	<u>5,132,633</u>	<u>5,132,945</u>
The effective interest rate for lease liabilities is 10%.		
The following are the amounts recognised in profit or loss:		
<b>Particulars</b>		
Depreciation expense of right-of-use assets	711,819	711,819
Interest expense on lease liabilities	513,294	513,308
<b>Total amount recognised in profit or loss</b>	<u>1,225,113</u>	<u>1,225,127</u>
<b>5 Deferred Tax Assets (Net)</b>		
Deferred Tax Assets (Net)	8,468,529	35,664,871
	<u>8,468,529</u>	<u>35,664,871</u>

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of asset and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:



## SURAJ PRODUCTS LIMITED

### NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Deferred Tax Assets / (Liabilities) in relation to

	Opening Balance	Recognized in Profit or Loss	Closing Balance
<b>2020-21</b>			
Property, Plant & Equipment	(2,023,144)	(19,306,336)	(21,329,480)
Unabsorbed Depreciation	9,582,037	(9,582,037)	-
MAT Credit Entitlement	28,105,978	2,227,735	30,333,713
Remeasurement of defined employee benefit plans	-	(535,704)	(535,704)
<b>Total</b>	<b>35,664,871</b>	<b>(27,196,342)</b>	<b>8,468,529</b>

#### **2019-20**

Property, Plant & Equipment	(10,730,557)	8,707,413	(2,023,144)
Unabsorbed Depreciation	2,267,563	7,314,474	9,582,037
MAT Credit Entitlement	21,734,450	6,371,528	28,105,978
<b>Total</b>	<b>13,271,456</b>	<b>22,393,415</b>	<b>35,664,871</b>

#### **6 Other Non-current assets**

Balance with Revenue Authorities	6,116,160	5,154,935
Deposits with Other	27,926,456	26,773,315
Capital Advance	53,750	-
Prepaid Expenses	342,740	233,400
	<b>34,439,106</b>	<b>32,161,650</b>

#### **7 Inventories**

(At lower of cost or net realisable value)

Raw Materials	192,791,059	279,507,537
Finished Goods	94,158,125	159,152,612
Stores & Spares	41,578,653	33,854,161
	<b>328,527,837</b>	<b>472,514,310</b>

#### **8 Trade Receivables**

Unsecured, Considered Good	74,523,244	61,586,393
	<b>74,523,244</b>	<b>61,586,393</b>

The company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS-109 "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The company has used a practical expedient & adjusted for forward looking information to compute expected credit losses. Based on historical credit loss experienced for the company & considering forward looking information, there is no expected credit loss allowance on trade receivables.

#### **9 Cash and Cash Equivalents**

(a) Cash on Hand	1,730,208	1,864,597
(b) Balance with Banks		
Current Accounts	32,120,455	1,030,753
	<b>33,850,663</b>	<b>2,895,350</b>

## SURAJ PRODUCTS LIMITED

### NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

<b>10 Other Bank Balances</b>		
Unpaid Dividend Account-Earmarked Balances	1,392,879	1,901,487
Margin Money Deposit	7,168,750	7,168,750
Deposit with Maturity of more than 3 months but less than 12 months	5,896,094	5,058,313
	<b>14,457,723</b>	<b>14,128,550</b>
<b>11 Current Tax Assets/ (Liabilities) (Net)</b>		
Income tax (net of provisions)	(9,739,849)	1,338,384
	<b>(9,739,849)</b>	<b>1,338,384</b>
<b>12 Other Current Assets</b>		
(Unsecured , Considered Good)		
Balance with Revenue Authorities	116,570	142,217
Advances to suppliers	39,094,386	44,909,681
Gratuity Plan Assets (Net of liabilities)	3,625,496	-
Others	6,638,627	4,926,984
	<b>49,475,079</b>	<b>49,978,882</b>
<b>13 Equity Share Capital</b>		
<b>Authorised :</b>		
120,00,000 Equity shares of ₹ 10 each	120,000,000	120,000,000
<b>Issued, Subscribed &amp; Fully Paid up Capital</b>		
114,00,000 Equity shares of ₹ 10 each	114,000,000	114,000,000
<b>Total</b>	<b>114,000,000</b>	<b>114,000,000</b>
<b>(a) Reconciliation of Number of Shares</b>		
Shares outstanding as at 1st April 2020/1st April 2019	11,400,000	11,400,000
Add. Number of shares issued during the year	-	-
Shares outstanding as at 31st March 2021/31st March 2020	<b>11,400,000</b>	<b>11,400,000</b>
<b>(b) List of shareholders holding more than 5% of the total number of shares issued by the Company :</b>		

	No of shares	% of holding	No of shares	% of holding
<b>Name of the share holders</b>				
NIP Power Private Limited	2,827,000	24.79	2,827,000	24.79
Molisati Vinimay Private Limited	2,550,000	22.37	2,550,000	22.37
Yogesh Kumar Dalmia	1,491,500	13.08	1,491,500	13.08
Sunita Dalmia	772,400	6.77	772,400	6.77

The company has issued one class of equity shares having a par value of ₹ 10 per share. Each holder of Equity Share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

## SURAJ PRODUCTS LIMITED

### 14 Other Equity

#### (a) Securities Premium

As per last account	54,700,000	54,700,000
	<u>54,700,000</u>	<u>54,700,000</u>

#### (b) Retained Earnings

Opening balance	286,562,560	232,517,547
Add: Profit for the year	91,674,118	54,045,013
Add: Other Comprehensive Income	1,389,904	-
Closing Balance	<u>379,626,582</u>	<u>286,562,560</u>
<b>Total</b>	<b><u>434,326,582</u></b>	<b><u>341,262,560</u></b>

### 15 Borrowings

#### Secured Loan

i) Term Loan From Canara Bank	307,106,842	254,718,875
ii) Vehicle Loan From Bank	<u>5,833,130</u>	<u>7,232,849</u>
	<u>312,939,972</u>	<u>261,951,724</u>

#### Unsecured Loan

i) From Related Parties	<u>70,996,321</u>	<u>292,874,682</u>
	<u>70,996,321</u>	<u>292,874,682</u>
<b>Total</b>	<b><u>383,936,293</u></b>	<b><u>554,826,406</u></b>

These have been reorded at amortised cost.

#### **Nature of Security and terms of repayment for Secured borrowings**

##### **Nature of Security**

- a) Term loan amounting to ₹ 9.57 Crores (P.Y. ₹ 10.66 Crores) is secured by EMT of 3MW Waste heat recover boiler based power plant and induction furnace built out of the term loan and collaterally secured against all fixed assets of the company and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ₹54 lacs.
- b) Term loan amounting to ₹ 8.00Crores (P.Y.₹ 8.79 Crores) is secured by EMT of 3MW AFBC based power plant and Steel Melting Shop built out of the term loan and collaterally secured against all fixed assets of the company and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ₹54 lacs.
- c) Term loan amounting to ₹ 10.05 Crores (P.Y.₹ 10.37) is secured by EMT of Rolling Mill and Induction Furnace built out of the term loan and collaterally secured against all fixed assets of the company and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ₹ 54 lacs.
- d) Working Capital Demand Loan amounting to ₹ 1.81 Crores (P.Y. Nil) is secured by hypothecation stock & bookdents and EMT of all the fixed asstes of the company and and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ₹54 lacs.

##### **Terms of Repayment**

Repayable in 24 quarterly instalment commencing from May 2018, Last installment due in August, 2024, Rate of interest 9.50% (P.Y.9.90%)

Repayable in 20 quarterly instalment commencing from April 2019, Last installment due in April, 2024, Rate of interest 9.50% % (P.Y.10.65%)

Repayable in 24 quarterly instalment commencing from June 2020, Last installment due in June 2026, Rate of interest 9.50 % (P.Y.11.00%)

Repayable in 18 monthly instalment commencing from November 2020, Last installment due in April 2022, Rate of interest 6.90 % (P.Y.Nil)

## SURAJ PRODUCTS LIMITED

- |  |  |
|--|--|
| <p>e) Working Capital Term loan amounting to ₹ 10.50 Crores (P.Y. Nil) is secured by hypothecation of stock &amp; bookdebts and EMT of all the fixed asstes of the coompany and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ₹54 lacs.</p> | <p>Repayable in 48 monthly instalments commencing from February 2022, Last installment due in January 2026, Rate of interest 7.50 % (P.Y. Nil)</p> |
| <p>f) Vehicle loans from HDFC Bank is secured by hypothecation of the vehicle financed.</p>  | <p>Repayable in 36 monthly instalment commencing from the date of sanction of loan.</p>  |
| <p>g) Vehicle loans from Canara Bank is secured by hypothecation of the vehicle financed.</p>  | <p>Repayable in 36 monthly instalment commencing from the date of sanction of loan.</p>  |

Instalments falling due in respect of all the loans & lease upto 31.03.2022 have been grouped under "Other Current Liabilities".

### 16 Other Non Current Liabilities

Creditors for Capital Goods	5,534,531	6,737,188
	<b>5,534,531</b>	<b>6,737,188</b>

### 17 Borrowings

#### Secured

Working Capital Loan	164,821,234	254,340,323
	<b>164,821,234</b>	<b>254,340,323</b>

Working capital loan is secured by hypothecation of present and future stock of raw material, stock-in-process, finished goods, stores, spares, book debts & personal guarantee of two directors.

### 18 Trade Payables

Trade Payables to micro & small enterprises	864,008	505,956
Trade Payables to others	39,390,368	130,558,548
	<b>40,254,376</b>	<b>131,064,504</b>

Disclosure as required under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006

#### Particulars

	As at 31.03.2021	As at 31.03.2020
Principal amount remaining unpaid to any supplier as at the end of the year	864,008	505,956
Interest due on the above amount	—	—
Amount of interest paid in terms of Section 16 of the MSMED Act, 2006	—	—
Amount of payments made to the suppliers beyond the appointed day during the year	—	—
Amount of interest due and payable for the delay in making the payment but without adding the interest specified under Act	—	—
Amount of interest accrued and remaining unpaid at the end of the year.	—	—

### 19 Other Financial Liabilities

Current Maturities of Long Term Borrowings	98,563,193	48,201,354
Unpaid Dividend	1,392,879	1,901,487
	<b>99,956,072</b>	<b>50,102,841</b>

### 20 Other Current Liabilities

Statutory Dues Payable	27,696,896	26,747,826
Due to employees	1,559,080	1,169,000
Advances From Customers	5,194,483	4,971,407
	<b>34,450,459</b>	<b>32,888,233</b>

## SURAJ PRODUCTS LIMITED

### NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March-21 (₹)	As at 31st March-20 (₹)
<b>21 Revenue From Operations</b>		
Sale of Manufactured Products		
Pig Iron	355,382,437	261,033,955
Ms Billet/Ingot	231,599,936	490,961,207
TMT Bar	1,500,955,411	291,661,848
Others	89,050,345	136,267,626
	<b>2,176,988,129</b>	<b>1,179,924,635</b>
<b>22 Other Income</b>		
Interest Received	1,788,084	1,302,907
Profit on sale of Fixed Assets	328,200	782,700
Foreign Exchange Fluctuation Account	-	450,927
	<b>2,116,284</b>	<b>2,536,534</b>
<b>23 Cost of Materials Consumed (Indegenous)</b>		
<b>Materials Consumed Comprises of:</b>		
Iron ore	263,962,609	292,882,647
Coal	202,875,008	195,406,477
Coke	409,366,807	221,722,731
Others	496,171,424	154,721,162
	<b>1,372,375,848</b>	<b>864,733,017</b>
<b>24 Change in Inventories of Finished Goods</b>		
Opening Stock	159,152,612	76,355,382
Closing Stock	94,158,125	159,152,612
	<b>64,994,487</b>	<b>(82,797,230)</b>
<b>25 Manufacturing &amp; Operating Costs</b>		
Consumption of stores, spares & consumables	132,155,575	81,535,040
Power & Fuel	159,958,057	65,959,677
Repairs to Plant & Machinery	10,080,175	2,996,527
Repairs to Others	1,187,467	942,395
Insurance Charges	2,705,753	1,378,839
Others Manufacturing & Operating Expenses	700,763	741,119
	<b>306,787,790</b>	<b>153,553,597</b>
Entire Stores & spares consumed is Indigenous.		
<b>26 Employee Benefits expense</b>		
Salaries, Wages & Bonus	88,418,388	52,327,077
Contribution to Provident and Other Funds	4,255,881	3,077,331
Contribution to Gratuity Fund	624,049	365,167
Staff Welfare Expenses	2,544,804	1,491,722
	<b>95,843,122</b>	<b>57,261,297</b>

## SURAJ PRODUCTS LIMITED

### 27 Finance Costs

Interest -Bank	48,759,979	44,063,894
Interest - Others	19,848,809	17,334,245
Interest on Lease Liability (Refer Note 4)	513,294	513,308
Other Borrowing Costs	1,520,089	753,000
	<b><u>70,642,171</u></b>	<b><u>62,664,447</u></b>

### 28 Depreciation & Asmortisation Expenses

Depreciation of Tangible Assets (Refer Note 3)	93,637,225	66,689,010
Depreciation of Right of Use Assets (Refer Note 4)	711,819	711,819
	<b><u>94,349,044</u></b>	<b><u>67,400,829</u></b>

### 29 Other Expenses

Rates & Taxes	3,337,572	3,758,852
Auditor's Remuneration		
- Statutory Audit	120,000	100,000
- Tax Audit	50,000	40,000
Periphery Development	3,243,115	2,288,088
Security Service Charges	3,881,529	3,164,172
Outward Freight	3,717,367	2,631,438
Other Expenses	14,663,293	9,491,513
	<b><u>29,012,876</u></b>	<b><u>21,474,063</u></b>

## SURAJ PRODUCTS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### 30. Related party disclosures as identified by the management and relied upon by the Auditors:

List of Related parties and description of relationship

(i) Enterprises in which KMP or their relatives can exercise significant influence

M/s. Kedarnath Mining Pvt. Ltd.

M/s. NIP Power Pvt. Ltd.

M/s. Tirupati Vincom Pvt. Ltd.

M/s. Molisati Vinimay Pvt Ltd.

M/s. Excel Infra Projects Pvt. Ltd.

(ii) Key Management Personnel :

Sri Yogesh Kumar Dalmia, Managing Director

Sri Gagan Goyal, Executive Director

Smt. Sunita Dalmia, Non-Executive Director

Sri M. K. Hati, CFO

Sri A. N. Khatua, CS

(b) Transactions with related parties and Balance outstanding at the year end.

Parties with significant influence (Direct and Indirect)		Nature of Transaction				Amount in ₹
		Loans & Advances Accepted	Loans & Advances Repaid	Interest	Rent (For Employees)	Outstanding
I	M/s.Kedarnath Mining Pvt. Ltd.	50,00,000 (12,00,00,000)	23,13,24,192 (8,87,50,000)	1,19,40,143 (1,86,98,094)	- (-)	- (21,43,84,049)
II	M/s.NIP Power Pvt. Ltd.	2,75,00,000 (-)	- (-)	24,81,872 (15,41,942)	- (-)	4,82,69,352 (1,84,73,621)
III	M/s.Tirupati Vincom Pvt. Ltd.	1,55,00,000 (2,95,00,000)	5,99,50,000 (14,50,000)	44,96,451 (42,91,794)	- -	1,97,26,229 (6,00,17,012)
IV	M/s.Molisati Vinimay Pvt. Ltd.	30,00,000 (-)	- (-)	740 (-)	- (-)	30,00,740 (-)
V	Excel Infra Projects Pvt. Ltd.	- (-)	- (-)	- (-)	2,83,200 (2,43,600)	- (39,600)
Key Managerial Personnel & Relatives		Yogesh Kumar Dalmia	Gagan Goyal	M. K. Hati	A. N. Khatua	
Remuneration		69,50,000 (63,50,000)	9,88,040 (9,28,040)	10,48,040 (8,88,040)	8,48,540 (7,20,040)	

Figures in the bracket indicate previous year figures.

## SURAJ PRODUCTS LIMITED

1. Key Managerial Personnel are under the employment of Company are entitled to post employment benefits and other long term employee benefits recognized as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above. Further re-imbursement of expenses to KMP are not included above.
  2. Director's remuneration for the year 2020-2021 is as per limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013.
  3. All related party contracts / arrangements have been entered in ordinary course of business and are approved by the board of directors.
31. In compliance with Ind AS- 33 the company has calculated Earning Per Share. There are no diluted elements involved, hence basic EPS and diluted EPS are same:-

Particulars			As at March 31 <sup>st</sup> , 2021	As at March 31 <sup>st</sup> , 2020
A	(i)	No. of Shares at the Beginning of the Year	1,14,00,000	1,14,00,000
	(ii)	No. of Shares Issued During the Year	-	-
B		Weighted Average Number of Equity Shares Outstanding during the Year	1,14,00,000	1,14,00,000
C		Net Profit After Tax Available for Equity Share Holders in (₹)	9,16,74,118	5,40,45,013
D		Basic Earnings Per Share ( C / B) in (₹)	8.04	4.74

### 32. Segment Reporting:

As per Ind AS 108, the company operates predominantly only in one operating segment, i.e. finished products from Iron Ore. The company is captive consuming the whole power generated through the power plant. Hence, there is no reportable operating segment.

### 33. Employee Benefits

As per Ind AS 19 "Employees benefits" the disclosures as defined in the Accounting Standard are given below :

The amount recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

#### Changes in defined benefit obligation.

Amount (₹)

PARTICULARS	31st March 2021
Present Value Obligation as at the start of the Year	82,95,870
Interest Cost	5,77,393
Current Service Cost	6,24,049
Benefits Paid	-
Actuarial Loss / (Gain) on Obligations	25,03,001
Present Value Obligation as at the End of the Year	69,94,311



## SURAJ PRODUCTS LIMITED

### Change in Fair Value of Plan Assets

Amount (₹)

PARTICULARS	31st March 2021
Fair Value of Plan assets as at the Start of the Year	82,95,870
Interest Income	5,77,393
Return on Plan Assets excluding interest income	(5,77,393)
Contribution	23,23,937
Benefits Paid	-
Fair Value of Plan assets as at the end of the Year	1,06,19,807

### Breakup of Actuarial Gain / Loss

PARTICULARS	31st March 2021
Actuarial Gain / (Loss) on Arising from Change in Financial Assumption	-
Actuarial Gain / (Loss) on Arising from Plan Asset	5,77,393
Actuarial (Gain) / Loss on Arising from Experience Adjustment	(25,03,001)
Total Amount Recognised in Other Comprehensive Income	(19,25,608)

### Reconciliation of Present Value of D..B.O and the Fair Value of Plan Assets

PARTICULARS	31st March 2021
Present Value Obligation as at the End of the Year	69,94,311
Fair Value of Plan assets as at the End of the Year	1,06,19,807
Net Asset Recognised in Balance Sheet	36,25,496

### Amount Recognised in the Statement of Profit & Loss

PARTICULARS	31st March 2021
Current Service Cost	6,24,049
Interest Cost	-
Expected return on plan assets	-
Net actuarial (Gain) / Loss recognised in the period	-
Amount Recognised in the Statement of Profit & Loss	6,24,049

### Amount Recognised in the Statement of other Comprehensive Income

PARTICULARS	31st March 2021
Actuarial Gain / (Loss) due to change in financial Assumptions	-
Actuarial Gain / (Loss) for the Year on Experience Adjustment	(25,03,001)
Actuarial Gain / (Loss) for the Year on Plan assets	5,77,393
Actuarial Gain / (Loss) at the end of the year	19,25,608

### Actuarial Assumptions

PARTICULARS	31st March 2021
Discount Rate	6.96%
Salary Growth	6%
Attrition Rate	1%
Mortality Rate	IALM 2006-2008

## SURAJ PRODUCTS LIMITED

### Sensitivity Analysis for Gratuity Liability

Amount (₹)

PARTICULARS	31st March 2021	
Sensitivity Analysis	Increase	Decrease
Discount Rate (-/+ 0.5%)	6610044	7409283
%Change Compared to base due to sensitivity	-5.49%	5.93%
Salary Growth (-/+ 0.5%)	7409144	6606826
%Change Compared to base due to sensitivity	5.93%	-5.54%
Attrition Rate (-/+ 0.5%)	6993682	6994940
%Change Compared to base due to sensitivity	-0.01%	0.01%
Mortality Rate (-/+ 10%)	6995360	6993262
%Change Compared to base due to sensitivity	0.02%	-0.02%

### 34. Contingent liabilities and Commitments

#### a) Contingent Liabilities

i) Claims not acknowledged as debt in respect of the following: -

Sl. No.	Particulars	As at March 31st, 2021 (₹)	As at March 31st, 2020 (₹)
(i)	Disputed Demand of Orissa Sales Tax	9,08,152	9,08,152
(ii)	Disputed Demand of Central Sales Tax	4,90,542	4,90,542
(iii)	Disputed Demand of Orissa Entry Tax	22,44,967	22,44,967
(iv)	Disputed Demand of Income Tax	17,01,300	17,01,300

ii) Demand had been raised by M/s WESCO Ltd. in respect of arrear electricity charges amounting to Rs. 16,58,143/-. The company had filed suit against the claim before the pertinent Appellate Authorities and favorable verdict had been ruled in favour of the company. The company had paid 50% of the amount against the same which is shown under Deposit Others under Short Term Loans and Advances as the company is claiming refund of the same. However M/s WESCO Ltd. had filed petition before Hon. High Court of Odisha.

The company does not foresee any liability in respect of above contingent liabilities and hence no provision has been made for the same.

### 35. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company 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, less cash and cash equivalents.

## SURAJ PRODUCTS LIMITED

Particulars	As at March 31st, 2021 (₹)	As at March 31st, 2020 (₹)
i) Equity Share capital	11,40,00,000	11,40,00,000
ii) Other Equity	43,43,26,582	34,12,62,560
Total equity (a)	54,83,26,582	45,52,62,560
i) Long-term borrowings	38,39,36,293	55,48,26,406
ii) Current Maturity of long term debt	9,85,63,193	4,82,01,354
Total debt (b)	48,24,99,486	60,30,27,760
(i) Cash and cash equivalents	3,38,50,663	28,95,350
Total cash (c)	3,38,50,663	28,95,350
Net debt {d=(b-c)}	44,86,48,823	60,01,32,410
Total capital (equity + net debt)	99,69,75,405	1,05,53,94,970
Net debt to equity ratio	0.45	0.56

36. The company has commissioned captive Power Plant (CPP) during the FY 2016-17. The said units is eligible to claim deduction under section 80IA of the Income tax act ,1961 with respect to 100% of the profit & gains derived from this business for any Ten years in the subsequent fifteen years( referred to as Tax Holiday Period). The Company shall avail the Tax holiday in subsequent years.

In accordance with Ind AS 12, the deferred tax in respect of temporary differences which reverse during the tax holiday period have not been recognized. Deferred tax in respect of temporary difference which originate during the tax holiday period but reverse after the tax holiday period, have been recognized in the year in which the temporary differences have originated.

For this purpose, as a conservative measure, no deferred tax provision has been made this year as such temporary difference shall be reversed during the tax holiday period in the opinion of management.

37. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020

Particulars	2020-21 (₹)	2019-20 (₹)
Profit before Income and Taxes	14,50,99,075	3,81,71,149
Enacted income Tax rate in India	27.82%	27.82%
Current Tax Provision on Profit before Income Tax at enacted Income Tax rate in India	4,03,66,563	1,06,19,213
Adjustments:		
Tax on Allowances under Income Tax Act	(3,21,05,660)	(5,57,44,791)
Non Deductible expenses for Tax purposes	5,54,90,507	1,93,18,942
Income Taxable under other Head	68,808	2,02,712
Tax Relating to Earlier Year	3,77,159	1,48,023
Other Adjustments	10,35,450	-
Incurred/ (Utilisation) of Unabsorbed Depreciation, Business Loss	(1,18,07,869)	95,82,037
<b>Total</b>	<b>5,34,249,58</b>	<b>( 1,58,73,864)</b>

## SURAJ PRODUCTS LIMITED

The tax rate used for the Year 2020-21 and 2019-20 reconciliations above is the applicable corporate tax rate of 27.82% and 27.82% respectively payable by the entity on taxable profit under Income Tax Act, 1961. However as the Company has significant Unabsorbed Depreciation the Company has accrued for tax under the 'Minimum Alternate Tax' requirement under the Income Tax Act, 1961

38. The COVID-19 pandemic continues to spread throughout the world. Consequent to significant opening up of the economic activity in the country, the demand for the company's products has improved compared to that during the initial phases of Covid-19 including the lock down period. The Company has taken into account the impact of COVID - 19 in preparation of financial statements including its assessment of going concern and recoverability of the carrying amounts of financial and non-financial assets. The extent to which the pandemic will impact our future financial statements is currently uncertain and will depend on various other economic developments.

39. **Financial Assets & Liabilities**

**a) Fair Market Value Disclosure:**

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

**b) Financial Risk Management Objectives:**

The company's management monitors and manages the financial risks relating to the operations of the company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

**(i) Market Risk**

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market prices. Such change in value of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

**Foreign Currency Risk**

The company has its operations based mainly within the country. So, the company does not have any significant foreign currency risks.

**Interest Rate Risk**

The company has investments mainly in fixed interest bearing investments. Hence the company is not significantly exposed to interest rate risks. The interest rate on borrowings ranged from 9.90% to 11.00% in the previous year & 9.00% to 9.50% in the current year.

**(ii) Credit Risk**

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to credit risk is on account of trade receivables amounting to Rs.6.16 crores as at 31st March, 2020 and Rs. 7.45 crores as at 31st March, 2021. Trade receivables are typically unsecured and derived from revenue earned from customers. Credit risk is managed by establishing credit limits and reviewing the credit approvals provided to various customers. The company has no expected credit loss as at 31st March, 2021.

## **SURAJ PRODUCTS LIMITED**

### **(iii)Liquidity Risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset.

The company's principal sources of liquidity are cash and cash equivalents, bank fixed deposits and the cash that is generated from operations.

The company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows. The company generates sufficient cash flows from current operations which together with the available cash and cash equivalents provide liquidity both in the short-term as well as in the long-term.

#### **As per our report attached of even date**

FOR B D S & Co.  
(Formerly Bharat D Sarawgee & Co.)  
Chartered Accountants  
Firm Registration No. 326264E

(Bharat D Sarawgee)  
Partner  
Membership No. 061505  
Place : Barpali  
Date : 23rd Day of June, 2021  
UDIN- UDIN- 21061505AAAAMZ8688

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

C. K Bhartia  
Chairman  
DIN-00192694

G. Goyal  
Executive Director  
DIN-06678938

M. K. Hati  
Chief Financial Officer

Y. K. Dalmia  
Managing Director  
DIN-00605908

S. Dalmia  
Director  
DIN-00605973

A. N. Khatua  
Company Secretary

*If undelivered please return to :*

**SURAJ PRODUCTS LIMITED**

59, N. S. Road, 1st Floor,  
Kolkata - 700 001