Suraj

SURAJ INDUSTRIES LIMITED

Suraj Industries Limited ("Company" or "Issuer") was incorporated on July 09, 1992 as a public company under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana. The registered office of our Company was shifted from 01, Ambadeep, 14, K.G. Marg, New Delhi – 110001, India to Plot No. 2, Phase III, Sansarpur Terrace, Kangra, Himachal Pradesh – 173212, India with effect from June 12, 1995. For detailed information please refer Chapter *"Details of Business"* page number 70 of this Letter of Offer.

Registered Office: Plot No. 2, Phase III, Sansarpur Terrace, Kangra, Himachal Pradesh – 173212, India.
Telephone No.: 01970-256414 | **Fax No.:** 01970-4246019
Email: secretarial@surajindustries.org | **Website:** www.surajindustries.org
Corporate Office: F-32/3, Second Floor, Okhla Industrial Area, Phase – II, New Delhi – 110020, India.
Contact No.: +91-11-42524455
Contact Person: Ms. Snehlata Sharma, Company Secretary and Compliance Officer
Corporate Identification Number: L26943HP1992PLC016791

PROMOTER OF OUR COMPANY: MR. SURAJ PRAKASH GUPTA

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SURAJ INDUSTRIES LIMITED ONLY

RIGHTS ISSUE OF UP TO 29,97,375# PARTLY PAID-UP EQUITY SHARES OF THE FACE VALUE OF RS. 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF RS. 65/- PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF RS. 55/- PER RIGHTS EQUITY SHARE) FOR AN AMOUNT AGGREGATING UP TO RS. 1,948.29 LAKH ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 7 (SEVEN) RIGHTS EQUITY SHARES FOR EVERY 30 (THIRTY) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY AS ON THE RECORD DATE, THAT IS, ON [●] (THE "ISSUE"). FOR DETAILS, SEE "*TERMS OF THE ISSUE*" ON PAGE 134.

#Assuming Full Subscription of the issue and receipt of all call money with respect to partly paid equity shares.

PAYMENT SCHEDULE FOR THE RIGHTS EQUITY SHARES

Amount Payable per Rights Equity Share*	Face Value (Rs.)	Premium (Rs.)	Total (Rs.)
On Application	5	27.50	32.50
One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time	5	27.50	32.50
Total	**10**	**55.00**	**65.00**

For details, see *"Terms of the Issue"* on page 134.

WILLFUL DEFAULTER OR FRAUDULENT BORROWER

Neither our Company, our promoters nor our directors are identified as willful defaulters or fraudulent borrower. For further details, see *"Other Regulatory and Statutory Disclosures"* on page 130**.**

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of investors is invited to the statement of *"Risk Factors"* given on page number 21 under the section 'General Risks'.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Company and the issue which is material in the context of the issue, that the information contained in the Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares are listed on BSE Limited **("BSE" or "Stock Exchange")**. Our Company has received "In-principle" approval from BSE for listing the Rights Equity Shares through its letter dated [●]. Our Company will also make application to the Stock Exchange to obtain its trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of this Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE ISSUE

BEETAL

BEETAL Financial & Computer Services Private Limited
Address: Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110062, India
Telephone: +91-11-29961281/83, +91-11-26051061, +91-11-26051064 **Fax:** 011 – 29961284
E-mail: beetal@beetalfinancial.com, beetalrta@gmail.com
Investor grievance: investor@beetalfinancial.com
Website: www.beetalfinancial.com
Contact person: Mr. Punit Kumar Mittal
SEBI Registration No: INR000000262

ISSUE SCHEDULE

ISSUE OPENS ON	LAST DATE FOR ON-MARKET RENUNCIATION*	ISSUE CLOSES ON#
[●]	[●]	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

#Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

THIS PAGE HAS BEEN LEFT BLANK PURSUANT TO SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

CONTENTS

Suraj

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, guidelines or policies shall be to such legislations, acts, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Information" on pages 63 and 116, respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

Terms	**Descriptions**
Articles of Association/ Articles / "AoA"	The Articles of Association of our Company, as amended from time to time.
Associates	With reference to any company, the associate of that company would mean any other company within the meaning of section 2(6) of the Companies Act.
Associate Company	M/s Shri Gang Industries and Allied Products Limited.
Audit Committee	The Audit Committee of the Board of Directors of the Company.
Board of Directors / Board	The Board of Directors of our Company or a duly constituted committee thereof.
Chairman	The Chairman of our Company.
Company / our Company / the Company / the Issuer/ "SIL"	Suraj Industries Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at Plot No. 2, Phase III, Sansarpur Terrace, Kangra, Himachal Pradesh – 173212, India.
Corporate Office	F-32/3, Second Floor, Okhla Industrial Area, Phase – II, New Delhi – 110020, India.
Director(s)	Any or all the directors on our Board, as may be appointed from time to time.
Equity Shareholder	A holder of Equity Shares.
Equity Shares	The equity shares of our Company, each having a face value of Rs. 10/- each, unless otherwise specified.
Executive Directors	Executive Director(s) of our Company, unless otherwise specified.
Managing Director	Managing Director of our Company i.e., Mr. Suraj Prakash Gupta.
Memorandum of Association / Memorandum / MoA	The Memorandum of Association of our Company, as amended from time to time.
Non-Executive and Independent Director	Non-Executive and Independent Directors of our Company, unless otherwise specified.
Non-Executive Director	Non-Executive Directors of our Company, unless otherwise specified.

Terms	Descriptions
Promoter and Promoter Group	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
Promoter Group	Unless the context requires otherwise, the individuals and entities forming part of our promoter group in accordance with Regulation 2(1) (pp) of the SEBI ICDR Regulations and which are disclosed by our Company to the Stock Exchange from time to time.
Promoter/ Promoters	Mr. Suraj Prakash Gupta is the Promoter of our Company.
Registered Office	The Registered Office of our Company is located at Plot No. 2, Phase III, Sansarpur Terrace, Kangra, Himachal Pradesh – 173212, India.
Registrar of Companies / RoC	Registrar of Companies, Himachal Pradesh having its office at 1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, Chandigarh – 160019, India.
Rights Issue Committee	The Rights Issue Committee of the Company comprising of Mr. Suraj Prakash Gupta, Executive Director; Mr. Sanjay Kumar Jain, Non-Executive Nominee Director and Mr. Syed Azizur Rahman, Non- Executive Non-Independent Director.
RML	Rajasthan Made Liquor
RSGSM	Rajasthan State Ganganagar Sugar Mills Limited
Shareholders	Persons holding Equity Shares of our Company, unless otherwise specified in the context thereof.
Statutory Auditors	The current statutory auditors of our Company, being M/s. Pawan Shubham & Co., Chartered Accountants.
Subsidiaries	M/s Carya Chemicals & Fertilizers Private Limited is the subsidiary of our Company.
We, Our, or Us	Suraj Industries Limited, unless otherwise specified or unless the context otherwise requires

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
Allot, Allotment or Allotted	Allotment of Rights Equity Shares pursuant to this Issue.
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Banks	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, IDBI Bank Limited.
Allotment Date	Date on which the Allotment shall be made pursuant to this Issue.
Allottee(s)	Person(s) who shall be allotted Rights Equity Shares pursuant to the Allotment.

Term	Description
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Draft Letter of Offer.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable at the time of Application, i.e., Rs. 32.50 per Rights Equity Share in respect of the Rights Equity Shares applied for in this Issue.
Application Supported by Blocked Amount or ASBA	Application used by an investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in *"Terms of the Issue"* on page 134 of this Draft Letter of Offer.
Bankers to the Issue Agreement	Agreement dated December 16, 2023, entered into by and among our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Bankers to the Issue	Collectively, the Escrow Collection Bank, the Allotment Account Banks and the Refund Account Bank to the Issue.
Call(s)	"Call(s)" The notice issued by our Company to the holders of the Rights Equity Shares as on the Call Record Date for making a payment of the Call Monies
Call Money(ies)	The balance amount payable by the holders of the Rights Equity Shares pursuant to the Payment Schedule of Rights Equity Shares, being Rs. 32.50/- per Rights Equity Share (50% of the price of Rights Equity Shares) after payment of the Application Money.
Call Record Date	A record date fixed by our Company for the purpose of determining the names of the holders of Rights Equity Shares for the purpose of issuing of the Call.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Controlling Branches or Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where

Term	Description
	applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited (BSE)
Draft Letter of Offer / DLoF	This Draft Letter of Offer dated December 18, 2023, filed with the Designated Stock Exchange (BSE), and with SEBI for purposes of record keeping.
Eligible Equity Shareholders	Equity Shareholders of our Company as on the Record Date, i.e., [●].
Issue	Issue of upto 29,97,375#, Rights Equity Shares of face value of Rs. 10/- each of our Company for cash at a price of Rs. 65/- per Rights Equity Share (including a premium of Rs. 55 per Rights Equity Share) aggregating up to Rs. 1,948.29 Lakh(#) on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 7 (Seven) Rights Equity Share for every 30 (Thirty) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●]. On Application, Investors will have to pay Rs. 32.50 per Rights Equity Share which constitutes 50% of the Issue Price and the balance Rs. 32.50 per Rights Equity Share which constitutes 50% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board/ Committee at its sole discretion, from time to time. *#Assuming full subscription of the Issue and receipt of all calls money with respect to partly paid Equity Shares.*
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Materials	The Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Form, including any notices, corrigendum thereto
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI ICDR Regulations.
Issue Price	Rs. 65/- (Rupees Sixty-Five Only) per Rights Equity Share, including a Premium of Rs. 55 per Rights Equity Share. On Application, Investors will have to pay Rs. 32.50 per Rights Equity Share which constitutes 50% of the Issue Price and the balance Rs. 32.50 per Rights Equity Share which constitutes 50% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board/ Committee at its sole discretion, from time to time.
Issue Proceeds / Gross Proceeds	Gross proceeds of this Issue.
Issue Size	Amount aggregating to up to Rs. 1,948.29 Lakh. (*Assuming full subscription*)
Letter of Offer	The Letter of Offer dated [●], filed with the Designated Stock Exchange (BSE), and with SEBI for purposes of record keeping.
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see *"Objects of the Issue"* on page 55.

Term	Description
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
Payment Schedule of Rights Equity Shares	Payment schedule under which 50% of the price of the Rights Equity Shares is payable on Application, i.e., Rs. 32.50 per Rights Equity Share, and the balance unpaid capital constituting 50% of the price of the Rights Equity Shares i.e., Rs.32.50 will have to be paid, on one or more subsequent Call(s), as determined by the Rights Issue Committee at its sole discretion, from time to time.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Registrar to the Issue or Registrar	Beetal Financial & Computer Services Private Limited.
Registrar Agreement	Agreement dated December 16, 2023, entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.
Renouncee(s)	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Rights Entitlements	The right to apply for the Rights Equity Shares, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, in this case being 7 (Seven) Rights Equity Shares for every 30 (Thirty) Equity Shares held by an Eligible Equity Shareholder, on the Record Date, excluding any fractional entitlements.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company.
Rights Equity Shareholder	A holder of the Rights Equity Shares, from time to time.
Rights Equity Shares	Equity shares of our Company to be allotted pursuant to this Issue on partly paid-up basis pursuant to receipt of Application Money.
SCSB(s)	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at website of SEBI and/or such other website(s) as may be prescribed by SEBI from time to time.
Stock Exchange	The Stock Exchange where our Equity Shares are presently listed, being BSE.

Term	Description
Transfer Date	The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Accounts in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Willful Defaulter or Fraudulent Borrower	Company or person, as the case may be, categorized as a willful defaulter or fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in terms of Regulation 2(1)(lll) of SEBI ICDR Regulations and in accordance with the guidelines on willful defaulters issued by RBI and includes any company whose director or promoter is categorized as such.
Working Day(s)	Working Days as defined under Regulation 2(1)(mmm) of the SEBI ICDR Regulations.

Conventional terms or Abbreviations

Terms	Descriptions
₹/ Rs. / Rupees or INR	Indian Rupee.
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Arbitration Act	Arbitration and Conciliation Act, 1996.
AS / Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India as notified under the Companies (Accounts) Rules, 2014.
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
BSE	BSE Limited.
CAA	Citizenship (Amendment) Act, 2019.
CBLO	Collateralized Borrowing and Lending Obligation.
CDSL	Central Depository Services (India) Limited.
Central Government / Government of India / GoI	Central Government of India.
CIN	Corporate Identification Number.
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder.
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder.
Depositories Act	Depositories Act, 1996.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
DIN	Director Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DP / Depository	Depository Participant as defined under the Depositories Act.

Terms	Descriptions
Participant	
DP ID	Depository Participant Identification.
DPIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as Department of Industrial Policy and Promotion.
EBITDA	Profit for the year before finance costs, tax, depreciation, amortization and depletion expenses, exceptional items and other income as presented in the statement of profit and loss in the Financial Statements.
EGM	Extraordinary General Meeting.
EPS	Earnings per share.
ETF	Exchange Traded Fund.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment.
FDI Policy	The consolidated foreign direct investment policy notified by the DIPP (now DPIT) vide circular no. D/o IPP F. No. 5(1)/2017- FC-1 dated August 28, 2017 effective from August 28, 2017.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Financial Year / FY /Fiscal	Period of 12 months ended March 31 of that particular year.
Foreign Portfolio Investors /FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations, registered with SEBI under applicable laws in India.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
FVCIs	Foreign Venture Capital Investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations.
GDP	Gross Domestic Product.
Government	Central Government and/or the State Government, as applicable.
GST	Goods and Services Tax.
HUF	Hindu Undivided Family.
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards.
Income-tax Act	Income-tax Act, 1961.
Ind AS	Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
India	Republic of India.
Indian GAAP	Generally Accepted Accounting Principles followed in India.
IPC	Indian Penal Code, 1860.
ISIN	International Securities Identification Number.
Listing Agreement	Equity listing agreements entered into between our Company and the Stock Exchange.

Terms	Descriptions
MCA	The Ministry of Corporate Affairs, Government of India.
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
N.A. / N/A	Not applicable.
NACH	National Automated Clearing House.
NEFT	National Electronic Fund Transfer.
NR / NRs	Non-resident(s) or person(s) resident outside India, as defined under the FEMA.
NRE Account	Non-resident external account.
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016.
NRO Account	Non-resident ordinary account.
NSDL	National Securities Depository Limited.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
PBT	Profit Before Tax.
PAT	Profit After Tax.
RBI	Reserve Bank of India.
REPO	Repurchase Agreement.
RONW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SAT	Securities Appellate Tribunal.
SCN	Show Cause Notice.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Rights	Collectively, SEBI circular, bearing reference number

Terms	Descriptions
Issue Circulars	SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and the SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
SMS	Short Message Service.
State Government	Government of a state of India.
Trademarks Act	Trademarks Act, 1999.
TDS	Tax Deducted at Source.
U. K.	United Kingdom.
U.S. / USA / United States	United States of America, including the territories or possessions thereof.
VAT	Value Added Tax.
VCFs	Venture Capital Funds, as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be.
w.e.f.	With effect from.
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31 of a particular year.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlements and the Rights Securities on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, or the Rights Entitlement Letter may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions. Further, this Draft Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Securities is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, and the Stock Exchange.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer was filed with the Stock Exchange. Accordingly, the Rights Entitlements and the Rights Securities may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Draft Letter of Offer, the Application Form and the Rights Entitlement Letter and any other offering materials or advertisements in connection with this Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

This Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter must be treated as sent for information only and should not be acted upon for subscription to Rights Securities and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter should not, in connection with the issue of the Rights Securities or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject the Company or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or Rights Entitlement Letter is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Securities or the Rights Entitlements referred to this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter. The Company is not making any representation to any person regarding the legality of an investment in the Rights Entitlements or the Rights Securities by such person under any investment or any other laws or regulations. No information in this Draft Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlements and the Rights Securities offered in this

Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Securities in accordance with the legal requirements applicable in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Securities will be deemed to make the representations, warranties, acknowledgments and agreements set forth in *"Other Regulatory and Statutory Disclosures"* on page 130.

Neither the delivery of this Draft Letter of Offer nor any sale of Rights Securities hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Securities or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Securities or Rights Entitlements. In addition, neither our Company nor any of its affiliates is making any representation to any offeree or purchaser of the Rights Securities regarding the legality of an investment in the Rights Securities by such offeree or purchaser under any applicable laws or regulations.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("Securities Act"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof ("United States" or "U.S.") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("Regulation S"), except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Rights Equity Shares referred to in this Draft Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Shares and/ Or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Draft Letter of Offer and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Draft Letter of Offer / Abridged Letter of Offer, Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and we shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form. Rights Entitlements may not be transferred or sold to any person in the United States.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors, and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the "Civil Procedure Code"). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction.

- The judgment has not been given on the merits of the case.
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable.
- The proceedings in which the judgment was obtained are opposed to natural justice.
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

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PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Draft Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise or unless the context requires otherwise, the financial data in this Draft Letter of Offer is derived from the Audited Financial Statements of the Company. For details, see *"Financial Statements"* on page 116.

We have prepared our Financial Statements in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Our Fiscal commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular "Fiscal Year", "Fiscal", "Financial Year" or "FY" are to the 12 months period ended on March 31 of that year.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in lakhs.

Market and Industry Data

Unless stated otherwise, market and industry data used in this Draft Letter of Offer has been obtained or derived from publicly available information, industry publications and sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy, adequacy, completeness, reliability or underlying assumption are not guaranteed. Similarly, industry forecasts and market research and industry and market data used in this Draft Letter of Offer, while believed to be reliable, have not been independently verified by our Company or its respective affiliates and neither our Company nor its respective affiliates make any representation as to the accuracy of that information. Accordingly, investors should not place undue reliance on this information.

Non-GAAP measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like net worth, return on net worth, net asset value per equity share, ratio of non-current borrowings (including current maturities) / total equity, ratio of total borrowings/ total equity and Earnings before interest, tax, depreciation and amortization ("EBITDA") have been included in this Draft Letter of Offer. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Indian GAAP.

Currency of Presentation

In this Draft Letter of Offer, references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "USD", "U.S. $" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

All references to 'million' / 'Million' / 'Mn' refer to one million, which is equivalent to 'ten lacs' or 'ten lakhs', the word 'Lacs / Lakhs / Lac' means 'one hundred thousand' and 'Crore' means 'ten million and 'billion / bn./ Billions' means 'one hundred crores.

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FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking Statements'. Investors can generally identify forward-looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'future', 'forecast', 'target' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Letter of Offer that are not historical facts.

These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any failure or disruption of our information technology system;
- Any adverse outcome in the legal proceedings in which the Company is involved;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section *"Risk Factors"* on page 21.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer and our Company has not undertaken any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking Statements or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

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SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including the chapters, *"Objects of the Issue", "Outstanding Litigation and Other Defaults"* and *"Risk Factors"* on pages 55, 126 and 21 respectively.

1. Primary Business of our Company

Incorporated in 1992, Suraj Industries Limited (SURAJ), was initially into the Business of trading of edible oils and other products. During the year 2021, our company ventured into Liquor business through acquisition of a running Bottling Plant at Ajmer, Rajasthan.

Presently, our Company is into the business of (i) trading of edible oils and other products, which consist of Palm Oil, Soybean Oil, Rice Flakes, Malt & Empty Glass bottles and (ii) processing and bottling of Liquor.

2. Object of the Issue

The Net Proceeds are proposed to be utilized as follows:

(Rs. in Lakhs)

Particulars	Amount#
Repayment/prepayment, in full or part, of certain unsecured loans availed by our Company.	750.00
Grant of loan to our Subsidiary, M/s. Carya Chemicals & Fertilizers Private Limited.	750.00
General Corporate Purposes*	418.29

**Subject to finalization of the Basis of Allotment and the Allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
#Rounded off to two decimal places

For further details, please see the chapter titled *"Objects of the Issue"* on page 55.

3. Intention and extent of participation by the Promoter and Promoter Group

Our Promoter and Promoter Group, by way of their letters dated October 06, 2023 (the **"Promoter and Promoter Group Letters"**) have informed the Company that they may (i) subscribe and apply in the proposed rights issue to the full extent of their Rights Entitlement or renounce their rights entitlement only to the extent of renunciation within the Promoter & Promoter Group; (ii) Subscribe to Rights Entitlements, if any, which are renounced in their favor by any other member(s) of the Promoter & Promoter Group which would remain unsubscribed; and (iii) Subscribe to additional Rights Equity Shares in the Issue to the extent of at least Minimum Subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957 in the event of any under- subscription.

The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

4. Summary of outstanding litigations

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries, as on the date of this Draft Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by regulatory authority	Amount Involved (Rs. Lakhs)
Company	By	-	-	1	-	6.32
	Against	1	-	-	-	Not Quantifiable
Promoter	By	-	-	-	-	-
	Against	-	-	-	-	-
Group Companies/Entities	By	-	-	-	-	-
	Against	-	-	-	-	-
Directors other than promoters	By	-	-	-	-	-
	Against	-	-	-	-	-

For further details, please see the chapter titled *"Outstanding Litigations and Other Defaults"* beginning on page 126.

5. Risk Factors

For details of the risks associated with our Company, please see the section titled *"Risk Factors"* beginning on page 21.

6. Contingent liabilities

For details of contingent liabilities please see the section titled *"Financial Information"* beginning on page 116.

7. Related party transactions

For details of related party transactions please see the section titled *"Financial Information"* beginning on page 116.

8. Issue of Equity Shares for consideration other than cash in last one year

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of this Draft Letter of Offer.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled "Our Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page numbers 98 and 119, respectively, of the Draft Letter of Offer as well as the other financial and statistical information contained in the Draft Letter of Offer.

If any one or more of the following risks as well as other risks and uncertainties discussed in the Draft Letter of Offer were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.

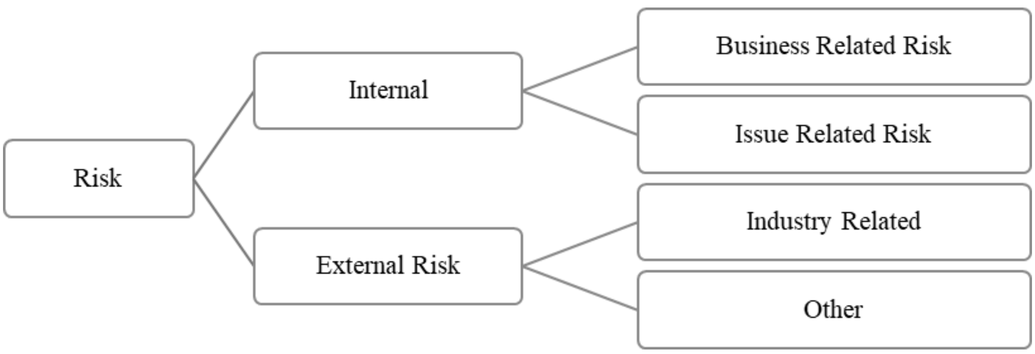
The Draft Letter of Offer also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Letter of Offer. These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

Materiality

The Risk factors have been determined on the basis of their materiality, which has been decided on the basis of following factors:

1. Some events may not be material individually but may be material when considered collectively.
2. Some events may have an impact which is qualitative though not quantitative.
3. Some events may not be material at present but may have a material impact in the future.

Classification of Risk Factors



Internal Risks

1. ***Our Company has negative cash flows from its Operating activities as well as investing activities in the past years, details of which are given below. Sustained negative cash flow could impact on our growth and business.***

Our Company had negative cash flows from our operating activities as well as investing activities in the previous years as per the Financial Statements and the same are summarized as under.

(Rs. in Lakh)

Particulars	**For the year ended on March 31,**		
	2023	**2022**	**2021**
Net Cash Generated from Operating Activities	1,063.07	(496.80)	0.31
Net Cash Generated from Investing Activities	(3,191.45)	(901.50)	(397.74)
Net Cash Generated from Financing Activities	1,848.50	1,666.34	414.89

2. ***Our Company is involved in certain legal proceedings. Any adverse decision in such proceedings may cause monetary losses to the Company.***

Our Company is currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various levels with concerned judicial bodies. The summary of outstanding litigation as on date in relation to criminal matters, tax matters and actions by regulatory/ statutory authorities against our Company, Directors and Promoter, as applicable, have been set out under *"Outstanding Litigation and Defaults"* on page 126.

A summary of material outstanding legal proceedings as on the date of this Draft Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below:

Name	**By/Against**	**Civil Proceedings**	**Criminal Proceedings**	**Tax Proceedings**	**Actions by regulatory authorities**	**Amount Involved (Rs. Lakhs)**
Company	**By**	-	-	1	-	6.32
	Against	1	-	-	-	Not Quantifiable
Promoter	**By**	-	-	-	-	-
	Against	-	-	-	-	-
Group Companies/Entities	**By**	-	-	-	-	-
	Against	-	-	-	-	-
Directors other than promoters	**By**	-	-	-	-	-
	Against	-	-	-	-	-

Adverse decisions in any of the aforesaid outstanding legal proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations. If the courts or tribunals rule against our Company, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

3. Heavy investment in Subsidiary, M/s Carya Chemicals & Fertilizers Private Limited.

In the year 2022-23, the Company had made investments to the tune of Rs. 2638.10 Lakhs in M/s Carya Chemicals & Fertilizers Private Limited pursuant to which it became the subsidiary of our Company. Our Company propose to utilize Rs. 750 Lakh out of Issue Proceeds for granting loan to Carya, for further details please refer chapter title *"Objects of the Issue"* on page no. 55 of this Draft Letter of Offer. Carya is in the process of setting up Bottling Plant for Indian made Foreign Liquor and Distillery for manufacturing of Extra Neutral Alcohol and Ethanol. Carya has not yet started the commercial operations. The total income of Carya for the year ended March 31, 2023, was NIL and for the nine months ended December 31, 2023, was Rs 38.14 Lakhs and the PAT for the year ended March 31, 2023 was Nil and for the nine months ended December 31, 2023 was Rs 10.97 Lakhs. There is no assurance that in the future as well, Carya would be able to commence its operations and/or generate profits. Any prolonged delay in the initiation of the commercial production may cause opportunity cost on the funds infused ins Carya.

4. Promoters holding under pledge.

The Promoters of the Company have availed loans from M/s. Bluemax Fintech Private Limited and Mrs. Krishna Gupta and as a collateral inter alia have pledged 40.88% of their holding with the lenders. In case, the Promoters failed to pay off the loans, the lenders would invoke the pledge, and this would lead to Promoters holding falling to 31.52% of the present Paid up Capital of the Company.

5. Our business and operations, and that of our suppliers, may be adversely affected by medical pandemic like COVID - 19 pandemic or other similar outbreaks, particularly if the economies of the countries in which we operate are affected for a significant amount of time.

The outbreak, or threatened outbreak, of any severe communicable disease like COVID-19 could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease could adversely affect our business, financial condition and results of operations. The outbreak of pandemic like COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and shutdowns. These measures may have an impact on the workforce and operations and the operations of our customers. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may further cause significant economic disruption across India. For further details, please refer to the chapter titled — *"Financial Information"* on page 116 of this Draft Letter of Offer.

6. In the past, there have been instances of delayed filing of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC by our Company and our Subsidiaries.

In the past, there have been certain instances of delay in filing of statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC by our Company and our Subsidiaries. No show cause notice in respect to the above has been received by our Company or our Subsidiaries till date and except as stated in this Draft Letter of Offer, no penalty or fine has been imposed by any regulatory authority in respect to the same. The occurrence of instances of delayed filings in future may impact our results of operations and financial position.

7. We have a small customer base and any loss of business from one or more of them may adversely affect

our revenues and profitability.

Our Company has a small customer base and any decline in our quality standards, growing competition and any change in the demand for our product and services by these customers may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability. However, the composition and revenue generated from these clients might change as we continue to add new clients in normal course of business. We intend to retain our customers by offering solutions to address specific needs in a proactive, cost effective and time efficient manner. This helps us in providing better value to each customer thereby increasing our engagement with our new and existing customer base that presents a substantial opportunity for growth.

8. Our Company has not entered into any supply agreement for the continuous supply of products in which we trade and manufacture. Any non-availability of the same may have an adverse impact on our business.

As we are into verticals of trading of Edible Oils, Rice Flakes, Empty Glass Bottles and also manufacturing of Liquor products, detailed information of which can be procured from heading *"Our Business"* on page no. 98 of this Draft Letter of Offer and these materials are generally purchased from various suppliers and agents with whom the Company has established cordial relationship. However we have not entered into any supply agreement with the suppliers of our products. In the absence of any agreement for supply of the material, situation may arise where the Company has to face the scarcity or non-availability of products required by us for smooth functioning of our business operations.

9. Mismanagement of our inventory could have an adverse impact on our operations flow, supply to customers and additional cost.

Maintenance of right stock of inventory is important for every business. If we order insufficient stock, then our supplies will suffer and our effectiveness will also get affected. On the other hand, if we keep extra stock of goods, there's a chance we'll be stuck with lots of extra stock that will cost us with maintenance expenditure. The time lags present in the supply chain, from supplier to user at every stage, requires us to maintain certain amounts of inventory to use in this lead time. Inventories are maintained as buffers to meet uncertainties in demand, supply and movements of goods. The results of operations of our business are dependent on our ability to effectively manage our inventory and stocks. To do the same we must be able to accurately estimate customer demand and supply requirements and trade inventory accordingly. If we misjudged expected customer demand it could adversely impact by causing either a shortage of products or an accumulation of excess inventory. We estimate our sales on the basis of our contemplation of purchase orders and also on the customer specifications. Any disruption in operative conditions of our customers may cause loss of sales; consequently, our inventory in stock will depreciate.

10. Our performance is majorly dependent on Edible Oils and Liquor products. Any slowdown in sectors where demand of our products is aroused may adversely impact our financial performance.

Our Company is into the business of trading of edible oils and other products, which consist Palm Oil, Soybean Oil, Rice, Rice flakes, Malt & Empty Glass bottles and also processing and bottling of Liquor. But our majority revenue is dependent on trading of Edible oils, Rice and bottling of Liquor considering the fact that 100 % of Revenue for financial period ended December 31, 2023, is from these products, our performance is majorly dependent on industry's demand for these products. With increased demand in

FMCG and liquor industries, there would be drive in demand for these products. Any slowdown in the concerned industries would hamper the demand scenario which may lead to under-utilization of our manufacturing capacity owing to reduced sales. With lower capacity utilization, there would be an increase in cost burden ultimately affecting the operational and financial performance of the Company adversely.

11. ***Our performance is majorly dependent on the concentrated area. Any fall in sales to this area may adversely impact our financial performance.***

As our Company is located in Himachal Pradesh from where it operates its business activities and also our top 10 customers consist entities from Rajasthan, Gujarat, Uttar Pradesh, Haryana and various other states of India. Our revenue for financial period ended on December 31, 2023 has 100% contribution from Rajasthan, Gujarat, Uttar Pradesh and Haryana, therefore our financial performance is majorly dependent on sales in these states and any fall in demand from our customer in these states will adversely affect our financial performance.

12. ***Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our operations.***

Being in the trading business there exists substantial requirement of working capital to meet our requirements. The details of our working capital in last 3 years are as under:

(Rupees in Lakh)
(on Standalone Basis)

PARTICULARS	YEARS		
	2020-21	2021-22	2022-23
Current Assets			
Inventories	-	16.60	77.71
Trade Receivables	311.64	231.72	2,421.54
Cash & Cash Equivalents	17.74	285.78	5.87
Short Term Loans and Advances	2.50	778.50	136.00
Other Current Assets	10.84	155.36	189.92
Total (A)	**342.72**	**1,467.96**	**2,831.04**
Current Liabilities			
Short Term Borrowings	353.24	1,927.75	1,005.48
Trade Payables	316.13	142.99	2,120.49
Other Current Liabilities	17.63	115.72	230.36
Short Term Provisions	0.00	0.04	0.06
Total (B)	**687.00**	**2,186.50**	**3,356.39**
Net Working Capital (A) - (B)	**(344.28)**	**(718.54)**	**(525.35)**

A liquidity crunch may also result in increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability. The significant amount of working capital and major portion of our working capital is utilized towards inventories and trade receivables. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

13. ***We may not be successful in implementing our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively or at all. Even though we have successfully executed our business strategies in the past, there is no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and results of operations.

14. ***We are exposed to the risk of delays or non-payment by our clients and other counterparties, which may also result in cash flow mismatches.***

We are exposed to counter party credit risk in the usual course of our business dealings with our clients or other counterparties who may delay or fail to make payments or perform their other contractual obligations. The financial condition of our clients, business partners, suppliers and other counterparties may be affected by the performance of their business which may be impacted by several factors including general economic conditions. We cannot assure you of the continued viability of our counterparties or that we will accurately assess their creditworthiness. We also cannot assure you that we will be able to collect the whole or any part of any overdue payments. Any material non-payment or non-performance by our clients, business partners, suppliers or other counterparties could affect our financial condition, results of operations and cash flows. For further details of our Business and Clients, please refer chapter titled *"Our Business"* and *"Management Discussion & Analysis of Financial Conditions and Result of Operation"* beginning on page 98 & 119 of this Draft Letter of Offer.

15. ***The Company does not own the premise at which its registered office is located and the same has been taken on rent. Any termination of such rent agreement and/or non-renewal could adversely affect our operations.***

The property on which our registered office is situated is not owned by us and same has been taken on rent. Any termination of such Lease Deed whether due to any breach or otherwise or non-renewal thereof, can adversely affect the business operations. For further details, please refer to chapter titled *"Our Business"* beginning on page 98 of this Draft Letter of Offer.

16. ***We do not own the premises where our manufacturing facility and Warehouses are located. Any dispute in relation to lease of our premises would have an adverse effect on our business and results of operations.***

The premises on which our manufacturing facility and warehouses are located have been taken on lease. As the said premises are taken on lease and in case of non-renewal or termination of such deed or renewal on such terms and conditions that are unfavorable to our Company, we may suffer disruption in our Operations which may adversely affect our financial conditions. For further details, please refer to chapter titled *"Our Business"* beginning on page 98 of this Draft Letter of Offer.

17. ***Unsecured loans have been taken by our Company which can be recalled by the lenders at any time.***

The unsecured loan standing in the financial statement of our Company as of December 31, 2023 is Rs. 975.52 Lakhs. The same loan can be recalled by the respective lenders at any point of time, if our Company fails in repaying the loan obtained by it, shall cause reputational loss to our Company. For details of Unsecured Loans please refer *"Financial Information"* page number 116 of this Draft Letter of Offer.

18. ***Our operations may be adversely affected by work stoppages or increased demands for wages by our workforce or any other unrest or dispute which affects supply of workforce.***

While we have not experienced any strikes, work stoppages or increased wage demands in any of our warehouses in the past, but we cannot be certain that we will not suffer any disruption to our operations due to strikes, work stoppages or increased wage demands in the future. Further, if our work force unionizes in the future, collective bargaining efforts by labour unions may divert our management's attention and result in increased costs. We may be unable to negotiate acceptable collective wage settlement agreements with those workers who have chosen to be represented by unions, which may lead to union-initiated strikes or work stoppages. Further, under Indian law, we may be held liable for wage payments or benefits and amenities made available to "daily wage" workers. Any requirement to discharge such payment obligations, benefits or amenities or to absorb a significant portion of the "daily wage" workers on our own rolls may adversely affect our business, results of operations and financial condition.

19. ***The Company is dependent on third party transport facility for the delivery of goods that we trade but not having any formal arrangements with the transport service providers and any disruption in their operations or a decrease in the quality of their services or an increase in the transportation costs could adversely affect the Company's operations.***

The Company is dependent on third party transport facility for the delivery of its goods that we trade. Our dependence on third party logistic service providers with no formal arrangement in place to provide transportation facilities for the transfer of goods that we trade to customer. Our business is prone to risk of weather-related problems, strikes or lock-outs by transport service providers and inadequacies in the road infrastructure. In addition, any increase in the charges imposed by the operators of transportation and logistics facilities would significantly impact our costs which consequently affect our results of our operations. Any disruption of any of our transportation routes or facilities may adversely affect our business, financial condition, results of operations and cash flows.

20. ***Any inability on our part to procure and sell quality products that we trade and satisfy our customer needs could adversely impact our business, results of operations and financial condition.***

Quality control is a vital element for any industry whether primary, secondary, tertiary or quaternary. We get repetitive orders from our customers and they have set the minimum quality standard which has to be supplied in any case. Further, we being a trader have to fulfil specific product demands of customer. Therefore, any deficiency in the standards of quality we provide may cause us loss of our customer and also cause damage of goodwill. Further any failure to meet customer specifications will result in unsatisfied customer. Any rapid change in our customers' expectation on account of changes in technology or introduction of new product or any other reason and failure on our part to meet their expectation could adversely affect our business, results of operations and financial condition. Any failure on our part to successfully meet customer demand or preference may negatively affect our business, results of operation and financial condition. For further details of our revenue, see *"Our Business"* on page no. 98 of this Draft Letter of Offer.

21. ***The capacity of our Plant and Machinery is not fully utilized, consecutively, if there is under-utilization in future also in such case this could affect our ability to fully absorb fixed costs and thus may adversely***

impact our financial performance.

The capacities at our plant and machinery have not been fully utilized. For details of which please refer chapter title *"Our Business"* at page no. 98 of this Draft Letter of Offer. We currently do not utilize our total production capacity and we have decided to increase our product portfolio and to enter more geographical areas based on our estimates of market demand and profitability. In the event of non-materialization of our estimates and expected order flow for our existing and/or future products and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our capacities may not be fully utilized thereby impairing our ability to fully absorb our fixed cost and may adversely impact our consolidated financial performance.

22. We are planning to enhance utilisation of our existing manufacturing capacity by infusing more funds towards working capital but without any firm commitments from customers. There can be no assurance that we will be successful.

The Company is planning to enhance its utilisation of present manufacturing capacity by infusing more funds towards working capital. For further details please refer *"Object of the Issue"* on page no. 55 of this Draft Letter of Offer. Our planning to effectively utilize available production capacity will require us to grow a larger customer base. The same is on certain assumptions as to potential for growth in the sectors in which we operate, including identified customers. In the event that our assumptions are not accurate or there is any material change in the various external factors on which our assumptions are made, there can be no assurance that we will be successful in selling our increased stock stored.

23. Our Promoters play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoters remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations.

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day to day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoter is unable or unwilling to continue in his present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters, along with the key managerial personnel, have over the years built relations with various customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

24. We sell our products in highly competitive markets and our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.

India is our primary market and we face heavy competition in our business from high number of players in our industry. The products in which we trade are available in market from a large number of players trading same or similar products. Thus, factors affecting our competitive success include, amongst other things, price, demand for our products, its availability, brand recognition and reliability. As a result, to remain competitive in our market, we must continuously strive to reduce our procurement, transportation and distribution costs, improve our operating efficiencies and secure our stock requirements. If we fail to do so, other trades of similar products may be able to sell their products at prices lower than our prices, which would have an adverse effect on our market share and results of operations. Our competitors vary in size, and may have greater financial, marketing personnel and other resources than us and certain of our competitors have a longer history of established business and reputation in the Indian market as compared with us. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

25. ***Highly Volatile Prices of Edible Oils and other products in which we trade may cause losses if we are unable to maintain appropriate time span between purchase of material and sale the same.***

Being a trader of Edible Oil, Rice Flake, Malt and Empty glass bottles and other related products we are always prone to losses if we are unable to sell off purchased stock at higher prices. Prices of goods that we trade are highly volatile and holding of stock for a long period of time may result in downfall of market price of our goods and in that case we will have to sell purchased stock at lower prices. Price volatility is affected by multiple variables which cannot be hedged effectively always. For further details of our product, see *"Our Business"* on page no. 98 of this Draft Letter of Offer.

26. ***Our Promoters will continue jointly to retain majority control over our Company after the Issue, which will allow them to determine the outcome of matters submitted to shareholders for approval.***

Post this Issue, our Promoters will collectively own substantial portion of our Equity Share Capital. As a result, our Promoters will continue to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that may not in, or may conflict with, our interests or the interests of some or all of our creditors or other shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

27. ***Our growth will depend on our ability to build our brand and failure to do so will negatively impact our ability to effectively compete in this industry.***

We believe that we need to continue to build our brand, which will be critical for achieving widespread recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high quality services. The brand promotion activities that we may undertake may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we are unable to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

28. Our Promoters and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them or their relatives or our Group Entities and benefits deriving from their directorship in our Company. For further details, please refer to the chapters titled *"Our Business"* and *"Financial Information"* beginning on page 98 and 116 respectively of this Draft Letter of Offer.

29. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to and this may have a material adverse effect on our business.

While we believe that we maintain insurance coverage in amounts consistent with industry norms. If any or all of our facilities are damaged in whole or in part and our operations are interrupted for a sustained period, there can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the cost of repairing or replacing the damaged facilities. If we suffer a large un-insured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and result of operations may be materially and adversely affected.

30. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspension and/or cancellation the approval/licenses which may affect our business adversely.

31. Our operations could be adversely affected by disputes with employees.

As of date of this Draft Letter of Offer, the Company employed a work force of 35 full-time employees. While we believe we maintain good relationships with employees, there can be no assurance that the Company will not experience future disruptions to its operations due to disputes or other problems with its work force or contract labour employed by independent contractors.

32. Interest rate fluctuations may adversely affect the Company's business.

The Company has entered into certain borrowing arrangements to finance its capital requirements in the ordinary course of business. In the future, the Company may be required to enter into additional borrowing arrangements in connection with potential acquisitions or for general working capital purposes. In the event interest rates increase, the Company's costs of borrowing will increase, and its profitability and results of operations may be adversely affected.

33. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.

Our capacity to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business there is significant importance to find, hire, train, supervise and manage efficient employees and also to establish such process of business operations which is proficient enough to effectively achieve our growth. Instead of putting keen efforts, as mentioned here, we cannot assure that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use.

34. In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.

The funds that we receive would be utilized for the objects of the Issue as has been stated in the section *"Objects of the Issue"* on page no. 55 of this Draft Letter of Offer. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue this may affect our revenues and results of operations. We have not identified any alternate source of raising the funds required for our *"Objects of the Issue"*. Any shortfall in raising/meeting the same could adversely affect our growth plans, operations and financial performance. Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds may require us to borrow the funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the Company.

35. Any negative publicity or defect in product quality may cause the Company substantial costs which in turn could adversely affect our goodwill and our sales could be diminished.

Like any other business our business also relies on our product quality which enables us to gain customer trust. In this scenario it is very crucial for us to always maintain positive image of the Company. Any unfavorable publicity regarding our Company, brand, or facility we provide or any other unpredicted events could affect our reputation and our results from operations. Further, defective products may result in a claim against us for damages. We currently carry no products liability insurance with respect to our products. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

36. There being no alternate arrangements for meeting our capital requirements for the Objects of the issue. Any shortfall in raising the same could adversely affect our growth plans, operations and financial performance.

We meet our capital requirements through our inter-corporate loans, owned funds and internal accruals. There being no alternate arrangements for meeting our capital requirements for the Objects of the issue. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled *"Objects of the Issue"* beginning on page 55 of this Draft Letter of Offer.

37. Industry information included in this Draft Letter of Offer has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical financial and other industry information is either complete or accurate.

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Letter of Offer. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Letter of Offer.

38. Our Company has entered into certain related party transactions and may continue to do so in the future.

Our Company has entered into related party transactions with our Promoter, Directors and the Promoter Group aggregating Rs. 111.29 Lakh for the last financial year ended March 31, 2023. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation.

39. Dividend declaration by the Company in the future will depend upon earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, we may not be permitted to declare any dividends under the loan financing arrangement that our Company may enter into future, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

40. Any future issue of Equity Shares may dilute your shareholding and sale of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

41. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Following the Issue, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

42. After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares on the Stock Exchange may fluctuate as a result of the factors, including:

a. Volatility in the Indian and global capital market;
b. Company's results of operations and financial performance;
c. Performance of Company's competitors,
d. Adverse media reports on Company or pertaining to our Industry;
e. Changes in our estimates of performance or recommendations by financial analysts;
f. Significant developments in India's economic and fiscal policies; and
g. Significant developments in India's environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

43. Investment in Partly Paid Shares in the Issue is exposed to certain risks.

The Issue Price of Partly Paid Shares offered under the Issue is Rs. 65/-. Investors will have to pay Rs. 32.50/- which constitutes 50.00% of the Issue Price on application and the balance Rs. 32.50/- which constitutes balance 50% of the Issue Price on one or more subsequent call made by our Company. If the Investor fails to pay such amount, which is to be paid on application, the Rights Entitlement of such an Investor shall be forfeited by our Company. The Partly Paid Shares offered under the Issue will be listed under a separate ISIN for the period as may be applicable prior to the Call Record Date.

An active market for trading may not develop for the Partly Paid Shares and, therefore, the trading price of the Partly Paid Shares may be subject to greater volatility than our Fully Paid Shares. If the Investor fails to pay the balance amount due with interest that may have accrued thereon (in accordance with the Articles of Association of our Company and applicable law), after notice has been delivered by our Company, then any of our Shares in respect of which such notice has been given may, at any time thereafter, before payment of one or more subsequent Call(s) and interest and expenses due in respect thereof, be forfeited by our Company.

The ISIN representing Partly Paid Shares may be frozen after the Call Record Date. On payment of the subsequent Calls in respect of the Partly Paid Shares, such Partly Paid Shares would be converted into Fully Paid Shares and shall be listed and identified under the existing ISIN for the Fully Paid-up Shares. Our Company would fix a Call Record Date for the purpose of determining the list of Allottees to whom the notice for subsequent Call(s) would be sent. With effect from the Call Record Date, trading in the Partly Paid Shares for which subsequent Call(s) have been made may be suspended for such period as may be applicable under the rules and regulations. The holders of the Partly Paid Shares will not be able to trade in these shares till they are credited to the holders account as Fully Paid Shares.

ISSUE SPECIFIC RISKS

44. Our Company will not distribute the Draft Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Draft Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Offering Materials") to such Shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e- mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

45. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

46. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and the Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue.

Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see *"Terms of the Issue"* on page 134 of this Draft Letter of Offer.

47. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

48. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

49. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may

adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

50. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

51. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

52. Loss of major clients or the deterioration of their financial condition or prospects could have a material adverse effect on our business.

While our strategy is intended to enable us to increase our revenues and earnings from our major corporate clients, the strategy also exposes us to increased risks arising from the possible loss of major client's accounts. In addition, some of our clients are in industries that have experienced adverse business and financial conditions during economic downturn. The deterioration of the financial condition or business prospects of these clients could reduce their need for temporary employment services, and result in a significant decrease in the revenues and earnings we derive from these clients. The bankruptcy of a major client could have a material adverse impact on our ability to recover monies from them & consequently to meet our working capital requirements.

53. The success of our business depends on our ability to attract and retain senior management and employees in critical roles, and the loss of their services could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

The success of our business depends on the continued service of our senior management and various professionals including information technology resources, relationship and finance professionals etc. As a result of ever-increasing market competition, the market demand and competition for experienced management personnel and qualified professionals has intensified. We encounter intense competition for qualified professionals from other companies in the financial services sector. Our Company invests significant time and money in training the professionals that are hired to perform the services provided to our customers. Our Company believes that there is also a significant competition in our industry among employers to attract these professionals with the skills necessary to perform the services we offer. The departure or other loss of our key professionals who manage substantial client relationships or who possess substantial experience and expertise could impair our ability to successfully carry out our operations. Our business and financial condition could suffer if we are unable to retain our senior management, or other high-quality personnel, including finance, internal controls and information technology, or cannot adequately and timely replace them upon their departure. Moreover, we may be required to substantially increase the number of our professionals and specialists in connection with any future growth plans, and we may face difficulties in doing so due to the competition in the financial services industry for such personnel. Our failure to attract, hire, retain or replace competent personnel could materially impair our ability to implement any plan for growth and expansion. Competition for quality employees among business institutions may also require us to increase compensation, which would increase operating costs and reduce our profitability.

54. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability.

We are required to comply with applicable anti-money-laundering ("AML") and anti-terrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers and assessment of penalties or imposition of sanctions against us for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the RBI and other relevant governmental authorities to whom we report. If any party uses or attempts to use us for money-laundering or any other illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable legal requirements, our reputation could suffer and could result in a material adverse effect on our business, financial condition and results of operations.

55. An inability to manage our growth or our proposed expansion activities, including new products or businesses, could disrupt our business and reduce our profitability.

We may have relatively limited or no experience in certain of the additional products or any new business verticals which are or may be targeted at a different client segment. The new business lines undertaken, or which may be proposed to be undertaken by us will also require commitments of time from our management. There can be no assurance that we will be able to successfully implement our growth strategy to further expand or diversify our product portfolio.

We would need to obtain and develop the expertise required to operate and successfully compete in these new business verticals. Doing so may be costly, and we cannot assure you that we will not incur any losses that could adversely affect our business and financial condition. The new business lines and products may also be subject to certain laws and regulations. Any failure to comply with these regulations could expose us to client complaints and investigations or regulatory fines, penalties and possible litigation.

Additionally, while undertaking business expansion activities, we have to continue to focus on improving our productivity, profitability and efficiency parameters. Our ability to successfully execute these expansion plans, to the extent they proceed, will depend on various factors, including, among others:

- making accurate assessments of the resources we would require;
- our ability to identify suitable locations;
- our ability to select and retain skilled personnel and to train and manage our staff;
- upgrading our technology platform to be effective;
- successfully introducing and implementing new and improved technology initiatives and client-friendly innovative products;
- ensuring a high standard of clients' service;
- our ability to negotiate commercially viable lease terms without delays; and
- Successfully integrating and managing any acquired businesses.

Any inability to manage the above factors may have a material adverse effect on our business, financial condition, results of operations and cash flows.

56. Our inability to generate sufficient amount of cash from operations may adversely affect our liquidity, our ability to service our indebtedness and fund our operations.

There can be no assurance that our business will generate sufficient cash flow from operations such that our anticipated revenue growth will be realized or that future borrowings will be available to us under credit facilities in amounts sufficient to enable us to repay our existing indebtedness, fund our expansion efforts or fund our other liquidity needs. If we are unable to service our existing debt our ability to raise debt in the future will be adversely affected which will have a significant adverse effect on our results of operations and financial condition. Our inability to obtain and/or maintain additional credit facilities or renew our existing credit facilities, in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance. Further, mismatches between our assets and liabilities may be compounded in case of pre-payments of the financing facilities we grant to our clients. Such factors may have an adverse effect on our business, financial condition and results of operations.

57. Acquisitions and mergers could result in operating difficulties, dilution and other adverse consequences.

We may continue to evaluate opportunities for alliances, collaborations, partnerships, investments and acquisitions that meet our strategic and financial return criteria, and to strengthen our portfolio of product in the microfinance sector. We may face several risks in relation to entering into strategic partnerships, acquisitions or undertaking mergers in the future, including, but not limited to, the following:

- we may be unable to identify suitable acquisition or investment targets;
- we may be unable to arrange for adequate financing on commercially reasonable terms or to negotiate commercially reasonable terms for such acquisitions, investments or mergers, or we may incur higher than anticipated costs in relation to proposed strategic transactions;
- our due diligence processes may fail to identify all the risks, liabilities and challenges in relation to proposed strategic transactions;
- we may not be able to achieve the strategic purpose of any of our proposed acquisitions, investments, merger, alliances, collaborations or partnerships;
- we may face difficulties in integrating acquired entities' accounting, management information, human resources and other administrative systems with our own;
- our management may be distracted or strained by the challenges posed by strategic transactions, or related transition and integration activities;
- we may be unable to recruit, train and retain sufficient skilled faculty and other personnel, to successfully operate our growing business, including new and recent business ventures conducted pursuant to our strategic acquisitions, investments, mergers, alliances, collaborations or partnerships;
- we may fail to maintain the quality and consistency or sustain compliance and due performance of contractual obligations by our business partners or acquisition targets;
- our relationships with our current and new employees, clients and business partners may be strained or impaired, as a result of our inability to successfully integrate an acquisition target;
- we may inherit claims or liabilities, as a result of a strategic acquisition, including claims from erstwhile employees, distributors, dealers, customers, business partners or other third parties; and we may face litigation, arbitral or other claims in connection with strategic acquisitions.

Accordingly, we cannot assure you that our current or future alliances, collaborations, partnerships, investments or acquisitions will prove value accretive to us, and to our shareholders. In the event that any of the risks discussed above, or any other incidental risks should materialize, our growth strategy, business, results of operations and prospects may be adversely affected.

58. A failure of our internal controls over financial reporting may have an adverse effect on our business and results of operations.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes, including with respect to record keeping and transaction authorization. Because of our inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report its financial results accurately and in a timely manner, or to detect and prevent fraud.

External Risks

59. Political instability or significant changes in the economic liberalization and deregulation policies of the Government, or in the government of the States where we operate, could disrupt our business.

We are incorporated in India and we conduct our corporate affairs and our business in India. Our equity shares are listed on the BSE. Consequently, our business, operations, financial performance and the market price of our equity shares will be affected by the following external risks, should any of them materialize:

- changes in exchange rates and controls;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which
- may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- any downgrading of India's debt rating by an international agency;
- political instability, resulting from a change in government or in economic and fiscal policies;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the financial markets;
- changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India; or
- natural calamities and force majeure events.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and we cannot assure you that such liberalization policies will continue. A significant change in India's policy of economic liberalization and deregulation or any social or political uncertainties could adversely affect business and economic conditions in India generally and our business and prospects. India has in the past experienced community disturbances, strikes, terrorist attacks, riots, epidemics and natural disasters.

There can be no assurance that we will not be affected by natural or man-made disasters in India or elsewhere in the future. Terrorist attacks, armed conflict or war or any heightened risk of such events may also occur. These acts and occurrences could have an adverse effect on the financial markets and the economy of India and of other countries, thereby resulting in a loss of business confidence and a suspension of our operations, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

60. Changing tax laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws, may adversely affect our business and financial performance.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations. We cannot assure you as to what action current or future Governments will implement regarding tax incentives or excise duty benefits. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions.

61. Increased volatility or inflation of commodity prices in India could adversely affect our business

Any increased volatility or rate of inflation of global commodity prices, particularly oil and steel prices, could adversely affect our borrowers and contractual counterparties. Although RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Any slowdown in the growth of the manufacturing services or agricultural sectors could adversely impact our business, financial condition and results of operations.

62. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business and the price of our Equity Shares.

Any adverse revisions to India's credit ratings by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

Risks Relating to Our Equity Shares and Rights Equity Shares and this Issue

63. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become invalid, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is [●]), such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

64. We will not distribute this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter to certain categories of overseas shareholders.

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and the MCA Circular, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Further, this Draft Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Other than as indicated above, the Issue materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of the Issue materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. We have requested all the overseas Eligible Equity Shareholders to provide an address in India and their e-mail addresses for the purposes of distribution of the Issue materials. However, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

65. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on numerous factors, some of which are beyond our control.

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on numerous factors which are beyond our control. For details, see *"Objects of the Issue"* on page 55.

66. We may, at any time in the future, make further issuances or sales of our Equity Shares, and this may significantly dilute your future shareholding and affect the trading price of our Equity Shares.

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

67. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions

Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction. In accordance with the provisions of the Companies Act, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company.

68. Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their

Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

69. ***Investors will be subject to market risks until our Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading our Equity Shares Allotted to them only after they have been credited to investor's demat account and are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for our Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that our Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in such Equity Shares will commence in a timely manner.

70. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, foreign investment up to 100% is permitted in our sector, subject to satisfaction of certain conditions.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

71. ***The Rights Entitlements and Rights Equity Shares cannot be freely resold in the United States.***

The offering and delivery of the Rights Equity Shares to, and the offering and acquisition of the Rights

Entitlements and Rights Equity Shares in the United States to and by certain persons who are U.S. QIBs, is being made pursuant to Section 4(a)(2) of the US Securities Act and other exemptions from the registration requirements of the US Securities Act. None of the Rights Entitlements or Rights Equity Shares has been, or will be, registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, investors who are U.S. QIBs, and who are acquiring the Rights Entitlements and/or Rights Equity Shares in the Issue pursuant to an exemption from the registration requirements of the US Securities Act, should note that the Rights Entitlements and Rights Equity Shares may not be freely resold or transferred in the United States. The Rights Entitlements and Rights Equity Shares may not be resold, renounced, pledged, or otherwise transferred or delivered except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

72. Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues

If the Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, the Company will have discretion as to the procedure to be followed in making such rights available to holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, the Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless:

- a registration statement is in effect, if a registration statement under the US Securities Act is required in order for the Company to offer such rights to holders and sell the securities represented by such rights; or

- the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the US Securities Act.

The Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

73. Holders of our Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

SECTION III: INTRODUCTION

THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on February 10, 2023 at an Issue price of Rs. 65/- per rights share, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Rights Issue Committee of the Board of Directors of our Company in its meeting held on December 18, 2023 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders in the ratio of 7:30 i.e., 7 (Seven) Rights Equity Shares for every 30 (Thirty) Equity Shares, as held on the Record Date i.e., [●]. The following is a summary of the Issue and should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section *"Terms of the Issue"* on page 134 of this Draft Letter of Offer.

Rights Equity Shares being offered by our Company	Up to 29,97,375 Equity Shares
Rights Entitlement for the Rights Equity Shares	7 (Seven) Rights Equity Shares for every 30 (Thirty) Equity Shares held as on the Record Date.
Record Date	[●]
Issue Price per Rights Equity Share	Rs. 65/- (Rupees Sixty-Five Only) (including a premium of Rs. 55 per Rights Equity Share) On Application, Investors will have to pay Rs. 32.50 per Rights Equity Share, which constitutes 50% of the Issue Price and the balance Rs. 32.50 per Rights Equity Share which constitutes 50% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board/ Committee at its sole discretion, from time to time.
Face Value per Rights Equity Share	Rs. 10/- (Rupees Ten Only)
Issue Size	Upto Rs. 1,948.29 Lakhs
Equity Shares outstanding prior to the Issue	1,28,45,896 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Equity Shares) and having made fully paid-up	1,58,43,271 Equity Shares
Security Codes for our Equity Shares, Rights Equity Shares and Rights Entitlements#	ISIN: INE170U01011 BSE: 526211 ISIN for Rights Entitlement: [●]
Terms of the Issue	See *"Terms of the Issue"* on page 134
Use of Issue Proceeds	See *"Objects of the Issue"* on page 55
Terms of payment	See the table below

Note: For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 30 (Thirty) Equity Shares or is not in multiples of 30 (Thirty), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity

Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.

Terms of payment

Amount Payable per Rights Equity Share	Face Value (Rs.)	Premium (Rs.)	Total (Rs.)
On Application	5.00	27.50	32.50
On one or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time	5.00	27.50	32.50
TOTAL	**10.00**	**55.00**	**65.00**
**For further details on Payment Schedule, see "Terms of the Issue" on page 134.*			

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GENERAL INFORMATION

Our Company was incorporated on July 09, 1992. The current registered office of the Company is situated at Plot No. 2, Phase III, Sansarpur Terrace, Kangra, Himachal Pradesh – 173212, India and corporate office is situated at F – 32/3, Second Floor, Okhla Industrial Area, Phase II, New Delhi – 110020, India. The Company was initially engaged in the business of trading of edible oils and other products. During the year 2021, the company ventured into Liquor business through acquisition of a running Bottling Plant at Ajmer, Rajasthan. Presently, the company is manufacturing Rajasthan Made Liquor for Rajasthan State Ganganagar Sugar Mills Limited (RSGSM), a Government of Rajasthan undertaking. The corporate identification number of our Company is L26943HP1992PLC016791.

Registered Office:

Suraj Industries Limited
Plot No. 2, Phase III Sansarpur Terrace, Kangra, Himachal Pradesh – 173212, India
Telephone No.: 01970-256414 | **Fax**: 01970-4246019
Email: secretarial@surajindustries.org; **Website:** www.surajindustries.org
Registration Number: 016791
CIN: L26943HP1992PLC016791

Details of Changes in the Registered Office:

Date of Change	From	To
June 12, 1995	01, Ambadeep, 14, K.G. Marg, New Delhi – 110001, India	Plot No. 2, Phase III, Sansarpur Terrace, Kangra, Himachal Pradesh – 173212, India

Corporate Office:

Address: F-32/3, Second Floor, Okhla Industrial Area, Phase – II, New Delhi – 110020, India
Contact No.: +91-11-42524455

Registrar of Companies:

Our Company is registered with the Registrar of Companies, Himachal Pradesh situated at the following address:
Address: Registrar of Companies-cum-Official Liquidator, Himachal Pradesh, 1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, Chandigarh – 160019, India
Telephone: 0172-2639415/2639416
Fax: N/A; **E-mail:** roc.himachal@mca.gov.in

Company Secretary and Compliance Officer:

Ms. Snehlata Sharma, Company Secretary of our Company. Her contact details are set forth hereunder.
Address: F-32/3, Second Floor, Okhla Industrial Area, Phase –II, New Delhi-110020, India
Telephone: 011-42524455
Email: secretarial@surajindustries.org; **Website:** www.surajindustries.org

Statutory Auditor

M/s. Pawan Shubham & Co., Chartered Accountants
Address: 601 Roots Tower, 7 District Centre, Laxmi Nagar, Delhi – 110092, India
Telephone: +91-11-45108755, +91-11-451087554 / +91-9958650478
Email: pawan@pawanshubham.com
Contact Person: Mr. Pawan Kumar Agarwal
Membership No.: 092345
Firm Registration No.: 011573C
Peer Review Certificate No.: 014027

Registrar to the Issue

BEETAL Financial & Computer Services Private Limited
Address: Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110062, **India**
Telephone: +91-11-29961281/83, +91-11-26051061, +91-11-26051064 **Fax:** 011 – 29961284
E-mail: beetal@beetalfinancial.com, beetalrta@gmail.com
Investor grievance: investor@beetalfinancial.com
Website: www.beetalfinancial.com
Contact Person: Mr. Punit Kumar Mittal
Investor grievance: investor@beetalfinancial.com / beetalrta@gmail.com
CIN: U67120DL1993PTC052486
SEBI Registration No: INR000000262

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e- acknowledgement (in case of normal process). For details on the ASBA process see *"Terms of the Issue"* on page 134.

Bankers to the Issue

Name: IDBI Bank Limited
Address: 51/3 D B Gupta Road, Opposite Khalsa College, Karol Bagh, New Delhi – 110005, India
Contact Person: Mrs. Sunaina Vij
Telephone: +91-11-28711620/22/26/31; **Fax no.:** +91-11-28711621
Email: ibkl000050@idbi.co.in
Website: www.idbibank.in
Inter-se allocation of responsibilities

The Company has not appointed any merchant banker as the Issue size is less than Rs. 5000 Lakh and hence there is no inter-se allocation of responsibilities

Credit Rating

This being a Rights Issue of Equity Shares, no credit rating is required.

Debenture Trustee

As this Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company is not required to appoint the monitoring agency since the issue size is below Rs. 100 Crores.

Filing

As per requirements of SEBI ICDR Regulations as the issue size of this rights issue is below Rs. 5,000 Lakh, therefore this Draft Letter of Offer has been filed with BSE. On receipt of the in-principle approval from BSE, the final Letter of Offer will be filed with Stock Exchange and will be submitted to SEBI for information and dissemination purpose as per the provisions of the SEBI ICDR Regulations.

Appraising Agency

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Experts

Except for the reports of the Auditor of our Company on the audited Financial Information and Statement of Tax Benefits, included in this Draft Letter of Offer, our Company has not obtained any expert opinions.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. Details relating to Designated Branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

Issue Schedule:

Last Date for credit of Rights Entitlements:	[●]
Issue Opening Date:	[●]
Last Date for On Market Renunciation#:	[●]
Issue Closing Date*:	[●]
Finalization of Basis of Allotment (on or about):	[●]

Date of Allotment (on or about):	[●]
Date of credit (on or about):	[●]
Date of listing (on or about):	[●]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than [●], being two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts by [●] being one working day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application, see "Terms of the Issue" on page 134.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at www.beetalfinancial.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Shareholders' under the section titled "Terms of the Issue" beginning on page 134 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under this Issue.

Minimum Subscription

As the object of the Company is other than capital expenditure for a project, thus, our Company would not be required to comply with the requirements of minimum subscription however, the Promoter and Promoter Group, by way of their letter dated October 06, 2023 (the **"Promoter and Promoter Group Letters"**) have informed that they may (i) subscribe and apply in the proposed rights issue to the full extent of their Rights Entitlement or renounce their rights entitlement only to the extent of renunciation within the Promoter & Promoter Group; (ii) Subscribe to Rights Entitlements, if any, which are renounced in their favor by any other member(s) of the Promoter & Promoter Group which would remain unsubscribed; and (iii) Subscribe to additional Rights Equity Shares in the Issue to the extent of at least Minimum Subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957 in the event of any under- subscription.

So, in a situation they do not subscribe to their full entitlement in the Rights Issue, then as per Regulation 3 read with Regulation 86 of SEBI ICDR Regulations, our Company may require to achieve minimum subscription for the Rights Issue and we do hereby confirm that the same shall be complied with.

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CAPITAL STRUCTURE

The Share capital of our Company as on the date of this Draft Letter of Offer is as provided below:

(Amount in Rs. Lakh)

S. N.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
1.	**AUTHORISED SHARE CAPITAL**		
	2,00,00,000 Equity Shares of Rs.10/- each	2,000.00	-
2.	**ISSUED & SUBSCRIBED & PAID-UP EQUITY SHARE CAPITAL BEFORE THIS ISSUE**		
	1,28,45,896 Equity Shares of Rs. 10/- each	1,284.59	-
3.	**PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER [(1)]**		
	Up to 29,97,375 Rights Equity Shares, each at a premium of Rs. 55/- per Rights Equity Share, i.e., at a price of Rs. 65/- per Rights Equity Share.	299.74	1,948.29
4.	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THIS ISSUE [(2)]**		
	1,58,43,271 fully paid-up Equity Shares of Rs. 10/- each	1,584.33	N.A.
5.	**SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL**		
	1,28,45,896 fully paid-up Equity Shares.	1,284.59	
	Up to 29,97,375 partly paid-up Equity Shares.	299.74	
SECURITIES PREMIUM ACCOUNT			
Before this Issue			2,234.48
After the Rights Issue of Equity Shares			3,058.76
After the one or more Subsequent Call(s) made in respect of Rights Shares			3,883.04[(3)]

Notes:

1. *This Issue has been authorized by a resolution of our Board passed at its meeting held on February 10, 2023 at an Issue price of Rs. 65/- per rights share, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Rights Issue Committee of the Board of Directors of our Company in its meeting held on December 18, 2023 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders in the ratio of 7:30 i.e., 7 (Seven) Rights Equity Shares for every 30 (Thirty) Equity Shares, as held on the Record Date i.e., [●].*
2. *Assuming full subscription for and Allotment of the Rights Equity Shares.*
3. *Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.*
4. *Above figures are rounded off to two decimal places.*

NOTES TO CAPITAL STRUCTURE

I. Details of options and convertible securities outstanding as on the date of this Draft Letter of Offer.

There are no outstanding convertible securities (including Fully Convertible Warrants) as on the date of this Draft Letter of Offer.

II. Details of Equity Shares held by our Promoter or Promoter Group have been locked-in, pledged or encumbered as of the date of this Draft Letter of Offer.

30,10,558 Equity Shares held by our Promoter & Promoter Group have been locked-in, as on the date of this Draft Letter of Offer. The details regarding the same are as follows:

S. No.	Name	Designation	Number of Shares held	Number of Shares locked-in
1.	Mr. Suraj Prakash Gupta	Promoter	65,79,754	30,10,558

Further, 28,00,000 Equity Shares held by our Promoter & Promoter Group are under pledge, as on the date of this Draft Letter of Offer. The details regarding the same are as follows:

S. No.	Name	Designation	Number of Shares held	Number of Shares under pledge
1.	Mr. Suraj Prakash Gupta	Promoter	65,79,754	28,00,000*

(*) Out of the 28,00,000 Equity Shares, 10,00,000 Equity shares held by Mr. Suraj Prakash Gupta is under lock-in.

III. Except as disclosed below, no Equity Shares have been acquired by our Promoter or Promoter Group in the last one year immediately preceding the date of this Draft Letter of Offer:

Name of the Promoter/Promoter Group	Date of the Transaction	Number of Equity Shares acquired	Value (in Rs.)	Nature of Transaction
Mr. Suraj Prakash Gupta (Promoter)	October 07, 2023	2,75,862	27,58,620	Conversion of 2,75,862 Warrants allotted on May 12, 2022
	October 21, 2023	2,75,862	27,58,620	Conversion of 2,75,862 Warrants allotted on May 12, 2022

IV. Subscription to this Issue by our Promoter and Promoter Group

Our Promoter and Promoter Group, by way of their letters dated October 06, 2023 respectively (the "Promoter and Promoter Group Letters") have informed the Company that they may (i) subscribe and apply in the proposed rights issue to the full extent of their Rights Entitlement or renounce their rights entitlement only to the extent of renunciation within the Promoter & Promoter Group; (ii) Subscribe to Rights Entitlements, if any, which are renounced in their favor by any other member(s) of the Promoter & Promoter Group which would remain unsubscribed; and (iii) Subscribe to additional Rights Equity Shares in the Issue to the extent of at least Minimum Subscription of the Issue Size, subject to compliance with the minimum public shareholding as prescribed under the Securities Contracts (Regulation) Rules, 1957 in the event of any under- subscription.

The acquisition of Rights Equity Shares by our Promoter and members of our Promoter Group, over and above their Rights Entitlements, as applicable, or subscription to the unsubscribed portion of this Issue, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

V. The ex-rights price of the Rights Equity Shares, as computed in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations, is Rs. [●]/- per Equity Share.

VI. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Draft Letter of Offer. The Rights Equity Shares, when issued, shall be partly paid-up. For details on the terms of this Issue, see *"Terms of the Issue"* on page 134.

VII. At any given time, there shall be only one denomination of the Equity Shares.

VIII. Shareholding pattern of our Company as per the latest filing with the Stock Exchange i.e. as on October 21, 2023) in compliance with the provisions of the SEBI Listing Regulations:

The same can be accessed at: https://www.bseindia.com/stock-share-price/suraj-industries-ltd/surjind/526211/qtrid/119.02/shareholding-pattern/Oct-2023/

IX. Details of the Shareholders holding more than 1% of the issued and paid-up Equity Share capital

The table below sets forth details of shareholders of our Company holding more than 1% of the issued and paid-up Equity Share capital of our Company, as on October 21, 2023: The same can be accessed at: https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=526211&qtrid=119.02&QtrName=21-Oct-23.

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OBJECTS OF THE ISSUE

Our Company proposes to utilize the proceeds of the Rights Issue towards the following objects:

1. Repayment/prepayment in full or part, of certain unsecured loans availed by our Company.
2. Grant of loan to our Subsidiary, M/s. Carya Chemicals & Fertilizers Private Limited.
3. General Corporate Purposes.

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable the Company to undertake its existing activities and the activities for which the funds are being raised by the Company through this Issue.

Issue Proceeds:

The details of the Issue Proceeds are set forth in the table below:

(Rs. In lakhs)

Particulars	Amount#
Gross Proceeds from this Issue	1,948.29
Less: Estimated Issue related expenses	30.00
Total Net Proceeds*	**1,918.29**

**Assuming full subscription and Allotment with respect to the Rights Equity Shares.*
#Rounded off to two decimal places.

Requirement of funds and utilization of Net Proceeds

The proposed utilization of the Net Proceeds is set forth in the table below:

(Rs. In lakhs)

Particulars	Amount#
Repayment/prepayment, in full or part, of certain unsecured loans availed by our Company.	750.00
Grant of loan to our Subsidiary, M/s. Carya Chemicals & Fertilizers Private Limited.	750.00
General Corporate Purposes. *	418.29
Total Net Proceeds	**1,918.29**

**Subject to finalization of the Basis of Allotment and the Allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
#Rounded off to two decimal places

Means of Finance:

The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of numerous factors beyond our control, such as market conditions, competitive environment, costs of commodities or interest rate fluctuations. We intend to finance the abovementioned objects from the Net Proceeds. Accordingly, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals in terms of the provisions of Regulation 62(1)(c) of the SEBI ICDR Regulations.

DETAILS OF THE OBJECTS OF THIS ISSUE

The details in relation to objects of this Issue are set forth herein below:

1. *Repayment/prepayment, in full or part, of certain unsecured loans availed by our Company.*

Our Company has entered into financing arrangements including borrowings in the form of Unsecured Loans. The following table provides details of the relevant terms of the said unsecured loans that have been availed by our Company from two bodies corporates, which we shall repay, in full from the proceeds of the Rights Issue:

<table>
<tr><td>Name of the Lender</td><td colspan="2">Surya Commercial Limited</td><td colspan="2">Sarvashaktiman Traders Private Limited</td></tr>
<tr><td>Nature of Loan</td><td colspan="2">Unsecured Loan</td><td colspan="2">Unsecured Loan</td></tr>
<tr><td>Principal Amount Outstanding</td><td colspan="2">Rs. 525 Lakh</td><td colspan="2">Rs. 225 Lakh</td></tr>
<tr><td>Date of Memorandum of Understanding</td><td colspan="2">April 05, 2023</td><td colspan="2">March 24, 2023</td></tr>
<tr><td>Interest Rate</td><td colspan="2">12% p.a.</td><td colspan="2">12% p.a.</td></tr>
<tr><td>Interest Payment Schedule</td><td colspan="2">Monthly basis on the end of each month</td><td colspan="2">Monthly basis on the end of each month</td></tr>
<tr><td>Object for which the loan has been taken</td><td colspan="4">Loans from these entities have been taken for General Business Purposes.</td></tr>
<tr><td>Repayment Terms</td><td colspan="2">11 Months from the date of disbursal of Loan.</td><td colspan="2">11 Months from the date of disbursal of Loan.</td></tr>
<tr><td rowspan="2">Due date of repayment</td><td>Rs. 350 Lakh</td><td>February 23, 2024</td><td>Rs. 75 Lakh</td><td>December 09, 2023</td></tr>
<tr><td>Rs. 175 Lakh</td><td>March 04, 2024</td><td>Rs. 150 Lakh</td><td>February 23, 2024</td></tr>
</table>

The Company vide a Memorandum of Understanding dated December 08, 2023, has further extended the original repayment period. The terms and conditions as per the revised Memorandum of Understanding is as follows:

<table>
<tr><td>Name of the Lender</td><td colspan="2">Surya Commercial Limited</td><td colspan="2">Sarvashaktiman Traders Private Limited</td></tr>
<tr><td>Date of revised Memorandum of Understanding</td><td colspan="2">December 08, 2023</td><td colspan="2">December 08, 2023</td></tr>
<tr><td>Repayment Terms</td><td colspan="2">Period of loan extended for further 11 Months from the expiry of original repayment period</td><td colspan="2">Period of loan extended for further 11 Months from the expiry of original repayment period</td></tr>
<tr><td rowspan="2">Due date of repayment</td><td>Rs. 350 Lakh</td><td>January 22, 2025</td><td>Rs. 75 Lakh</td><td>November 08, 2024</td></tr>
<tr><td>Rs. 175 Lakh</td><td>February 03, 2025</td><td>Rs. 150 Lakh</td><td>January 22, 2025</td></tr>
</table>

Our Statutory Auditors, vide their Certificate dated November 22, 2023 have confirmed the total

Outstanding Unsecured Loans amount, as on the September 30, 2023, is Rs. 525 Lakhs and Rs. 225 Lakh from Surya Commercial Limited and Sarvashaktiman Traders Private Limited, respectively.

Our Company proposes to repay / prepay either fully or partly the abovementioned borrowings including combination thereof, subject to terms and conditions stated above.

2. *Grant of loan to our subsidiary M/s Carya Chemicals & Fertilizers Private Limited ("Carya").*

Our Company proposes to utilize Rs. 750 Lakhs from the proceeds of the Rights Issue towards granting a loan to our subsidiary M/s Carya Chemicals & Fertilizers Private Limited.

DETAILS OF LOAN AGREEMENT

Name of the Borrower	Carya Chemicals & Fertilizers Private Limited
Nature of Loan	Unsecured Loan
Amount of Loan	Rs. 750 Lakh
Date of Loan Agreement	January 12, 2024
Interest Rate	12.50% p.a.
Interest Payment Schedule	Interest to be paid on quarterly basis within 15 days from the end of each quarter.
Duration of Loan	3 years beginning from the date of Disbursement of loan.
Terms of Repayment	Repayment shall be done at the end of 3 years from the date of Disbursement of loan or such extended date as may be mutually agreed.

ABOUT CARYA CHEMICALS & FERTILIZERS PRIVATE LIMITED

Carya Chemicals & Fertilizers Private Limited was incorporated on May 22, 2013. Its authorized share capital is Rs. 7,200 Lakh and its paid-up capital is Rs. 5,200 Lakh. Its registered office is situated at G.F., F-32/3, Okhla Industrial Area, Phase – II, New Delhi - 110020.

Business of Carya Chemicals & Fertilizers Private Limited

One of the main objects of Carya is to undertake by purchase or otherwise or to establish works for the business of brewers, distilleries and manufactures of and merchant and dealers in beer, wine, spirits, aerated waters, and liquor of every description such as Indian made foreign liquor, country liquor, potable liquors whether intoxicated or not.

Currently, Carya is in the process of setting up of Bottling Plant for Indian made Foreign Liquor and Distillery for manufacturing of Extra Neutral Alcohol and Ethanol. The Company has not yet started the commercial operation.

Carya has approvals for setting up:

Bottling Plant for Indian Made Foreign Liquor & Country Liquor

Capacity – 100 Lakh Cases p.a.

Approval	Issuing Authority	Letter No.	Date
No Objection Certificate (NOC) to set up the unit under Rajasthan Distillery Rules, 1977	Excise Commissioner, Rajasthan	P.32(B)( )EX/ L/2015/5734	17.06.2015
Permission to construct the unit under Rajasthan Distillery Rules, 1977 and Rajasthan Excise Rules, 1956	Excise Commissioner, Rajasthan	P.32(B)( )AAB/ L/2015/6426	29.01.2016
Consent to Establish under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981	Rajasthan State Pollution Control Board	2022-2023/PDF/4077	08.07.2022

Distillery for manufacture of Extra Neutral Alcohol (ENA)

Capacity – 125 KL per day

Approval	Issuing Authority	Letter No.	Date
No Objection Certificate (NOC) to set up the unit under Rajasthan Distillery Rules, 1977	Excise Commissioner, Rajasthan	P.32(B)( )EX/ L/2015/5734	17.06.2015
Permission to construct the unit under Rajasthan Distillery Rules, 1977 and Rajasthan Excise Rules, 1956	Excise Commissioner, Rajasthan	P.32(B)( )AAB/ L/2015/6426	29.01.2016
Environment Clearance	Ministry of Environment, Forest & Climate Change, Government of India	J-11011/232/2015-IA.II (I)	31.01.2017
Consent to Establish under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981	Rajasthan State Pollution Control Board	2022-2023/PDF/4091	27.09.2022

Distillery for manufacture of Ethanol

Capacity – 125 KL per day

Approval	Issuing Authority	Letter No.	Date
No Objection Certificate (NOC) to set up the unit under Rajasthan Distillery Rules, 1977	Excise Commissioner, Rajasthan	P.32(B)(72) (Carya) EX/ L/2015/4083	28.07.2022
Environment Clearance	Ministry of Environment, Forest & Climate Change, Government of India	EC22A060RJ148976	17.09.2022
Consent to Establish under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981	Rajasthan State Pollution Control Board	2023-2024/PDF/4133	26.04.2023

PROJECT IMPLEMENTATION STATUS

The above projects are in implementation stage and the Plant establishment is already under process. The Project Implementation is to be done in a phased manner.

Phase I

Manufacturing Facility Establishment

The Company is setting up a Bottling Plant with a capacity of 30 Lakh cases p.a. with a provision to expand the capacity to 50 Lakh cases p.a. by installing the additional bottling lines and storage and blending tanks.

Project Order status of Bottling Plant

- The Company has awarded work contracts for Civil Works and Pre-Engineered Buildings Structure for the Bottling Plant.
- We are under negotiations with the Plant & Equipment suppliers.
- The abovementioned Bottling Plant is expected to be commissioned by March 2024.

Phase II

Manufacturing Facility Establishment

The Company will initiate the setting up of manufacturing facility for ENA production in Phase II which is expected to begin by June 2025.

Project Order status for ENA Manufacturing Facility

- Praj Industries Limited has been shortlisted as the Plant Supplier. Carya has issued Letter of Intent dated May 20, 2022.

- Cheema Boilers Limited has been shortlisted as the Boiler Supplier. Carya has issued Letter of Intent dated June 16, 2022.

Phase III

Manufacturing Facility Establishment

The Company will initiate the setting up of manufacturing facility for Ethanol production in Phase III which is expected to begin by September 2026.

FINANCIAL POSITION OF CARYA CHEMICALS & FERTILIZERS PRIVATE LIMITED

(Rs. in lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Equity Capital	5,200.00	1,030.40	1,030.40
Total Revenue	NIL	NIL	NIL
Net Profit	NIL	NIL	NIL

It is significant to note here that Carya is still in the Project Implementation Stage. During the Financial Year 2022-23, it has raised Rs. 4,170 Lakh, through Rights Issue, which is under deployment towards Project Implementation. Carya has not generated any Revenue till now as it's under Project Implementation stage.

COMMERCIAL SUBSTANCES

We propose to utilize Rs.750 lakhs from the Net Proceeds towards granting loan to M/s Carya Chemicals & Fertilizers Private Limited for setting up of Distillery and Bottling Plant for manufacture of Indian Made Foreign Liquor and Country Liquor in Rajasthan, ENA and Ethanol.

BENEFITS OF GRANTING LOAN TO M/S CARYA CHEMICALS & FERTILIZERS PRIVATE LIMITED

1. M/s Carya Chemicals & Fertilizers Private Limited, a subsidiary of our company, operates under our controlling stake. Carya is in the process of setting up of Bottling Plant for Indian made Foreign Liquor (Whisky, Rum Gin)/Country Liquor and Distillery for manufacturing of Extra Neutral Alcohol (ENA) and Ethanol and has already been allotted 90 acres land by RIICO to set up the project and also received various statutory approvals for setting up these projects.

2. In the first phase, Carya is setting up a Bottling Plant for IMFL & Country Liquor which is at an advanced stage of construction, and it would be followed by Distillery for ENA.

3. Once the Bottling Plant & Distillery for ENA are successfully commissioned, it will start work on the Ethanol project.

4. These projects are techno-economically viable and are eligible for incentives which Government of Rajasthan is providing under its industrial promotion policy i.e. Rajasthan Investment Promotion Scheme, 2022 and Rajasthan Ethanol Production Promotion Policy 2021.

5. Carya is already in the process of setting up a Bottling Plant for IML and Country Liquor. With the infusion of an amount of Rs. 750 lakhs into Carya, via grant of loan, our Company is expecting following benefits to accrue:

   5.1 Suraj, being 50.73% holding Company of Carya would thus be entitled to 50.73% of its Profits and/or any dividend declared by Carya, in future.

   5.2 Further, the loan proposed to be given to Carya, out of the proceeds of this issue, being an interest-bearing loan, would provide the Company with an additional revenue to the line of 12.50% p.a. on the loan amount.

   5.3 Also, Carya will manufacture ENA, which is a raw material for the Rajasthan Made Liquor (RML) and Country Liquor produced by our Company, which we presently procure from other vendors. So, the ENA produced by Carya can be supplied to our Company and thus, it will lead to a backward integration.

3. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Deployment of funds

The following table provides for the proposed deployment of Net Proceeds and other funds, to be raised after deducting Issue related expenses.

Particulars	Amount proposed to be funded from Net Proceeds at Application#	Proposed schedule for deployment of the Net Proceeds at Application#	Proposed schedule for deployment of the Net Proceeds at Application#

		Financial Year 23-24	Financial Year 24-25
Repayment/prepayment, in full or part, of certain unsecured loans availed by our Company.	750.00	750.00	--
Grant of loan to our subsidiary M/s Carya Chemicals & Fertilizers Private Limited ("Carya").	750.00	100.00	650.00
General corporate purposes	418.29	94.15	324.14
Total	**1,918.29**	**944.15**	**974.14**

#Rounded off to two decimal places.

Bridge Financing Facilities

Although, no bridge loans from any banks or financial institutions have been availed by our Company, as on the date of this Draft Letter of Offer. But, we have availed short term loans from certain private parties, to fund our equity investment plans in Carya. As mentioned in the preceding paragraphs, one of the objects of the proposed Rights Issue is to repay in full or part, the said short term loans.

Interim Use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends and will deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board.

Estimated Issue related expenses:

The total expenses of the Issue are estimated to be Rs. 30.00 lakhs. The break-up of the Issue expenses is as follows:

(Unless otherwise specified, in Rs. lakhs)

S. No.	Particulars	Amount	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
1.	Fee to the legal advisors, other professional service providers and Registrar to the Issue	12.00	40.00	0.62
2.	Advertising, marketing expenses, shareholder outreach, etc.	7.00	23.33	0.36
3.	Fees payable to regulators, including depositories, Stock Exchange and SEBI	7.00	23.33	0.36
4.	Other expenses (including miscellaneous expenses and stamp duty)	4.00	13.33	0.21
	Total estimated Issue related expenses	**30.00**	**100.00**	**1.54**

Note: Subject to finalization of Basis of Allotment. In case of any difference between the estimated Issue *related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.*

Interest of Promoters, Promoter Group and Directors, as applicable to the objects of the Issue

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter Group, Directors, Key Managerial Personnel of our Company.

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STATEMENT OF SPECIAL TAX BENEFITS

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

Subject Statement of possible special tax benefits ("the Statement") available to Suraj Industries Limited ("Company"), subsidiary and its shareholders, prepared in accordance with the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") in connection with the proposed Rights Issue of Equity shares of face value of Rs. 10/- each.

1. This report is issued in accordance with the terms of our engagement letter dated September 21, 2023 signed with the Company.

2. The accompanying Statement of Special Tax Benefits available to the Company, its subsidiary and its Shareholders (hereinafter referred to as **"the Statement"**) under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 (hereinafter referred to as **" IT Act"**), and the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) (collectively referred as **"Indirect Tax Regulations")** as on the signing date, for inclusion in the Letter of Offer ("Offer Document") prepared in connection with the Offer, has been prepared by the management of the Company in connection with the Offer, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as on the date of our report which is to be included in the Offer Document is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on February 10, 2023 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the **"ICAI"**). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations 2018, as amended **(the "SEBI ICDR Regulations")** and the Companies Act 2013 **('Act')**, it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders, in accordance with the Act as at the date of our report.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements issued by the ICAI.

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the Regulations in connection with the Offer.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive.

   The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

   Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes**.**

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the special tax benefits available to the Company and its shareholders, in accordance with the Act as at the date of our report.

   Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

   (i) The Company, its subsidiary or its shareholders will continue to obtain the benefits per the Statement in future; or

   (ii) The conditions prescribed for availing the benefits as per the Statement have been/would be met with.

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, and the concerned stock exchange.

For Pawan Shubham & Co.
Chartered Accountants
FRN No. 011573C

CA Krishna Kumar
Partner
Membership no.
UDIN : 23523411BGWIRO2828

Date : 06-11-2023
Place : New Delhi

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SURAJ INDUSTRIES LIMITED (THE "COMPANY"), SUBSIDIARIES AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the Company, its subsidiary and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

The statement below covers only relevant special tax law benefits and does not cover benefits under any other law.

I. Under the Income -tax Act, 1961 (the IT Act)

A. Special tax benefits available to the Company.

1. Concessional corporate tax rates - Section 115BAA of the IT Act

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised shall apply to subsequent AYs. The concessional rate is subject to a company not availing any of the following deductions under the provisions of the IT Act:

- Section10AA: Tax holiday available to units in a Special Economic Zone.
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development.
- Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a company availing the concessional rate of 25.17% (i.e. 22% along with surcharge and health & education cess) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

The Company is eligible to exercise the above option.

2. Deductions in respect of employment of new employees – Section 80JJAA of the IT Act

As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub- section (2) of section 80JJAA of the IT Act.

3. Deduction with respect to inter-corporate dividends – Section 80M of the IT Act

As per the provisions of section 80M of the IT Act, inserted with effect from 01 April 2021, a domestic company shall be allowed to claim a deduction of divided income earned from any other domestic company or a foreign company or a business trust. The amount of deduction so claimed should not exceed the amount of dividend distributed by it and is subject to fulfilment of other conditions laid down therein.

B. Special tax benefits available to the shareholders.

There are no special tax benefits available to the shareholders of the Company under the Act.

II. Indirect tax (Indirect tax regulations)

The Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, including the relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) (collectively referred as "Indirect Tax Regulations")

A. Special tax benefits available to the Company.

1. Remission of Duties and Taxes on Exported Products Scheme (RoDTEP)

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme was announced by Government of India (GOI) on 14 September 2019 to boost exports by allowing reimbursement of taxes and duties, which are not exempted or refunded under any other scheme in accordance with World Trade Organization (WTO) norms. The scheme has been applicable with effect from January 2021.

The Company has been availing benefit of this scheme on products exported out of India as per rates prescribed.

2. Benefits available to the Company under Duty Drawback Scheme

Duty Drawback Scheme provides refund/recoupment of custom duties paid on inputs or raw materials and service tax paid on the input services used in the manufacture of exported goods.

The Company has been availing benefit of this scheme and has been availing duty drawback as per the rates prescribed.

3. Benefits available to the company under Export Promotion Capital Goods Scheme (EPCG)

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness.

EPCG Scheme allows import of capital goods for pre-production, production, and post-production at zero customs duty.

The Company has been availing benefit under this scheme.

4. Benefits available to the company Integrated Goods and Services Tax Act 2017 (IGST Act)

Under the IGST Act, all supplies of goods and services which qualify as export of goods or services are zero-rated, that is, these transactions attract a GST rate of zero per cent.

On account of zero rating of supplies, the supplier will be entitled to claim input tax credit in respect of goods or services used for such supplies and can seek refund of accumulated/unutilized ITC.

There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/LUT as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated tax and claim refund thereof as per the provisions of Section 54 of CGST Act, 2017.

The Company has been engaged in the export of goods on payment of IGST and claiming a refund for the same.

B. Special tax benefits available to shareholders of the Company under indirect tax regulations in India

The shareholders of the Company are not eligible to any special tax benefits under Indirect Tax Regulations

Notes:

1. The ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares.

4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:

   - the Company or its shareholders will continue to obtain these benefits in future;
   - the conditions prescribed for availing the benefits have been/ would be met with; and
   - the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

6. The above Statement of Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

For Pawan Shubham & Co.
Chartered Accountants
FRN No. 011573C

CA Krishna Kumar
Partner
Membership no.
UDIN : 23523411BGWIRO2828

Date : 06-11-2023
Place : New Delhi

SECTION IV: DETAILS OF BUSINESS

INDUSTRY OVERVIEW

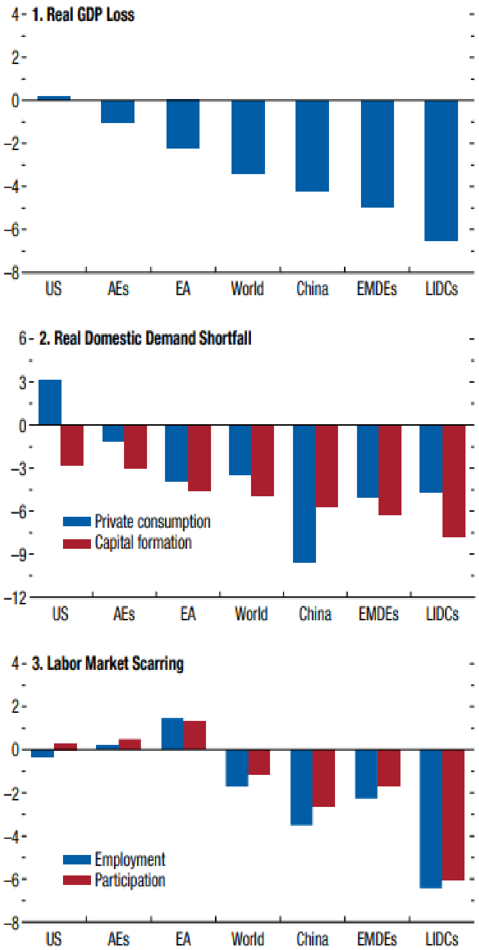
The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

GLOBAL OUTLOOK

Growing Global Divergences

More than three years after the global economy suffered the largest shock of the past 75 years, the wounds are still healing, amid widening growth divergences across regions. After a strong initial rebound from the depths of the COVID-19 pandemic, the pace of recovery has moderated. Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, Russia's war in Ukraine, and increasing geo-economics fragmentation. Others are more cyclical, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events. Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of pre-pandemic (January 2020) projections, especially in emerging markets and developing economies (Figure 1.1, panel 1).

Figure 1.1. Incomplete Recovery: Scarring from the Shocks of 2020–22
(Percent; deviation in 2023 from prepandemic projections)



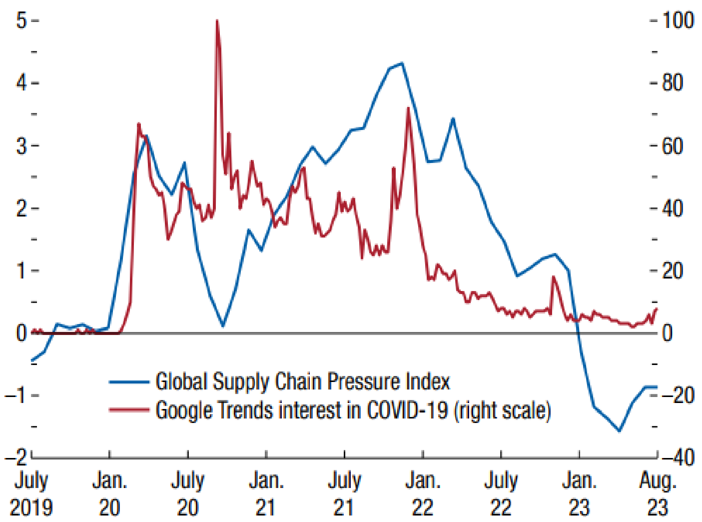
Source: IMF staff calculations.
Note: "Prepandemic projections" refers to those in the January 2020 *World Economic Outlook Update*. AEs = advanced economies; EA = euro area; EMDEs = emerging market and developing economies; LIDCs = low income developing countries.

The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its pre-pandemic path. The euro area has recovered, though less strongly—with output still 2.2 percent below pre-pandemic projections, reflecting greater exposure to the war in Ukraine and the associated adverse terms-of-trade shock, as well as a spike in imported energy prices. In China, the pandemic-related slowdown in 2022 and the property sector crisis contribute to the larger output losses of about 4.2 percent, compared with pre-pandemic predictions. Other emerging market and developing economies have seen even weaker recoveries, especially low-income countries, where output losses average more than 6.5 percent. Higher interest rates and depreciated currencies have exacerbated the difficulties of low-income countries, placing more than half either at high risk of distress or already in distress. Overall, global output for 2023 is estimated at 3.4 percent (or about $3.6 trillion in 2023 prices) below pre-pandemic projections. Private consumption has also recovered faster in advanced economies than in emerging market and developing economies, owing to an earlier reopening in the former group facilitated by greater availability of effective vaccines, stronger safety nets, more ample policy stimulus, and greater feasibility of remote work. These factors supported livelihoods during the pandemic, and household consumption is now broadly back to pre-pandemic trends. Among advanced economies, private consumption has been stronger in the United States than in the euro area, with households receiving larger fiscal transfers early in the pandemic and spending the associated savings more quickly; being better insulated from the rise in energy prices resulting from the war in Ukraine; and feeling relatively confident amid historically tight US labor markets, which have supported real disposable incomes (Figure 1.1, panel 2). Among emerging markets and developing economies, the consumption shortfall is particularly large in China, reflecting tight restrictions on mobility during the COVID-19 crisis.

Divergences in labor market performance across regions broadly mirror those for output and consumption. Employment and labor participation rates are estimated to exceed pre-pandemic trends in advanced economies but to remain significantly below them in emerging market and developing economies, reflecting more severe output losses and much weaker social protection. Countries that had the most limited fiscal space are also those where employment shortfalls are the largest (ILO 2023). Among advanced economies, the euro area has seen larger employment gains than the United States. This may reflect more extensive use in the former of worker-retention programs modeled on the German Kurzarbeit short-time work scheme (IMF 2020), which protect workers' income and allow businesses to retain firm-specific human capital, reducing the costly process of separation, rehiring, and training. In the euro area, these programs bolstered employment during the most challenging phases of the crisis and accelerated the recovery when economies reopened (Figure 1.1, panel 3).

Investment, on the other hand, has uniformly fallen short of pre-pandemic trends across regions. Businesses have shown less enthusiasm for expansion and risk-taking amid rising interest rates, withdrawal of fiscal support, dimmer prospects for product demand, stricter lending conditions, and growing uncertainties regarding geo-economics fragmentation. Higher leverage has further dampened investment (see Chapter 2 of the April 2022 World Economic Outlook [WEO]), which remains 3 percent to 10 percent lower across regions than had been projected before the pandemic (Figure 1.1, panel 2). Moreover, the pandemic, war in Ukraine, and worsening climate shocks have contributed to a reversal in decades-long poverty reduction trends. According to World Bank staff estimates (Mahler and others 2022), 75 million to 95 million more people were living in extreme poverty in 2022 compared with pre-pandemic estimates. Spikes in food prices and related insecurities following Russia's invasion of Ukraine, as well as bouts of extreme weather, have accentuated these difficulties. The global average temperature in July 2023 was the highest on record for any month, amid reports of catastrophic flooding, heat waves, and wildfires in many

Figure 1.2. The COVID-19 Shock: Returning to Normal
(Standard deviations from average value; index, 100 = highest point worldwide during 2008–23, on right scale)



Sources: Federal Reserve Bank of New York, Global Supply Chain Pressure Index; Google Trends.
Note: On right scale, numbers represent search interest relative to the highest point (100) during 2008–23 worldwide.

regions. Overall, the global prevalence of undernourishment is significantly higher than before the pandemic (FAO and others 2023).

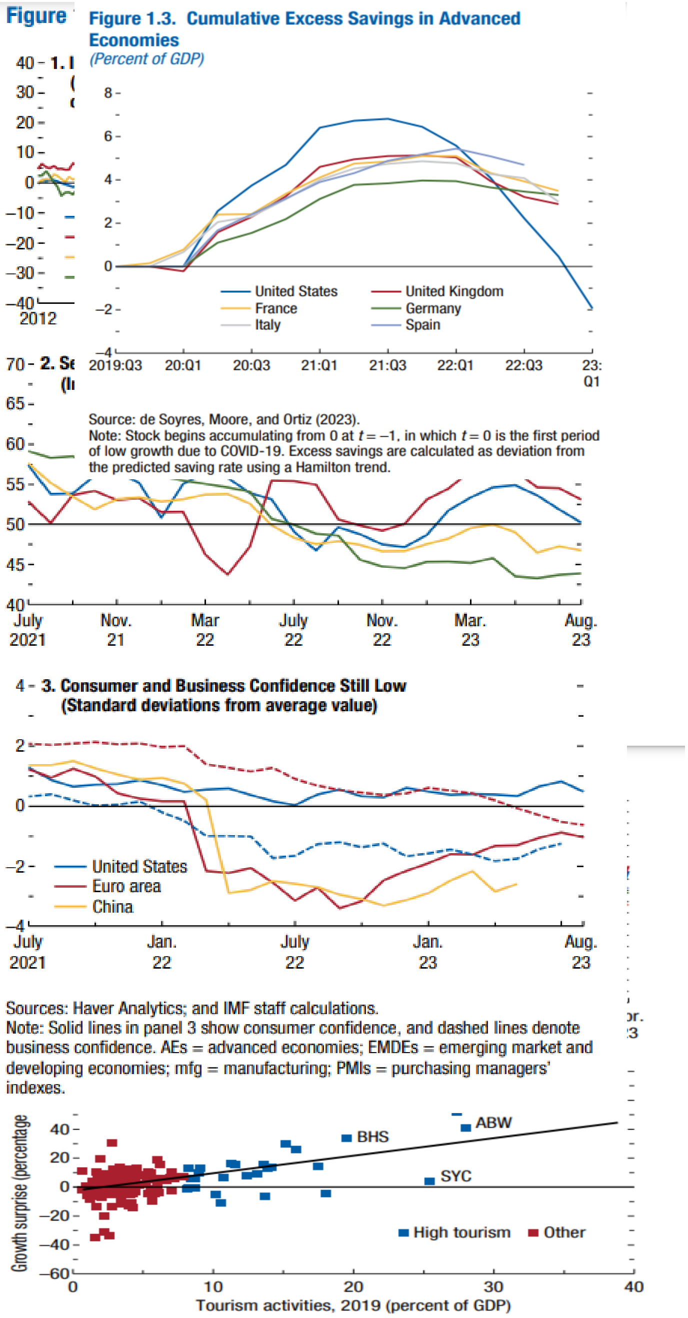
Resilient Start to 2023, Signs of Slowdown

Despite these persistent challenges, several headwinds to global growth subsided earlier this year. The World Health Organization announced in May that it no longer considered COVID-19 a global health emergency, and infections and hospitalizations appear to remain relatively limited, despite a recent uptick in some regions. Supply chains, which the pandemic disrupted, have largely normalized, with shipping costs and suppliers' delivery times back to pre-pandemic levels (Figure 1.2). And global financial conditions eased after Swiss and US authorities took strong action in March to contain turbulence in their banking sectors.

Amid these conditions, global GDP expanded by 3.4 percent in the second quarter of 2023 compared with a year earlier—outperforming forecasts, including those in the April 2023 WEO. The resilience reflected strong consumption amid tight labor markets in the United States and robust activity in economies with large travel and tourism sectors, such as Italy, Mexico, and Spain. These developments offset a slowdown in more interest-rate-sensitive manufacturing sectors.

That said, there are signs the rebound is fading:

Diminishing pandemic-era savings: The stock of savings built during the pandemic, which has so far supported consumers, is declining in advanced economies, especially the United States, as illustrated in Figure 1.3. This implies fewer resources for households to draw on as they contend with a still-elevated cost of living and more restricted credit availability in the context of monetary tightening aimed at reducing inflation.



Sources: Haver Analytics; World Travel & Tourism Council; and IMF staff calculations.
Note: In panel 1, series is the normalized sum of arrivals for each region based on data for 41 economies. In panel 2, the *x*-axis measures the direct share of travel and tourism in GDP in 2019. The growth surprise on the *y*-axis measures the difference between the cumulative GDP growth in 2021–23 and its projected value in the January 2020 *World Economic Outlook Update.* Data labels in the figure use International Organization for Standardization (ISO) country codes. excl. = excluding.

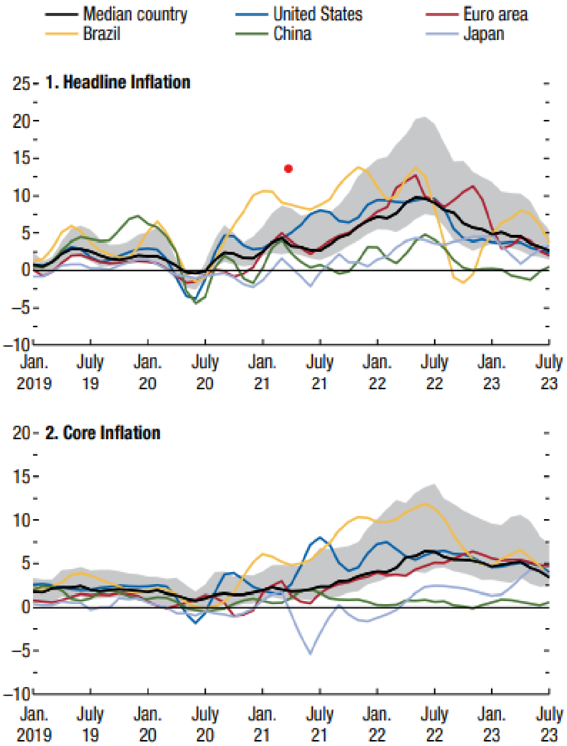
Slowing catch-up in services, including travel: International tourist arrivals are approaching pre-pandemic levels in most regions (Figure 1.4, panel 1). The recovery of travel during 2021–23 has come with especially strong economic growth in economies with a large share of tourism activities in GDP (Figure 1.4, panel 2). These economies had suffered especially sharp contractions in GDP at the onset of the pandemic (Milesi-Ferretti 2021). But with the recovery in tourism maturing, the boost to growth is waning. Leading indicators for services now indicate weaker growth or declining output (Figure 1.5, panel 2) in economies that previously enjoyed a strong rebound.

Persistent manufacturing slowdown: Recent data releases point to a wide-ranging slowdown or contraction in the manufacturing sector, with related declines in industrial production, investment, and international trade in goods. This weakness reflects the combined effects of the post pandemic shift in consumption back toward services, weaker demand stemming from a higher cost of living, the unwinding of crisis policy support, tighter credit conditions, and general uncertainty amid intensified geo-economics fragmentation (Figure 1.5, panel 1).

Part of the slowdown is policy induced—the result of the globally synchronous central bank tightening of monetary conditions to restore price stability.

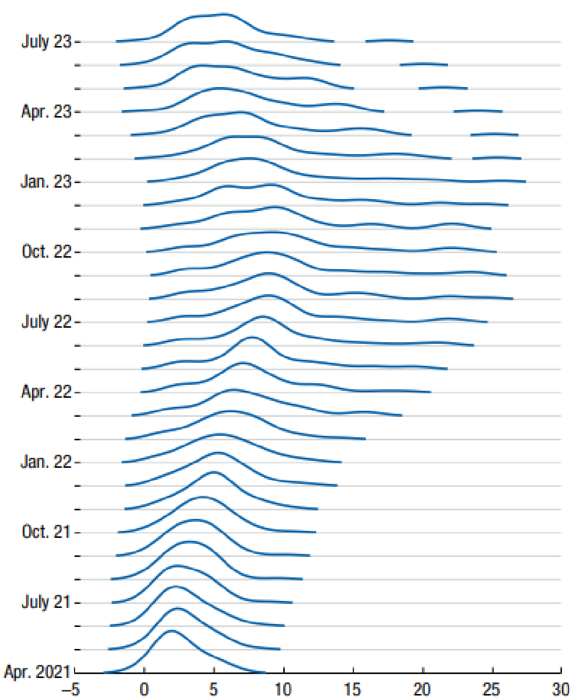
Signs that tightening efforts are paying off are increasingly apparent, with global inflation steadily declining from its multidecade peak in 2022 amid tighter credit availability and cooling housing markets. Part of the slowdown also reflects more idiosyncratic developments, such as the property sector crisis in China.

Figure 1.7. Inflation Turning the Corner
(Three-month annualized percent change, seasonally adjusted)



Sources: Haver Analytics; and IMF staff calculations.
Note: The figure shows the developments in headline and core inflation across 17 emerging market and developing economies and 18 advanced economies. The 35 sample economies account for approximately 81 percent of 2022 world output. Core inflation is the change in prices for goods and services, excluding those for food and energy (or the closest available measure). For the euro area (and other European countries for which data are available), energy, food, alcohol, and tobacco are excluded. The grey band depicts the 25th to 75th percentiles of inflation across countries.

Figure 1.8. Headline Inflation Distribution
(Percent, year over year)



Sources: Organisation for Economic Co-operation and Development; and IMF staff calculations.
Note: The figure shows the density distribution of headline inflation developments across 29 advanced economies and 11 emerging market and developing economies.

Inflation: Nearer, but Not Quite There

Global headline inflation has more than halved, from its peak of 11.6 percent in the second quarter of 2022 (at a quarterly annualized rate) to 5.3 percent in the second quarter of 2023. About four-fifths of the gap between the 2022 peak and the pre-pandemic (2017–19) annual average level of 3.5 percent has closed. Among major economies, headline inflation in the second quarter of 2023 ranged from –0.1 percent in China (at a quarterly annualized rate) to 2.8 percent in the euro area and 2.7 percent in the United States (Figure 1.7). A narrowing in the cross-country variation in headline inflation has accompanied the decline. As Figure 1.8 reports, the international distribution of inflation rates widened during the 2022 inflation surge, becoming skewed upward, but has since begun to normalize.

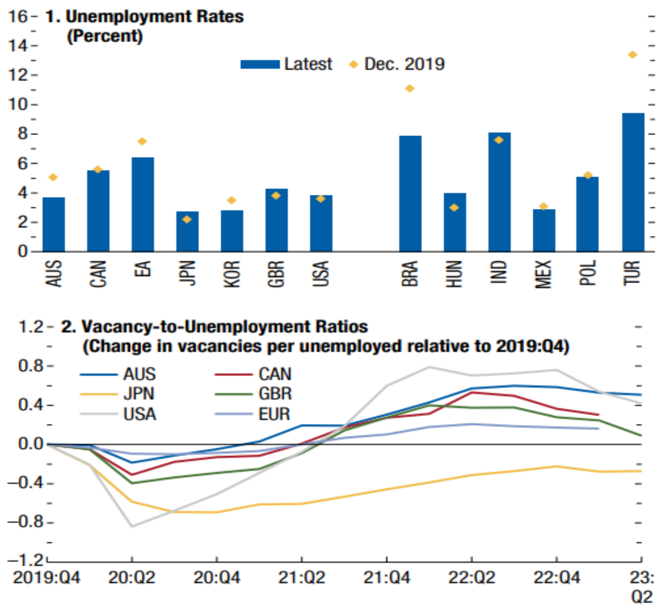
A fall in energy prices and—to a lesser extent—in food prices has driven the decline in headline inflation. As the

Commodity Special Feature in this chapter reports, notwithstanding a rebound in July, crude oil prices have declined during 2023 and are well below their June 2022 peak, on the back of lower global demand partly driven by tighter global monetary policy affecting activity. Supply curbs by OPEC+ (Organization of the Petroleum Exporting Countries plus selected nonmember countries) were partly offset by strong oil output growth in non-OPEC countries, most notably the United States. Natural gas prices also remain well below their 2022 peak, reflecting ample storage and supplies from Norway and northern Africa. Food prices have declined modestly in 2023, with lower demand offset by supply reductions, notably those resulting from Russia's withdrawal from the Black Sea Grain Initiative in July, which reduced the supply of wheat to the global market. The normalization of supply chains has further contributed to the decline in headline inflation in most countries.

Underlying (core) inflation has also declined, but more gradually. Global inflation excluding food and energy prices is down from a peak of 8.5 percent in the first quarter of 2022 (at a quarterly annualized rate) to 4.9 percent in the second quarter of 2023, nearly two-thirds of the way back to the pre-pandemic (2017–19) annual average of 2.8 percent. Among major economies, in the second quarter of 2023, it ranged from 0.3 percent in China (at a quarterly annualized rate) to 4.6 percent in the euro area and 4.7 percent in the United States. Data for July indicate a rise in inflation excluding food and energy in most advanced economies; more data releases are needed to assess progress in reducing underlying inflation.

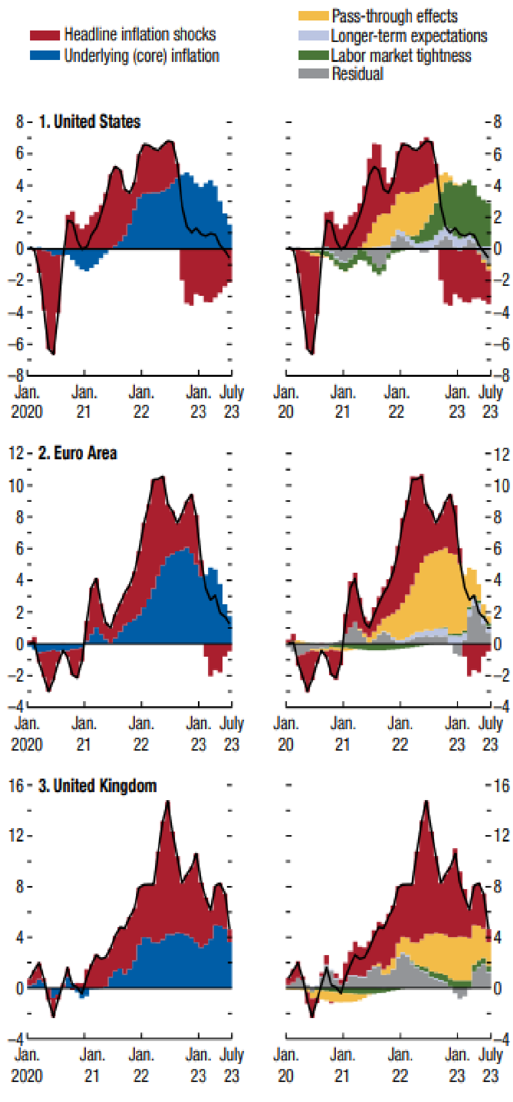
The drivers of core inflation have reflected a combination of demand pressures, as shown in labor market conditions and pass-through effects from past shocks to headline inflation shocks, including those arising from supply shifts in various industries. The roles of these factors have differed markedly across economies. Demand pressures in some advanced economies arose from

Figure 1.10. Labor Markets Still Tight but Easing



Sources: Eurostat; Haver Analytics; national statistics agencies; Organisation for Economic Co-operation and Development; and IMF staff calculations.
Note: Data labels in the figure use International Organization for Standardization (ISO) country codes. EA = euro area; EUR = Europe.

Figure 1.9. Different Drivers: Inflation in Selected Economies
(Percentage points; three-month annualized inflation; deviation from December 2019)



Source: IMF staff calculations.
Note: Underlying (core) inflation denotes weighted median inflation. Methodology is as in Dao and others (2023) and Ball, Leigh, and Mishra (2022).

significant COVID-19–era fiscal payments to households, as well as from ample monetary policy stimulus early in the pandemic, which supported the recovery in consumer spending. These policy-induced pressures declined as policy support subsided. Pass-through effects include the effects of past relative price shocks—notably those to the price of energy— on prices and costs in other industries through supply chain inputs and wage demands. An important pass-through channel is, as Chapter 2 explains, the rise in near-term inflation expectations, which has implications for both wage and price setting. IMF staff analysis (Figure 1.9) suggests that in the euro area and the United Kingdom, pass-through from past relative price movements—in particular that from energy price shocks associated with external factors—has recently played a larger role than in the United States in driving core inflation (the staff's methodology was the same as that used in Dao and others 2023).

In the United States, labor market tightness has been an especially strong driver. Although labor markets remain tight, especially in the United States, the recent decline in the ratio of vacancies to the number of unemployed people suggests some easing (Figure 1.10).

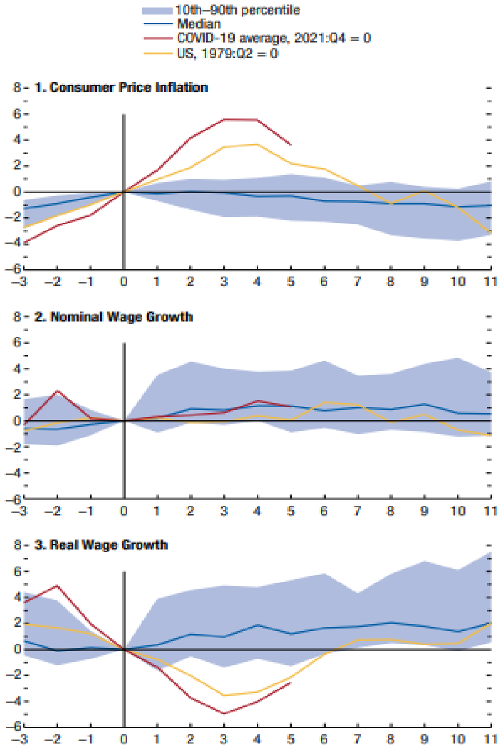
Wage growth has remained contained, with wage-price spirals—in which prices and wages accelerate together for a sustained period—not generally taking hold in advanced economies (Figure 1.11).

At the same time, evidence shows that wages at the bottom of the distribution have risen faster than the average, compressing the wage distribution. Longer-term inflation expectations have remained well anchored and contributed little to recent movements in core inflation (Figure 1.9; Chapter 2). Company profits have increased robustly over the past two years, with wages having risen more slowly than prices (Figure 1.12).

For the United States and the euro area, a decomposition of the GDP deflator into labor costs and profits shows that in the early phase of the pandemic (2020–21), profits accounted for most of the rise in prices. But since 2022, labor costs have contributed an increasing share to rising prices—particularly in the United States. The rise in profits (sales revenue minus all costs) does not necessarily signal increased monopoly power, with firms deliberately limiting supplies to raise prices in excess of the cost of producing an additional unit of output (marginal cost). Profits can rise when a surge in demand meets supply constraints or when supply constraints tighten, implying higher prices, and wages do not immediately adjust. As wages start to rise, profits can be expected to erode. Accordingly, IMF staff analysis based on firm-level data indicates little change in firms' markups (prices in excess of marginal cost) across various sectors in major advanced economies during 2019–22.

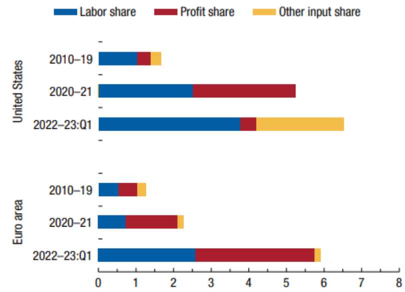
Similarly, Colonna, Torrini, and Viviano (2023) conclude that despite profit share increases, firm markups were unchanged or declined across several sectors in Germany and Italy during 2022. Overall, these results suggest that a rise in market power did not significantly contribute to the

Figure 1.11. Little Evidence of Wage-Price Spirals
(Percentage point deviation from t = 0)



Sources: International Labour Organization; Organisation for Economic Cooperation and Devel
Note: In pa panels 2 a Growth is the CPI. Th of the prec (2) positive declining within a sa the averag shows qua Economic

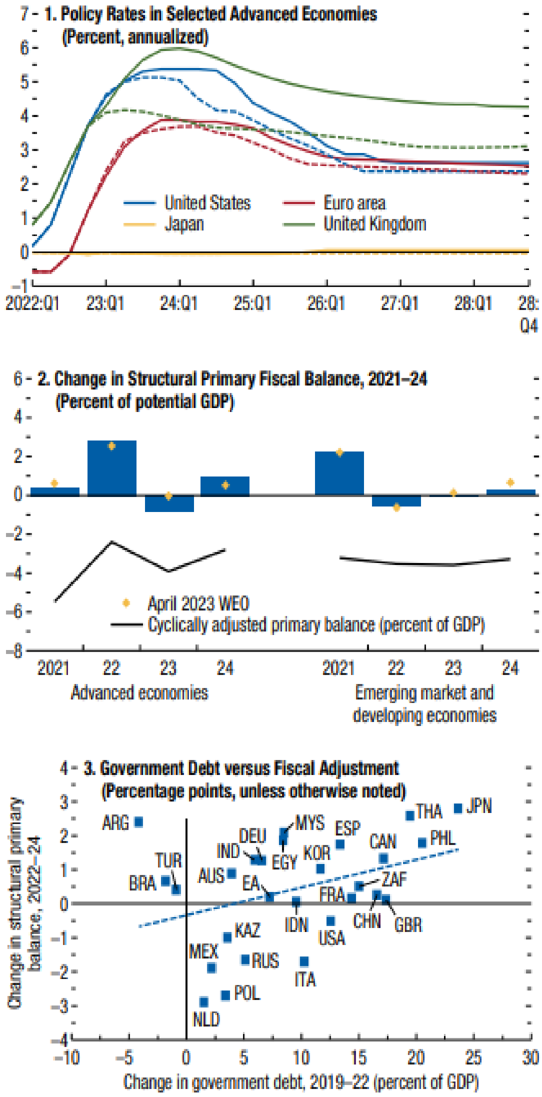
Figure 1.12. Profits and Labor Shares: Accounting for Inflation
(Percent, annualized)



Sources: Eurostat; US Bureau of Economic Analysis; and IMF staff calculations.
Note: US decomposition uses data on factor shares from the nonfinancial corporate sector only. Euro area decomposition is based on whole-economy data.

inflation surge of 2022. Moreover, there is some evidence that since 2022, rising labor costs have accounted for a significantly larger share of US price increases than profits. Even as central banks have taken decisive action, inflation remains above target in almost all economies with an inflation target. Among major central banks with inflation above target, the Bank of Canada, the Bank of England, the European Central Bank, and the Federal Reserve all raised rates in July. The Bank of Japan has continued with monetary easing but in July decided to allow more flexibility in the conduct of yield curve control such that the 10-year yield can now rise up to 1 percent. The largest exception to this pattern is China, where headline inflation is subdued and below the authorities' target and the People's Bank of China reduced interest rates in June and August.

Figure 1.16. Monetary and Fiscal Policy Assumptions



Source: IMF staff calculations.
Note: In panel 1, solid lines denote assumptions for the October 2023 WEO and dashed lines for the April 2023 WEO. In panel 2, the cyclically adjusted primary balance is the general government balance (excluding interest income or expenses) adjusted for the economic cycle. The structural primary fiscal balance is the cyclically adjusted primary balance corrected for a broader range of noncyclical factors, such as changes in asset and commodity prices. Data labels in the figure use International Organization for Standardization (ISO) country codes. EA = euro area; WEO = *World Economic Outlook*.

Outlook: Stable but Slow

The latest projections confirm that the global economy is slowing as inflation declines from last year's multidecade peak. A contraction in global per capita real GDP—which often happens in a global recession—is not part of the baseline scenario. Growth and employment in the first half of the year remained more resilient than forecast in the April 2023 WEO. Although there is little change in the forecast for the global average since the July 2023 WEO Update, several shifts in growth and inflation prospects are observed across countries. In addition, medium-term prospects for economic growth remain the lowest in decades, with middle- and lower-income countries facing a slower pace of convergence toward higher living standards.

The baseline forecasts for the global economy are predicated on a number of assumptions (Figure 1.16), notably for fuel and nonfuel commodity prices, as well as the stances of monetary and fiscal policy:

Commodity price assumptions: Prices of fuel commodities are projected to fall on average by 36 percent and oil prices by about 17 percent, with the decreases reflecting mainly the slowdown in global economic activity, and natural gas and coal prices to decline from their 2022 peaks by 61 percent and 51 percent, respectively. The forecast for nonfuel commodity prices is a decline of 6.3 percent, on average, in 2023, with prices for base metals expected to decrease by 4.7 percent, the decreases reflecting concerns regarding real estate investment in China. Food commodity prices, after rising by 14.8 percent in 2022, are predicted to decline by 6.8 percent in 2023, with prices remaining well above their 2021 levels. Compared with forecasts in the July 2023 WEO Update, an upward revision to wheat prices following the suspension of the Black Sea Grain Initiative (which occurred after the July 2023 WEO Update forecasting round) is broadly offset by downward revisions to other food commodity prices.

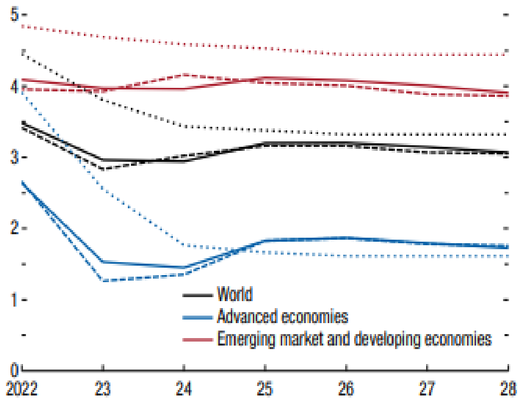
Monetary policy assumptions: Global interest rate assumptions are on average revised upward compared with those in the April 2023 WEO, reflecting actual and signaled policy tightening by major central banks. The Federal Reserve's policy rate is expected to peak at its current level of about 5.4 percent, the Bank of England to raise its to peak at about 6.0 percent, and the European Central Bank to raise its to peak at 3.9 percent in 2023, before all three reduce rates in 2024. The higher policy path over the longer term has contributed to the rise in long-term policy rate assumptions. For Japan, policy rates for the medium term (2026–28) are revised upward, reflecting changes to the country's yield-curve-control framework, and long-term rates are revised upward accordingly. As near-term inflation expectations decline, real interest rates are likely to stay elevated even after nominal rates start to fall. In addition, changes in monetary policy are becoming less synchronous, with some central banks that tightened policy earlier (such as the Central Bank of Brazil) initiating their easing cycle.

Fiscal policy assumptions: Governments in advanced economies are on average expected to ease fiscal policy in 2023, following a rise in fiscal balances in 2022, whereas in emerging market and developing economies, the projected fiscal stance is on average neutral. Fiscal consolidation is expected in 2024 in both groups of economies. Fiscal tightening is on average expected to be greater in economies that recently experienced a sharper rise in government debt (Figure 1.16, panel 3). A rise in government debt amounting to 10 percentage points of GDP during 2019–22 is associated on average with fiscal consolidation (rise in the structural primary balance) of 0.8 percentage point of GDP during 2022–24. Exceptions to this pattern include, for example, Argentina, where despite a decline, debt levels remain high, and the fiscal stance is expected to continue tightening to secure fiscal and debt sustainability.

Growth Outlook: Offsetting Divergences

Global growth is projected to fall from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024 on an annual average basis. There is a downward revision of 0.1 percentage point for 2024 compared with the July 2023 WEO Update projection. At the same time, there are more sizable changes in the underlying growth trajectories of major economies, with stronger projections for the United States and downward revisions for China and the euro area. The forecasts for growth during 2023–24 are also slower than those before the onset of the shocks of 2020–22 (Figure 1.17): the January 2022 WEO Update projected global growth at 3.8 percent in 2023 and 3.4 percent in 2024. The 2023–24 forecasts are also below the historical (2000–19) annual average of 3.8 percent. Growth is below the historical average across broad income groups, both in overall GDP as well as in per capita GDP. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to have bottomed out until the second half of 2023. Advanced economies continue to drive the decline in annual average growth from 2022 to 2023, with stronger services activity offset by weaker manufacturing, as well as idiosyncratic factors. On average, these economies are expected to have broadly stable growth in 2024 with a pickup in 2025. By contrast, emerging market and developing economies, on average, are projected to see stable growth over 2022–24, with a slight pickup in 2025, although with sizable shifts across regions.

Figure 1.17. Growth Outlook: Stable and Slow
(Percent; dashes = April 2023; dots = January 2022)



Source: IMF staff calculations.
Note: Solid lines denote GDP growth from the October 2023 WEO, and dashed lines and dotted lines denote GDP growth forecasts from the April 2023 WEO and the January 2022 WEO *Update*, respectively. WEO = *World Economic Outlook*.

Suraj

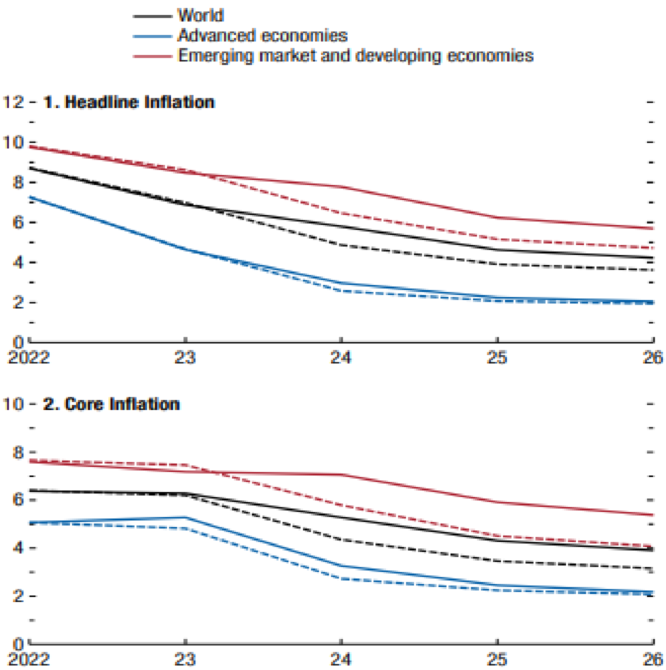
Growth Forecast for Emerging Markets and Developing Economies

For emerging markets and developing economies, growth is projected to decline relatively modestly, from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024, with a downward revision of 0.1 percentage point for 2024 compared with the July 2023 WEO Update projection. However, this average path hides regional divergences, with growth in two of the five main geographic regions rising in 2023 and then falling in 2024.

- Growth in emerging and developing Asia is projected to rise from 4.5 percent in 2022 to 5.2 percent in 2023, then to decline to 4.8 percent in 2024, with downward revisions of 0.1 percentage point and 0.2 percentage point for 2023 and 2024, respectively, compared with July projections. The revision reflects a lower forecast for China, which is revised downward by 0.2 percentage point for 2023 and by 0.3 percentage point for 2024 to growth of 5.0 percent in 2023 and 4.2 percent in 2024. With the property market crisis in that country, lower investment is the main contributor to the revision. Growth in India is projected to remain strong, at 6.3 percent in both 2023 and 2024, with an upward revision of 0.2 percentage point for 2023, reflecting stronger-than-expected consumption during April-June.

- Growth in the Middle East and Central Asia is projected to decline from 5.6 percent in 2022 to 2.0 percent in 2023, before picking up to 3.4 percent in 2024, with a 0.5 percentage point downward revision for 2023 and a 0.2 percentage point upward revision for 2024. The change for 2023 is attributable mainly to a steeper-than-expected growth slowdown in Saudi Arabia, from 8.7 percent in 2022 to 0.8 percent in 2023, with a negative revision to the latter of 1.1 percentage point. The downgrade for growth in Saudi Arabia in 2023 reflects announced production cuts, including unilateral cuts and those in line with an agreement through OPEC+. Private investment, including that from "gigaproject" implementation, continues to support non-oil GDP growth, which remains strong and unchanged from previous projections. The downgrade for 2023 also reflects cuts to the growth forecast for Sudan to about –18.3 percent (a downward revision of nearly 20 percentage points) reflecting the outbreak of conflict, deteriorating domestic security, and the worsening humanitarian situation. The upgrade for 2024 reflects the unwinding of some of the announced production cuts.

Figure 1.18. Inflation Outlook: Falling
(Percent; dashes = April 2023)

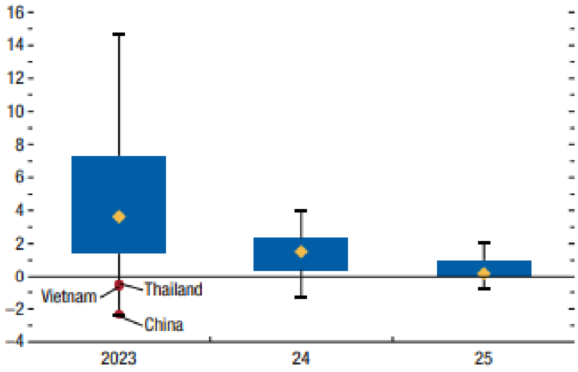


Source: IMF staff calculations.
Note: Solid lines denote inflation rates from the October 2023 WEO, and dashed lines denote inflation rates from the April 2023 WEO. Core inflation excludes volatile food and energy prices. WEO = *World Economic Outlook*.

Inflation Outlook: Gradual Decline to Target

Global headline inflation is expected to steadily decline from its peak of 8.7 percent in 2022 (annual average) to 6.9 percent in 2023 and 5.8 percent in 2024. The forecast for 2024 is revised upward by 0.6 percentage point, reflecting higher-than-expected core inflation. On a year-over-year basis, projected global headline inflation peaked at 9.5 percent in the third quarter of 2022 and is projected to reach 5.9 percent by the fourth quarter of 2023 before falling to 4.8 percent in the fourth quarter of 2024, still above the pre-pandemic (2017–19) annual average of about 3.5 percent. Although monetary tightening is starting to bear fruit, a central driver of the fall in headline inflation projected for 2023 is declining international commodity prices. Nearly three-quarters of economies are expected to see lower headline inflation in 2023, but the pace of disinflation is especially pronounced for advanced economies (Figure 1.18).

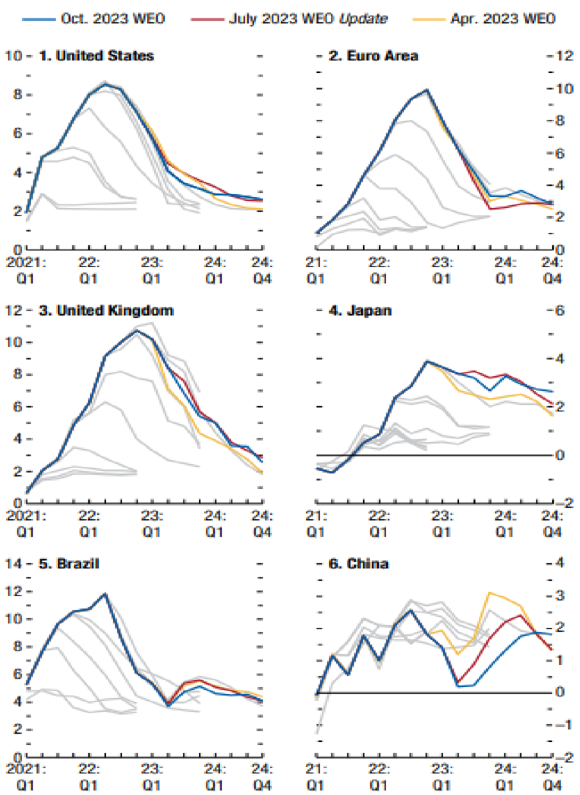
Figure 1.20. Inflation Mostly above Target until 2025
(Percentage points; distribution of deviation from inflation target)



Sources: Central bank websites; Haver Analytics; and IMF staff calculations.
Note: The figure shows the distribution (box-whisker plot) by each year. The diamonds in the middle of the boxes are the medians and the upper (lower) limits of the boxes are the third (first) quartile. The whiskers show the maximum and minimum within the boundary of 1.5 times the interquartile range from upper and lower quartiles, respectively.

These economies are expected to see (annual average) inflation fall by 2.7 percentage points in 2023, about double the (1.3 percentage point) decline projected for emerging markets and developing economies. Part of this difference reflects advanced economies' benefiting from stronger monetary policy frameworks and communications, which facilitate disinflation (Chapter 2), but the difference also reflects lower exposure to shocks to commodity prices and exchange rates. In low-income developing countries, inflation is on average projected to be in double digits and is not expected to fall until 2024. There are also large differences in the expected pace of change in headline inflation across major economies, as Figure 1.19 reports, reflecting different starting points.

Figure 1.19. Headline Inflation Forecasts for Selected Economies
(Percent, year over year)



Source: IMF staff calculations.
Note: Gray lines sketch past WEO forecasts from January 2021 until January 2023 WEO *Update*. WEO = *World Economic Outlook*.

The euro area is expected to see an especially sharp fall in (year-over-year) inflation in 2023—of 6.6 percentage points—from 9.9 percent in the fourth quarter of 2022 to 3.3 percent in the fourth quarter of 2023, with the fall reflecting in part the decrease in energy prices. In the United States, where inflation peaked earlier, the forecast is for a fall of 3.9 percentage points, from 7.1 percent in the fourth quarter of 2022 to 3.2 percent in the fourth quarter of 2023. In China, where inflation declined to near zero in the second quarter of 2023, a gradual rise—to still-low levels—is projected for the second half of 2023 as the drag from lower commodity prices wanes. Core inflation is generally projected to decline more gradually than headline. Globally, it is set to decline modestly, from 6.4 percent in 2022 (annual average) to 6.3 percent in 2023 and 5.3 percent in 2024.

It is proving more persistent than projected, with upward revisions of 0.3 percentage point and 0.6 percentage point for 2023 and 2024, respectively, compared with the July 2023 WEO Update projections. The drivers of the upside revisions differ by economy but reflect, in several cases, still tight labor markets and stickier-than-expected services inflation, as well as, in some cases, including Türkiye, which accounts for the bulk of the global upside revision for 2024, the effects of past currency depreciations and the related pass-through into underlying inflation. On an annual average basis, over half of economies are expected to see no decline in core inflation in 2023. On a fourth-quarter-over-fourth quarter basis, however, about 86 percent of economies (for which quarterly data are available) are projected to see a decline. Overall, returning inflation to target is expected to take until at least 2025 in most cases. Comparison of official inflation targets with the latest forecasts for 72 inflation-targeting economies (34 advanced economies and 38 major emerging market and developing economies) suggests that annual average inflation will exceed targets (or the midpoints of target ranges) in 93 percent of these economies in 2023 (Figure 1.20). Countries where inflation in 2023 is expected to average below target include China, Thailand, and Vietnam. In China, this projection reflects subdued core inflation in the context of substantial economic slack, with rising youth unemployment and pass-through from lower energy costs. In Thailand, this prospective outcome reflects strong pass-through from lower energy prices to core inflation as well as lower house price inflation. In Vietnam, it reflects a slowdown in economic activity and pass-through from lower energy prices. In 2024, inflation is still expected to exceed targets (or the midpoints of target ranges) in 89 percent of economies, with an expected median deviation of about 1 percentage point. By 2025, inflation is expected to be within only 0.2 percentage point of target (or the midpoints of target ranges) in most economies.

(Source: World Economic Outlook Update – Navigating Global Divergences, October 2023)

INDIA OUTLOOK

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices in the second quarter of 2022–23 is estimated at US$ 1.94 trillion (Rs. 160.06 trillion), showing a growth of 7.2% as compared to the First Revised Estimates of GDP for the year 2021-22 of US$ 1.81 trillion (Rs. 149.26 trillion), indicating a strong start for India's recovery from the pandemic. Given the release of pent up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In FY22, India’s service exports stood at US$ 254.4 billion. Furthermore, India’s overall exports (services and merchandise) was estimated at US$ 770.18 billion in FY23. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

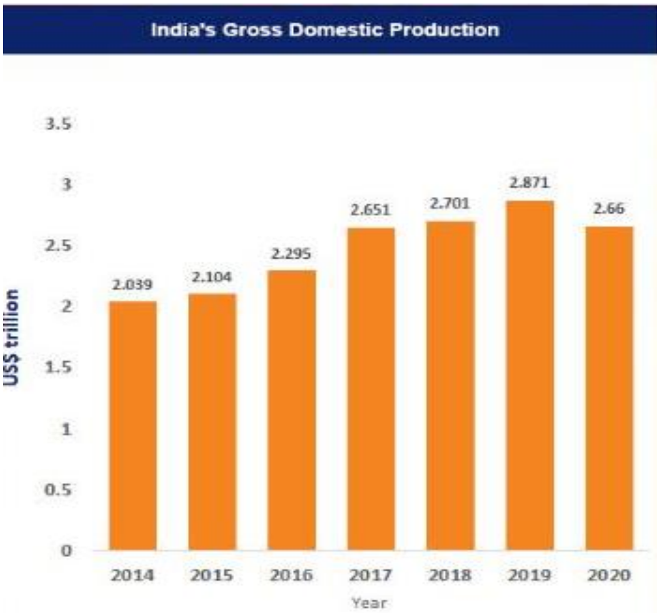
Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-December 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Market Size

India’s nominal gross domestic product (GDP) at current prices is estimated to be at US$ 3.31 trillion (Rs. 272.41 trillion) in FY22. Additionally, the Nominal GDP at current prices in Q3 of 2022-23 was US$ 874.84 billion (Rs. 71.82 trillion), as against US$ 792.3 billion (Rs. 65.05 trillion) in 2021-22, estimating a growth of 10.4%. With 115 unicorns valued at more than US$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, ‘Panchamrit’. Moreover, India ranked 3rd in the renewable energy country attractive index.



According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at US$ 1.3 billion, 0.2% of GDP in the fourth quarter of FY23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India’s trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US$ 1 trillion by 2030.

Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of January 6, 2023, India’s foreign exchange reserves stood at US$ 561,583 million.

- 1,261 deals were recorded of more than US$ 46 billion of Private Equity (PE) – Venture Capitalist (VC) investments in 2022. 111 mega transactions (rounds of US$ 100 million or more) totaling US$ 31 billion were completed in 2022.

- Merchandise exports in March 2023 stood at US$ 38.38 billion, with total merchandise export of US$ 447.46 billion during the period of April-March 2023. The overall exports (merchandise and service exports) in 2022-23 was estimated at US$ 770.18, exhibiting a positive growth of 13.84%.

- India ranks 3rd position in the global number of scientific publications further improving India's Global Innovation Index (GII) rank from 81st in 2014 to 40th in 2022.

- PMI Services remained comfortably in the expansionary zone at 57.8 in the month of June 2023.
- In June 2023, the gross Goods and Services Tax (GST) revenue collection stood at US$ 19.63 billion (Rs.1,61,497 crore), of which CGST is US$ 3.77 billion (Rs. 31,013 crore), SGST is US$ 4.65 billion (Rs. 38,292 crore), IGST is US$ 9.76 billion (Rs. 80,292 crore).

- Between April 2000 – March 2023, cumulative FDI equity inflows to India stood at US$ 9919.63 billion.

- In May 2023, the overall IIP (Index of Industrial Production) stood at 145. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 128.1, 142.3 and 201.6, respectively, in May 2023.

- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 4.81% in June 2023.

- In FY23, the Foreign Portfolio Investment (FPI) outflows stood at US$ 14.81 billion (Rs. 1.21 trillion). As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crores (US$ 2.67 billion) in India during the first week of July 2023.

- The wheat procurement during RMS 2022-23 was estimated to be 262 lakh metric tonnes and the rice procured in KMS 2022-23 was 624.18 lakh metric tonnes (518 LMT for Kharif crop and 106.18 LMT for Rabi crop). Moreover, in the budget 2022-23, direct payment of (Maximum Selling Price) MSP was launched that estimated to be US$ 31.74 billion (Rs. 2.37 trillion) in order to boost farmers' income.

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Startup India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- From April 1st, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.

- In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.

- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of US$ 182.35 million (Rs. 1,500 crore).

- Prime Minister Mr. Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from 1st January 2023.

- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on 29th December 2022 by the Ministry of Railways.
- On 7th October 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).

- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.

- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.

- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).

- In August 2022, a Special Food Processing Fund of US$ 242.72 million (Rs. 2,000 crore) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.

- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crores (US$ 747.64 million).

- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.

- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.

- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.

- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on 14 June 2022.

- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crores (US$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.

- Mr. Rajnath Singh, Minister of Defense, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever ‘AI in Defense’ (AIDef) symposium and exhibition organized by the Ministry of Defense in New Delhi on 11 July 2022.

- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crores (US$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defense & Aerospace, and Handloom & Textiles.

- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on 30 June 2022.

- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).

- 'Mission Shakti' was applicable with effect from 1st April 2022, aimed at strengthening interventions for women’s safety, security and empowerment.

- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at US$ 142.93 billion (Rs. 10.68 trillion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).

- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilizers to provide credit linked capital and interest subsidy for Technology

Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US$ 2.4 million) each for common facilities including Research Centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.

- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crores (US$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.

- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/Seminomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.

- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US$ 401.49 billion) in the next five years.

- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crores (US$ 3.21 billion).

- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crores (US$ 334.60 million).

- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.

- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.

- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crores (US$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.

- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crores (US$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crores (US$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).

- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crores (US$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crores (US$ 6.07 billion).

- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.

- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.

- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.

- In November 2020, the Government of India announced Rs. 2.65 trillion (US$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US$ 27 billion) over five years to create jobs and boost production in the country.

- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.

- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crores (US$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.

- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US$ 53.58 billion) in the next three years.

- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.

- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US$ 400 billion merchandise export target by FY22.

- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.

- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US$ 110 billion by 2030.

- India is expected to attract investment of around US$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

Road Ahead

In the second quarter of FY23, the growth momentum of the first quarter was sustained, and high frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favor of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.
Since India’s resilient growth despite the global pandemic, India's exports climbed at the second highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In June 2023 (Provisional), CPI-C inflation was 4.81%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.
(Source: https://www.ibef.org/economy/indian-economy-overview)

Global Scenario of Edible Oil Industry

The Global edible oils market forecast to grow at a CAGR of 5.1% from USD 112.6 billion in 2021 to USD 159.4 billion in 2028

Suraj

According to the OECD-FAO Agricultural Outlook 2019-2028 statistics, it is estimated that the per capita vegetable oil consumption is predicted to grow by 0.9% per annum. This is comparatively lower than the 2.0% per annum growth observed during the time period 2009-2018. Developing regions of the world are predicted to contribute to increasing the market growth for vegetable oil during the forecast period. In China, the consumption of vegetable oil is predicted to be around 30 kg per capita, and for Brazil, it is estimated to be around 24 kg per capita. For developing nations, the per capita consumption of vegetable oil is assumed to reach 27 kg with a growth rate of 0.4% per annum.

After China, India is the second-largest consumer and is ranked as the number one importer of vegetable oil at the international level. The country is projected to maintain the high per capita vegetable oil consumption with a growth rate of 3.1% per annum. It is further projected to achieve 15 kg per capita consumption by the end of 2028. The substantial growth is attributed to the expanding domestic production in the country and growth of imports specifically palm oil from Indonesia and Malaysia. For the Least Developed Countries (LDCs), the per capita availability of edible oil is projected to surge by 1.2 per annum and is further estimated to attain 10 kg per capita in 2028.

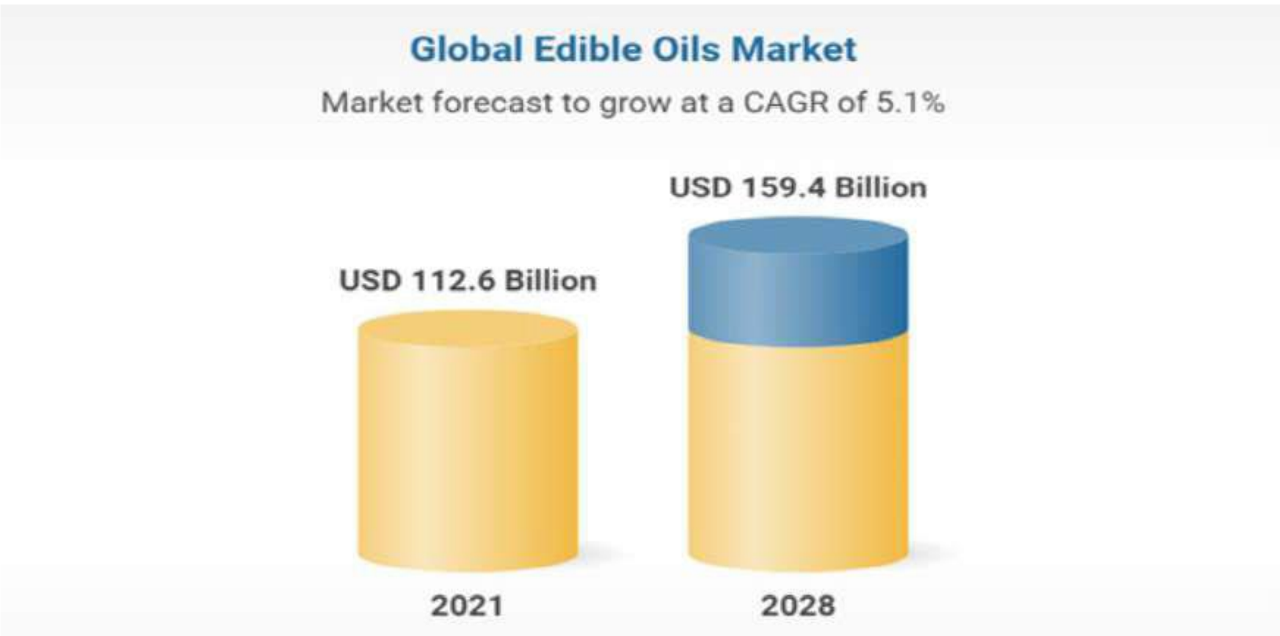
Demand for Edible Oil

The global cooking oil market is driven by the robust demand for organic health-based products, with increased consumption of high-quality edible oils/cooking oils by health-conscious consumers and the growing demand from the various applications, such as confectionery, primarily in the production of candies.

Also, refined olive oil and coconut oil are increasingly being used in various bakery applications, as they are bland in taste, thereby, allowing the food to maintain the original flavour. Additionally, they do not exhibit any pungency, unlike mustard oil.

The demand for non-GMO cooking oil has also catered to the market, as it augmented the shares of sunflower oil, coconut oil, and olive oil, together with leading segments of the market studied, including, palm oil, canola oil, and soybean oil.

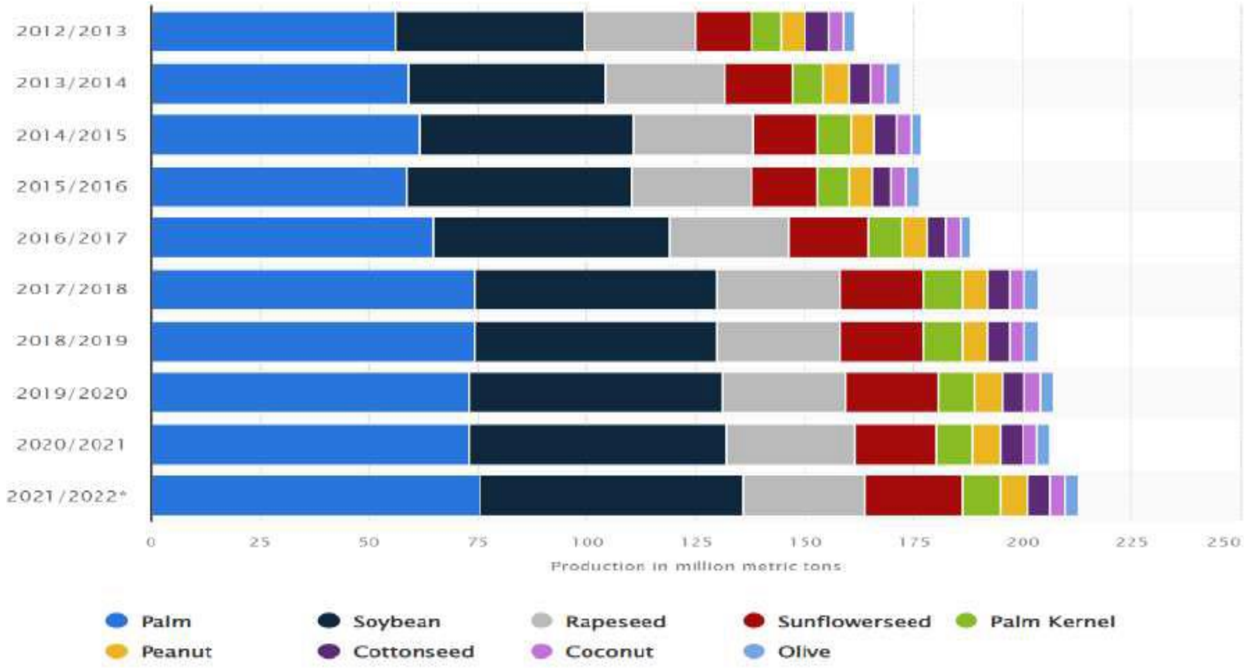
Asia-Pacific holds a significant share in the market studied, due to the huge demand from food industries,



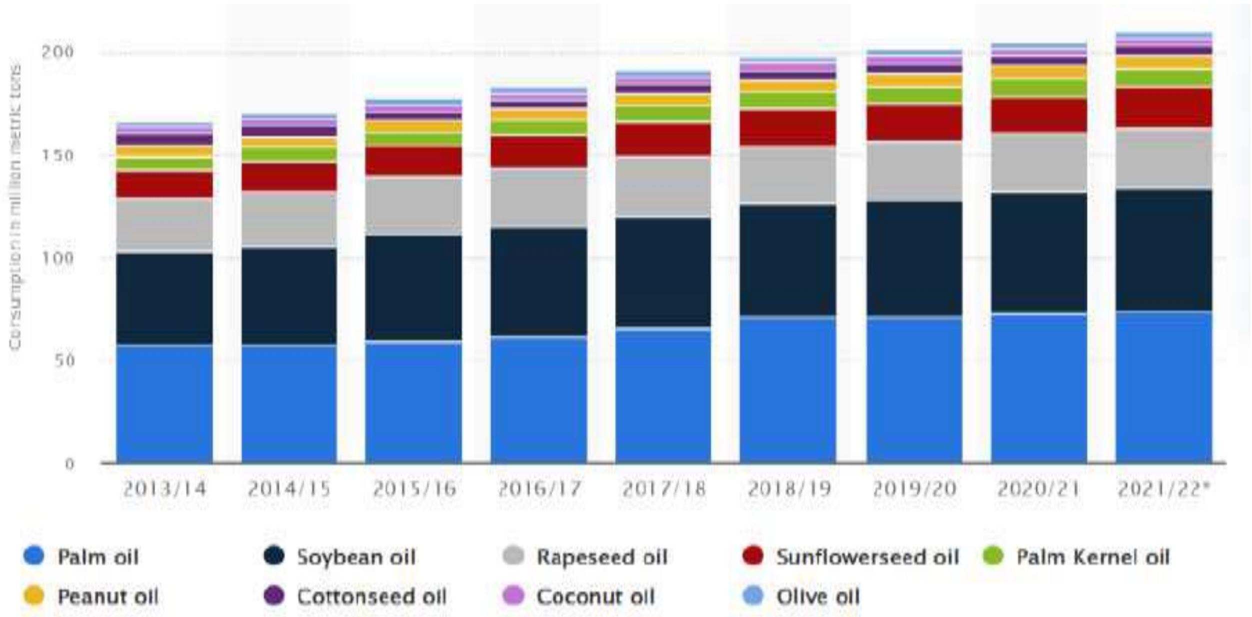
attributed to the increasing number of health-conscious consumers, strong population base, and changing living standards, coupled with the presence of major palm oil producing nations in the region. Additionally, a prominent factor in the increasing edible oil use is the growing consumption of processed food**.**

Global Production of Edible Oil

This statistic shows the global production and consumption of vegetable oils from 2013/14 to 2021/22.



Global Consumptions of Edible Oil



INDIAN EDIBLE OIL INDUSTRY

Edible oil market in India is projected to grow from around $ 21.5 billion in 2019 to $ 35.2 billion by 2025 due to increasing disposable income and rising consumer awareness about healthy lifestyle & wellness. Moreover, strong marketing activities by leading edible oil brands, changing tastes and preferences of consumers, expanding population, and shifting consumption pattern towards branded oils is leading to rising consumption of edible oils in the country.

Surging penetration of processed foods is expected to continue driving consumption of edible oils in the country. In 2019, Soya oil accounted for more than one-third of the market share in India edible oil market. The other leading oil types include Mustard oil, Palm oil and Sunflower oil. Olive oil segment continues to gain market traction in India, however, the product's share stood at just around 1% in 2019.

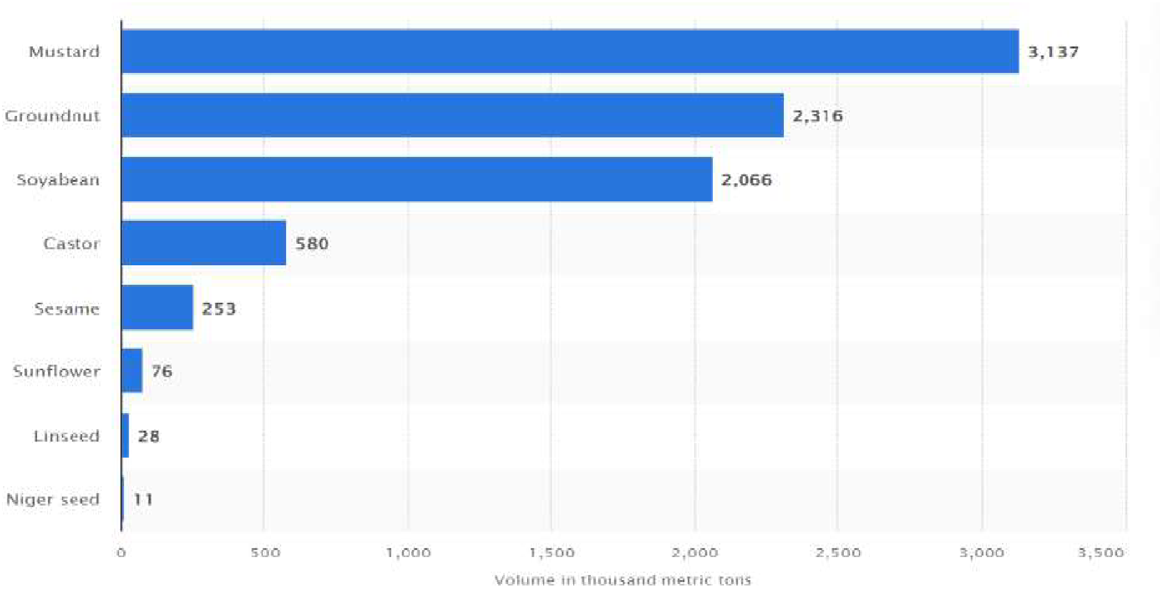
West India dominated the country's edible oil market in 2019, and the region is expected to maintain its dominance during the forecast period. East and West regions also account for a significant market share, with the South region grabbing the smallest market pie.

EDIBLE OIL SCENARIO

Importance of Edible Oils in the Country's Economy

Oilseeds and edible oils are two of the most sensitive essential commodities. India is one of the largest producers of oilseeds in the world and this sector occupies an important position in the agricultural economy, accounting for the estimated production of 36.56 million tons of nine cultivated oilseeds during the year 2020-21 (November- October) as per 3rd Advance Estimates released by the Ministry of Agriculture on 25.05.2021.

Edible Oil Production in India (by volume in thousand metric tons)



Consumption Pattern of Edible Oils in India

India is a vast country and inhabitants of several of its regions have developed specific preference for certain oils largely depending upon the oils available in the region. For example, people in the South and West prefer groundnut oil while those in the East and North use mustard rapeseed oil. Likewise, several pockets in the South have a preference for coconut and sesame oil. Inhabitants of northern plain are basically consumers of fats and therefore prefer Vanaspati, a term used to denote a partially hydrogenated edible oil mixture of oils like soyabean, sunflower, rice bran and cottonseed oils. Many new oils from oilseeds of tree and forest origin have found their way to the edible pool largely through Vanaspati route. Of late, things have changed.

Through modern technological means such as physical refining, bleaching and de-odorization, all oils have been rendered practically colorless, odorless and tasteless and therefore, have become easily interchangeable in the kitchen. Oils such as soyabean oil, cottonseed oil, sunflower oil, rice bran oil, palm oil and its liquid fraction-palmolein which were earlier not known have now entered the kitchen. The share of raw oil, refined oil and Vanaspati in the total edible oil market is estimated roughly at 35%, 60% and 5% respectively. About 56 % of domestic demand of edible oils is met through imports out of which palm oil/palmolein constitutes about 54%. The consumption of refined palmolein (RBD palmolein) as well as its blending with other oils has increased substantially over the years and is used extensively in hotels, restaurants and in preparation of wide varieties of food products.

Types of Oils commonly in use in India

India is fortunate in having a wide range of oilseeds crops grown in its different agro climatic zones. Groundnut, mustard, rapeseed, sesame, safflower, linseed, nigerseed, castor are the major traditionally cultivated oilseeds. Soyabean and sunflower have also assumed importance in recent years. Coconut is most important amongst the plantation crops. Efforts are being made to grow oil palm in Andhra Pradesh, Karnataka, Tamil Nadu and North-Eastern parts of the country in addition to Kerala and Andaman & Nicobar Islands. Among the non-conventional oils, rice bran oil and cottonseed oil are the most important. In addition, oilseeds of tree and forest origin, which grow mostly in tribal inhabited areas, are also a significant source of oils. Figures pertaining to estimated production of major cultivated oilseeds, availability of edible oils from all domestic sources (from Domestic and Import Sources) during the last ten years and current year are as under:

Export Import Policy on Edible Oils

The country has to rely on imports to meet the gap between demand and supply. Import of edible oils is under Open General License (OGL). In order to harmonize the interests of farmers, processors and consumers, Government reviews the duty structure of edible oils from time to time. With effect from 14.06.2018, the import duty on all crude and refined edible oils, except Palm oil and Olive oil was raised to 35% and 45% respectively while the import duty on Olive oil was increased to 40%. With effect from 01.01.2020, the import duty on Crude and Refined Palm Oil was revised to 37.5% and 45% respectively. With effect from 08.01.2020, import policy of Refined Palm Oil is amended from ‘free’ to ‘Restricted’ category. With effect from 27.11.2020, the import duty on crude palm oil was revised from 37.5% to 27.5%.

As per Union Budget 2021-22, the basic custom duty on Crude Palm Oil has been reduced from 27.5% to 15% and that on Crude Soyabean Oil and Crude Sunflower Oil from 35 % to 15 %. An agri-cess of 17.5 % has been imposed on Crude Palm Oil and 20 % on both Crude Soyabean and Crude Sunflower Oil. With this, the effective rate of duty on Crude Palm Oil has increased from 30.25% to 35.75%. In case of Crude Soyabean and Crude Sunflower Oil, the effective rate of duty remains the same i.e. 38.5%.

In order to ensure availability of edible oil in the country, export of edible oil has been banned w.e.f. 17.03.2008, which was extended from time to time. With effect from 06.02.2015, export of rice bran oil in bulk has been permitted. With effect from 27.03.2017, export of groundnut oil, sesame oil, soyabean oil and maize (corn) oil has been permitted. With effect from 06.04.2018, export of all edible oils except mustard oil was made free without quantitative ceiling; pack size etc, till further orders. Export of mustard oil is permitted in packs of up to 5 Kg with a Minimum Export Price (MEP) of USD 900 per MT.

ALCOHOL

GLOBAL OUTLOOK

The global alcoholic beverages industry has seen positive volume and value growth following a turbulent few years. Tuning into the latest set of financial results from major alcoholic drinks players gives much reason for optimism – the trend towards premiumisation appears to show no signs of abating, and – as the threat of the pandemic subsides – both volume and value growth have returned. Since the peak of the pandemic, alcoholic drinks volumes have spiked by 7.3% as of 2022, and are expected to soar even higher by 2026. In value terms, the current global industry size is at US$1.8T, a 10% growth increase from 2021, and is expected to hit US$2.2T in 2026, according to Global Data forecasts.

Fears over inflationary headwinds are undoubtedly valid – and there has been much talk of the possibility of consumer trade down in the event of a global recession. However, broadly speaking, the outlook looks positive. In Global Data’s latest report ‘Sector Landscapes 2022: Alcoholic Drinks’, several themes are identified that will shape the sector in the months and years to come. Here, Just Drinks picks through them to decipher the key-take outs for industry players to consider.

Alcoholic drinks sales will bounce back from the Covid-19 pandemic

As previously outlined, sales of alcoholic beverages are expected to fully recover from the disruption caused by the Covid-19 pandemic. On-trade sales have returned to pre-pandemic levels in most markets, as have total volumes and value figures. At the group’s capital markets day in Paris in June, Pernod Ricard CEO Alexandre Ricard said that the pandemic was “gone from a business point of view”, adding that the Malibu brand owner was above Pre-Covid crisis levels by “almost double-digits” in its three key reporting regions.

Between 2022-2026, value is expected to outpace volume growth in all regions due to inflation and ongoing premiumisation trends, although the industry is expected to face challenges in the form of rising commodity prices and the ongoing Russia-Ukraine conflict.

Among the categories of alcoholic drinks, the most significant volume growth will be seen in flavored alcoholic beverages and non-alcoholic spirits drinks and spirits drinks, with 8.9% and 4.9% CAGR predicted between 2022 and 2026, respectively.

Global multi-national players have the advantage

Despite some evidence that consumers were switching towards more locally produced alcoholic drinks products during the pandemic, brand preference remains strongly skewered towards global multi-national brands. Over

40% of global alcoholic beverage shoppers typically shop for products made by these companies. These key industry players are continuing to leverage their market dominance, economies of scale and distribution networks to increase penetration – Diageo has set a goal of reaching 6% total market value share of alcohol by 2030.

Multinational alcoholic drinks companies are continuing to hoover up smaller players to further increase their market share. This June saw Japanese major Sapporo Holdings pick up Stone Brewing – The 9th biggest craft brewer in the US– for US$165m. Beyond this, strategic alliances – such as the partnership between The Boston Beer Co and Beam Suntory – are becoming increasingly commonplace, as alcohol brand owners seek further penetration through entering new categories.

Better-for-you products lead the way

One of the key drivers in the explosion of hard seltzers has been the product's clean and better-for-you image. The lasting impact of the Covid-19 pandemic is that consumers have become more health oriented and are highly concerned about their physical fitness and mental wellbeing. This trend is also helping to drive the demand for low/no alcohol products, the market for which was worth US10bn in 2021, according to IWSR.

Furthermore, consumers increasingly favour products that have added functionality and benefits. 39% of global consumers consider fortification with vitamins and minerals to be a key driver of purchasing decisions, and as such brands that include these ingredients are likely to win consumer trust and gain conversions accordingly.

Commitment to sustainability is key

Influential figures across the industry, as well as consumers, are increasingly looking for drinks companies to show a clear commitment to sustainable practices. Solidarity with local brands and businesses has also been a key trend during the pandemic and is one that is closely associated with consumers' sustainable mindset.

Alcoholic drinks companies are responding to this trend by making sustainability and ethics a key cornerstone of their branding strategy. ESG-focused marketing and sustainable packaging solutions are increasingly popular – with beverage brand owners including Carlsberg, Diageo and Pernod Ricard all trialing recyclable or circular packaging technology. As climate change continues to cause more disruption to consumer's day-to-day lives, sustainability will continue become more of a factor in their purchasing decisions.

Innovative ingredients are making inroads

In 2022, Global Data insight revealed a growing trend towards using a variety of fruits and vegetables in cocktails. This is thought to be partially driven by enhancing the flavour profile of these drinks, but also due to the fact these ingredients have a perceived nutritional benefit. As such, brands need to deepen their focus and claims on health and wellness across the categories they offer to appeal to consumers who are conscious of their lifestyles and overall health.

More broadly, fruity flavours are appealing across drinks categories – particularly in wine, where 16% of consumers globally find these flavours appealing. Another trend identified by Global Data in its Innovation Update Q2 2022: Beverages digest earlier this year was a preference towards sweet flavours, with one in five of global consumers now stating that they prefer these in alcoholic drinks.

Source: https://www.just-drinks.com/features/what-is-the-outlook-for-the-alcoholic-beverage-sector/

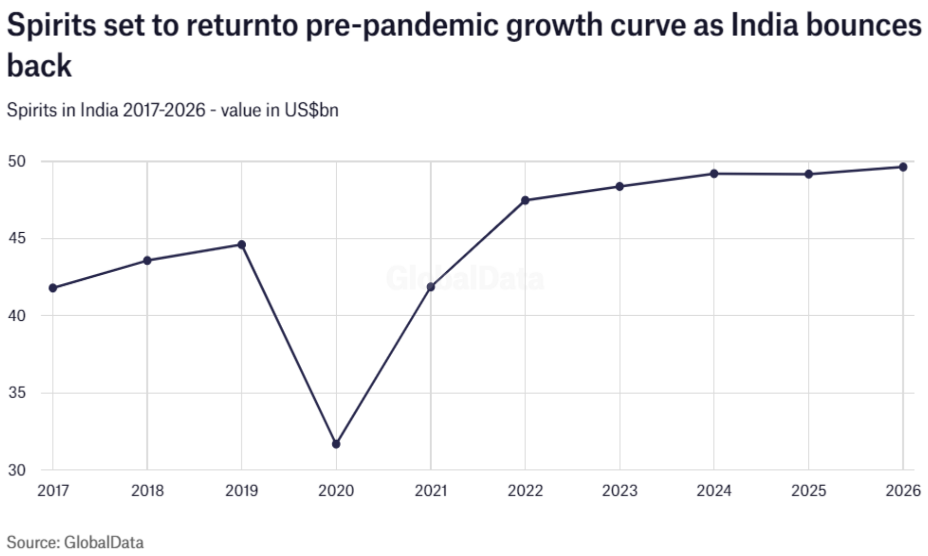
INDIAN OUTLOOK

India’s premium spirits market is growing quickly amid rising incomes and lower duties in many states boosting sales – and distillers remain confident despite the pressure inflation is putting on consumer spending.

The country’s gross national income per head in 2021 was US$7,220 compared to $4,190 in 2010, according to World Bank data. With more money, “Indians are drinking better but, unlike in the West, also drinking more,” Ruchika Gupta, the marketing director of Beam Suntory’s operations in India, tells Just Drinks. “Our offering to the consumers is widening with a launch almost every quarter.”

Sipsmith, the London dry gin, is Beam Suntory’s latest offering in India, priced at Rs. 2,700 (US$34) for a 75cl bottle. Gupta says such products are popular as a symbol of sophistication. “Spirits are not just the product that one enjoys but it is also the brand that helps people make a statement.”

The general Indian spirits market has enough room for growth in premium sales, with about 20 million cases (nine litres each) of liquor products sold in India at present annually, with growth rates of between 7% and 10% over the past five years according to the All India Distillers’ Association. “Premium category sales constitute only 3-5% of this but are registering annual sales growth rates of 12%,” Virendra Nath Raina, the association’s director general, explains.



This growth is well established. In 2018, premium spirits sales in India had recorded a five-year compound average annual growth rate of 7.7%, within which bottled imported spirits registered an average 10.9% growth, a report published by the Indian Council for Research on International Economic Relations (ICRIER) says. “By 2030, … 26% [of consumers] are estimated to move to higher brands, and 24% are expected to spend on newer categories of alcoholic beverages,” the report says.

India's largest liquor company United Spirits, which makes whisky, vodka, gin, rum and brandy, increased the proportion of sales commanded by what it calls its ‘prestige and above’ (P&A) spirits from one-third to two thirds between 2013 to 2021. Earlier this year, the business, majority-owned by Diageo, sold a clutch of its more mainstream products to local peer Inbrew Holdings.

Source: ***https://www.just-drinks.com/analysis/distillers-upbeat-about-prospects-for-premium-spirits-in-india/***

The liquor industry in India is one of the fastest-growing beverage markets globally with an estimated market size of 52.5 billion USD in 2020 (about Rs. 4 lakh crore), according to the Indian Council for Research on International Economic Relations (ICRIER). The market is expected to grow at a CAGR of 6.8% between 2020 to 2023. India accounts for the third largest market for alcoholic beverages in the world. The per capita alcohol consumption in India is nearly 5.5 litres which is pretty low compared to the global average of 6.2 litres.

In the last two years, this industry has gone through a lot of ups and downs. During COVID, it witnessed complete lockdowns, high taxes and other levies, post-covid increased sales, and changes in distribution patterns following COVID restrictions, new product mixes, and so on. Despite its massive consumption, India also exports its alcoholic beverages to the world.

The Indian Alcohol Market

The alcohol market in India is primarily divided into four categories:

Indian-made Foreign Liquor (IMFL): This term is used by the governments to designate the types of liquors that are domestically manufactured apart from the indigenous alcoholic beverages like feni, arrack, etc. IMFL category includes drinks like Rum, brandy, whiskey, vodka, gin, etc.

Beer: This segment comprises all sorts of beer, strong or mild. United breweries dominate the market with its Kingfisher beer.

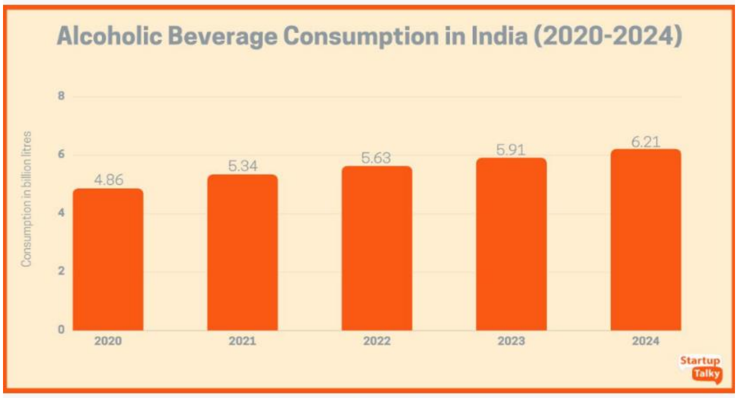
Wine: It has three main types- red wine, white wine, and rose wine. India is also a huge market for wine that is both imported and produced in the country itself. Wine customers are mostly from the middle-class urban population. Maharashtra and Karnataka have the largest vineyards in India.

Indian-made Indian liquor (IMIL) or Country Liquor: These are regional drinks that are locally produced. For instance, Feni is the most popular local drink which is produced in parts of Goa. Feni is made of cashew or coconut. Similarly, Mahua is prevalent in parts of Bihar, Bengal, and Jharkhand. Almost every state in India has its regional drinks consumed by its local population.

Alcohol Consumption in India

Suraj

The rate of consumption of alcohol has been growing in India for the last three decades. After the pandemic, the swift bounce back of alcohol shows the vast customer base inside the country. Because of India's high population growth rate, every year produces 13 million drinking-age adults of which at least 3-5 million eventually end up consuming alcohol in some way or another which shows an increase in the rate of consumption of it at a huge pace.



Alcoholic Beverage Consumption in India (2020-2024)

With such a high-growth trajectory, consumption patterns are significantly changing with surprising trends emerging every year in the alcohol industry. World statistics show that India is the largest consumer of whiskey. Additionally, India is the 9th largest alcohol consumer in the world from the perspective of consumption volume.

According to the National Family Health Survey-5 (NFHS-5) 2019-21, alcohol consumption among both men and women is higher in rural India than in urban India. Overall, 1% of women aged between 15-49, drink alcohol, compared to 22% of men in the same age group.

This breaks up into 1.6%(rural) and 0.6%(urban) among women, and 19.9% and 16.5% respectively among men. Arunachal Pradesh, Telangana, and Sikkim have the highest drinking men population, standing at 52.6%, 45.4%, and 39.9% respectively. On the other hand, Lakshadweep, Gujarat, Jammu and Kashmir have the lowest percentage of 0.4%, 5.8%, and 8.7% respectively. Among women, Arunachal Pradesh, Sikkim, and Assam have the highest drinking percentage of 24.2%, 16.2%, and 7.3% respectively. Whereas, the percentage in Kerala and Jammu and Kashmir stands at 0.2% each.

Arunachal Pradesh tops the rank and has the highest percentage of both men (53%) and women (24%) drinking alcohol. Among women, Arunachal Pradesh is followed by Sikkim (16%) and among men, it is followed by Telangana (43%). Alcohol consumption is more common in scheduled tribes than in any other caste/tribe groups; this is true for both women (6%) and men (33%).

Besides Arunachal Pradesh and Telangana, alcohol consumption among men is higher (40%) in the upper Brahmaputra region of Assam, districts in Jharkhand and Bastar region of Chhattisgarh, and the Chhota Nagpur region of Jharkhand and Odisha.

Indian Startups in Liquor Industry

Nao Spirits, Jimmy's Cocktails, RockClimber - Alcoholic Beverage Companies in India

Various new Indian startups have entered the market to tap into the growth opportunities in this industry with lots of new ideas and interesting new liquor products. Many of the startups already made their identity even through this pandemic situation and are even ready to have wings in this industry.

Some made-in-India brands have started to focus on authenticity, craftsmanship, and creativity to produce something unique and ground-breaking to create their niche in the market. In this regard, two categories have emerged within the premium and semi-premium segments i.e., India-made conventional craft liquor and high-quality native liquor.

On behalf of this, the Indian alcohol industry is witnessing a wave of homegrown premium-level brands coming up in different categories and doing much better than their imported counterparts. These brands with refreshing ideas and different appeals with their specially curated products are going to change the face of the industry in upcoming times. Some known startups are Nao Spirits, Jimmy's Cocktails, Rock Climber, Salud, etc.

Source: ***https://startuptalky.com/indian-liquor-industry/***

OUR BUSINESS OVERVIEW

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 21, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 116 and 119, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

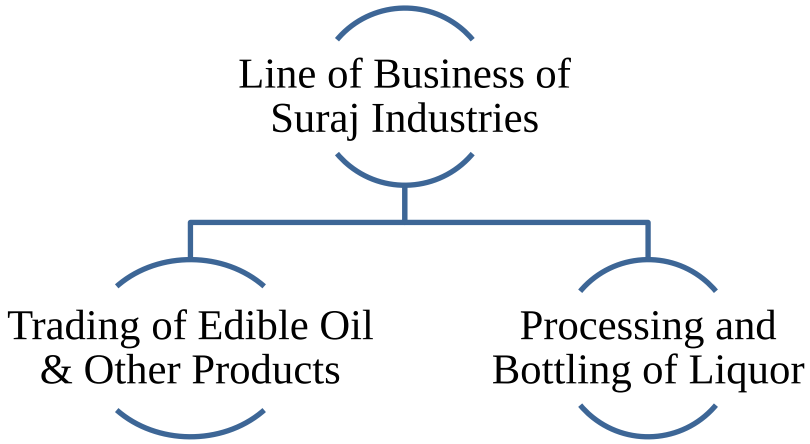
Brief of the Company

Suraj Industries Limited ("Company" or "Issuer") was incorporated on July 09, 1992 as a public company under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana and consequently a certificate for Commencement of Business dated July 24, 1992 was issued to our Company. The Corporate Identification Number of our Company is L26943HP1992PLC016791. The registered office of our Company was shifted from 1501, Ambadeep, 14, K.G.Marg, New Delhi-110001 to Plot No. 2, Phase III Sansarpur Terrace, Kangra, Himachal Pradesh – 173212 with effect from June 12, 1995. In the year 1993, our Company made an Initial Public Offering of amount aggregating to Rs. 300 Lakh and got listed on BSE with effect from January 25, 1994.

Our Primary Business

Our Company is into the business of (i) trading edible oils and other products, which consist Palm Oil, Soybean Oil, Rice flakes, Malt & Empty Glass bottles and (ii) processing and bottling of Liquor.

During the year 2021, our Company ventured into Liquor business through acquisition of a running Bottling Plant at Ajmer, Rajasthan (*for details of said plant please refer page 102 of this Chapter "Manufacturing Facility - Our Business Overview"*). Presently, the Company is manufacturing Rajasthan Made Liquor (RML) for Rajasthan State Ganganagar Sugar Mills Limited (RSGSM), a Government of Rajasthan undertaking having exclusive wholesale rights for Country Liquor and RML in the State of Rajasthan.



Currently, the business line of the Company is divided into two parallels:

1. Trading of edible oils and other products, which consist Palm Oil, Soybean Oil, Rice flakes, Malt, Empty Glass bottles; and
2. Processing and Bottling of Liquor of Rajasthan Made Liquor (RML) for Rajasthan State Ganganagar Sugar Mills Limited (RSGSM), a Government of Rajasthan undertaking having exclusive wholesale rights for Country Liquor and RML in the State of Rajasthan.

Our Product Line

Product Name	Picture	About
Palm Oil		Palm oil is an edible vegetable oil derived from the mesocarp (reddish pulp) of the fruit of the oil palms. The oil is used in food manufacturing, in beauty products, and as biofuel.
Soybean Oil		Soybean oil is a vegetable oil extracted from the seeds of the soybean. It is one of the most widely consumed cooking oils and the second most consumed vegetable oil.
Rice flakes		Rice flakes are a product made by parboiling rice, then flattening the grains to product a solid flake.

Rice		Company is trading in unbranded rice that is fat for human consumption.
Malt		Malt is germinated cereal grain that has been dried in a process known as "malting". The grain is made to germinate by soaking in water and is then halted from germinating further by drying with hot air.
Empty Glass Bottles		These bottles are liquor bottles which when empty and required by concerned organization for various uses is sold by us.
Rajasthan Made Liquor		Rajasthan Made Liquor is made for Rajasthan State Ganganagar Sugar Mills Limited (RSGSM), a Government of Rajasthan undertaking having exclusive wholesale rights for Country Liquor and RML in the State of Rajasthan.

End User to our above mentioned products

We trade our products to manufacturers who use our product line as ingredient to their final product. Our customer base also includes other traders and retailers who further sell the same to their customer base.

Financial Summary of the Company

(Amount in Rs. Lakhs)

Particulars	**For the nine months**	**Financial Year 2022-23**	**Financial Year 2021-22**	**Financial Year 2020-21**

	ended on December 31, 2023			
Trading Operations-Edible Oils & Other Products	3049.52	5,852.59	2,869.24	699.11
Liquor Operations	1037.01	885.30	1,257.17	-
Total	**4086.53**	**6,737.89**	**4,126.41**	**699.11**

Financial Year 2021-22 - For the financial year 2021-22 the Company has generated 68% of revenue from trading of Edible Oils and 1.38% revenue from trading of Rice flakes, Malt and Empty Glass bottles. The Processing and Bottling of Liquor generated 30% of the Annual Revenue for FY 22.

Financial Year 2022-23 - During the financial year 2022-23, our company has made the following acquisitions with an aim to expand its business in liquor vertical:

- a controlling stake in **Carya Chemicals & Fertilizers Private Limited (Carya)**, which has a Letter of Intent for setting up a Distillery and Bottling Plant for manufacture of Indian Made Foreign Liquor and Country Liquor in Rajasthan; and

- a 20% stake in **Shri Gang Industries & Allied Products Limited (Shri Gang)** which has set up a Bottling Plant for the manufacture of Indian Made Foreign Liquor at Sandila, District Hardoi, Uttar Pradersh and is setting up a grain-based Distillery for manufacture of Extra Neutral Alcohol (“ENA”), which is at an advanced stage for commissioning.

The liquor business is the major focus area for the Company as a step towards growth and enhancing its business prospects. With the same intent, the Company has made acquisitions of stake in Carya and Shri Gang.

Pursuant to the above-mentioned acquisitions, our revenues, on a Consolidated basis is summarized as under:

(Amount in Rs. Lakh)

Particulars	March 31, 2023	December 31, 2023
Trading operations-Edible Oils & Other Products and Misc. Income	5,852.59	3049.52
Liquor Operations	885.30	1037.01
TOTAL	**6,737.89**	**4086.53**

Geographical Distribution

Standalone Basis

(Amount in Rs. lakh)

State	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Rs. in Lakh	%	Rs. in Lakh	%	Rs. in Lakh	%	Rs. in Lakh	%
Rajasthan	1037.01	25.38	885.30	13.14	1,952.70	47.32	200.40	28.67
Gujarat	1,480.00	36.22	4,422.84	65.64	-	-	-	-
Uttar Pradesh	925.00	22.63	869.75	12.91	1,017.00	24.65	213.08	30.48

Madhya Pradesh	-	-	560.00	8.31	-	-	-	-
Himachal Pradesh	-	-	-	-	56.91	1.38	93.13	13.32
Maharashtra	-	-	-	-	1,099.80	26.65	192.50	27.54
Haryana	644.52	15.77	-	-	-	-	-	-
Total	**4086.53**	**100.00**	**6,737.89**	**100.00**	**4,126.41**	**100.00**	**699.11**	**100.00**

Consolidated Basis

(Amount in Rs. lakh)

State	December 31, 2023		March 31, 2023		March 31, 2022		March 31, 2021	
	Rs. in Lakh	%	Rs. in Lakh	%	Rs. in Lakh	%	Rs. in Lakh	%
Rajasthan	1037.01	25.38	885.30	13.14	1,952.70	47.32	200.40	28.67
Gujarat	1,480.00	36.22	4,422.84	65.64	-	-	-	-
Uttar Pradesh	925.00	22.64	869.75	12.91	1,017.00	24.65	213.08	30.48
Madhya Pradesh	-	-	560.00	8.31	-	-	-	-
Himachal Pradesh	-	-	-	-	56.91	1.38	93.13	13.32
Maharashtra	-	-	-	-	1,099.80	26.65	192.50	27.54
Haryana	644.52	15.77	-	-	-	-	-	-
Total	**4086.53**	**100.00**	**6,737.89**	**100.00**	**4,126.41**	**100.00**	**699.11**	**100.00**

Manufacturing facility

The Company's liquor processing and bottling unit is situated at Rajasthan State Ganganagar Sugar Mills Ltd, at Purani Chungi, Ramganj, Taragarh Road, Teh. -Ajmer, Distt-Ajmer, Rajasthan – 305001, India having capacity of 16.25 Lakh cases per annum (on single shift). As of December 31, 2023, we are utilizing 30.03% of our plant capacity.

Warehouse Facility

The Company does not have any warehousing facility as on the date of this Draft Letter of Offer.

Our Competitive Strengths

Understanding consumer preferences, product development and roll out capabilities

We believe that our ability to understand consumer preferences and our focus on initiatives to develop product attributes that are most valued by consumers is one of our key strengths. We believe that we have an extensive understanding of the industry we are serving in India, and especially by leveraging on our wide distribution network, we try to understand changing consumer trends and preferences in terms of products types, pricing and packaging, particularly in our focus market of semi urban and rural areas. We complement our understanding of the market in India, with our product development and roll-out capabilities and with our attention on continuous improvement in product innovation and quality assurance.

Long standing relationship with our customers.

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

Cost effective production and timely fulfilment of orders

Increased competition has encouraged the players in our industry to find innovative ways to reduce cost and increase the overall efficiency. We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable, by implementing measures to reduce our operating costs and improving our operational efficiencies. Our focus is to develop and adopt efficient technologies to further improve the quality of our products and optimize our production costs. We believe our focus on developing and implementing more sustainable methods in our operations will enable us to achieve cost leadership position.

Experienced and Qualified Management

We have a qualified and professional management team with significant experience in all operational aspects of our business. We believe that the industry experience of our management team and their ability to deliver consistent sales growth are our significant strengths. Our management comprises of professionals who have the requisite academic background and relevant industry experience. Mr. Suraj Prakash Gupta, our Promoter and Managing Director has an experience of more than 34 years. Mr. Suraj Prakash Gupta provides strategic leadership to our Company and is also closely involved in our operations. We believe that our management team's in-depth understanding of target markets and consumer demand and preferences has enabled us to continue to grow our business and expand our operations internationally. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner. For further details of our management, team and our Key Managerial Personnel please refer the chapter titled *"Our Management"* beginning on page 110 of this Draft Letter of Offer.

We have an experienced and professional management team with strong asset management, execution capabilities and considerable experience in this industry. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. Our team is professionally qualified and experienced in relevant industry and has been responsible for the growth of our operations. We believe the stability of our management team and the industry experience brought in coupled with their strong repute, will enable us to continue to take advantage of future market opportunities and expand into new markets.

Our Business Strategy

We intend to pursue the following principal strategies to leverage our competitive strengths and grow our business:

Widening our customer base by entering into new geographies

We aim to pursue growth strategies to expand our market share across key geographies. We intend to cater to the increasing demand of our existing customers by widening our market reach to areas in which we do not operate currently. Our emphasis is on expanding the scale of our operations as well as growing our network, which we believe will provide opportunities to grow our client base increase our market share, revenues and profitability. The domestic market offers various opportunities in term of sub-geographic penetration and market diversification which we intend to seize and increase our market share by exploring untapped markets. We shall also continue to explore opportunities in different regions to enhance our geographical reach.

Strengthening our business through product innovation and new product launches

Our customers' demand for top quality products is growing. In response to this, we place a strong emphasis on developing high quality products through product innovation and new product launches. We intend to continue to leverage on our in-depth market research to enable us to introduce a wider range of products under our existing brands based on consumer preferences and demand and to distinguish ourselves from our competitors. By providing innovative products, we believe that we will be able to become a preferred brand to our customers, thus giving us the opportunity to consolidate our position with our target market and increase our market-share. We further believe that it will provide us with early-mover advantages and higher profit margins, and will present us with opportunities to capture shifts in customer preferences.

Strategic Acquisitions in the medium term

We plan to selectively pursue acquisitions. During the financial year 2022-23, the company has acquired a controlling stake in Carya Chemicals & Fertilizers Private Limited, which has a LOI for setting up a Distillery (for ENA and Ethanol) and Bottling Plant for manufacture of Indian Made Foreign Liquor and Country Liquor in Rajasthan. We intend to continue our strategic expansion plans through inorganic growth opportunities that allow us to expand our existing operations. Through strategic acquisitions, we intend to increase our scale of operations, access new clients and enter high growth geographies in a cost - effective manner.

We shall continue to evaluate potential opportunities that would allow us to expand our reach and strengthen our position.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product- mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products. We intend to strengthen our existing marketing team by inducting personnel with expertise in the metal components and casting industry, who will supplement our existing marketing strategies in the domestic and international markets.

Strengthening up our business through working more on the trade channels and increasing the width of distribution

We see a big opportunity to grow further and faster, provided we can aid the awareness and trial generation effort through campaigns, complemented by our effort in the channels for availability of required quantity and quality.

Our marketing and engagement plan which is 360 degrees in nature addresses the key important drivers that would help us reach our consumers in a more effective manner. The investment here would be in improving in channel awareness, visibility, trade engagement and consumer engagement programs.

Focus on operational efficiencies to improve returns

Offering quality products at attractive prices is a key aspect of maintaining and expanding our relationships with our customers. To that end, we have adopted a number of initiatives designed to improve our cost efficiency and as a one of our primary business strategies we intend to continue improving cost efficiency. We are addressing the increase in operational output through continuous process improvements, quality check and technology development. We intend to use a variety of other manufacturing strategies, sourcing strategies and cost reduction strategies to continue to improve our operational efficiencies. For example, we plan to: (i) install machines with higher productivity; (ii) implement low-cost automation; (iii) rationalise our manpower requirements; (iv) use our research and design capabilities to reduce process and component and packaging costs; (v) continually review our vendor base so that we secure the best costs amongst vendors that meet our quality requirements; and (vi) outsource non-critical operations so that we can focus our efforts on delivering the best quality products within our core areas. Our employees are regularly motivated to increase efficiency with error free exercise. We believe that this can be done through continuous process improvements, learnings, training and skill development.

Utilities and Infrastructure Facilities

Raw Material

For our trading business no Raw Material is required to be procured. But as a trader the Company does procure from various suppliers the stock of the products in which it trades, for further details of our products please refer *"Our Product Line"* on page no 99 of this Draft Letter of Offer.

For our Liquor Operations, major raw materials used are Aseptic Brick Pack, Cartons, Bopp Tape. The raw material used in the manufacturing are procured from the domestic market. The raw material required for our manufacturing activity is procured by inviting quotations from different vendors and the order is placed with the vendor who offers better quality, favorable credit terms and competitive price.

Power

The requirement of power for our production units is for lighting and operating the machines. It is met through the Electricity Board (T.P Ajmer Distribution Ltd) which has sanctioned load: of 300 KW.

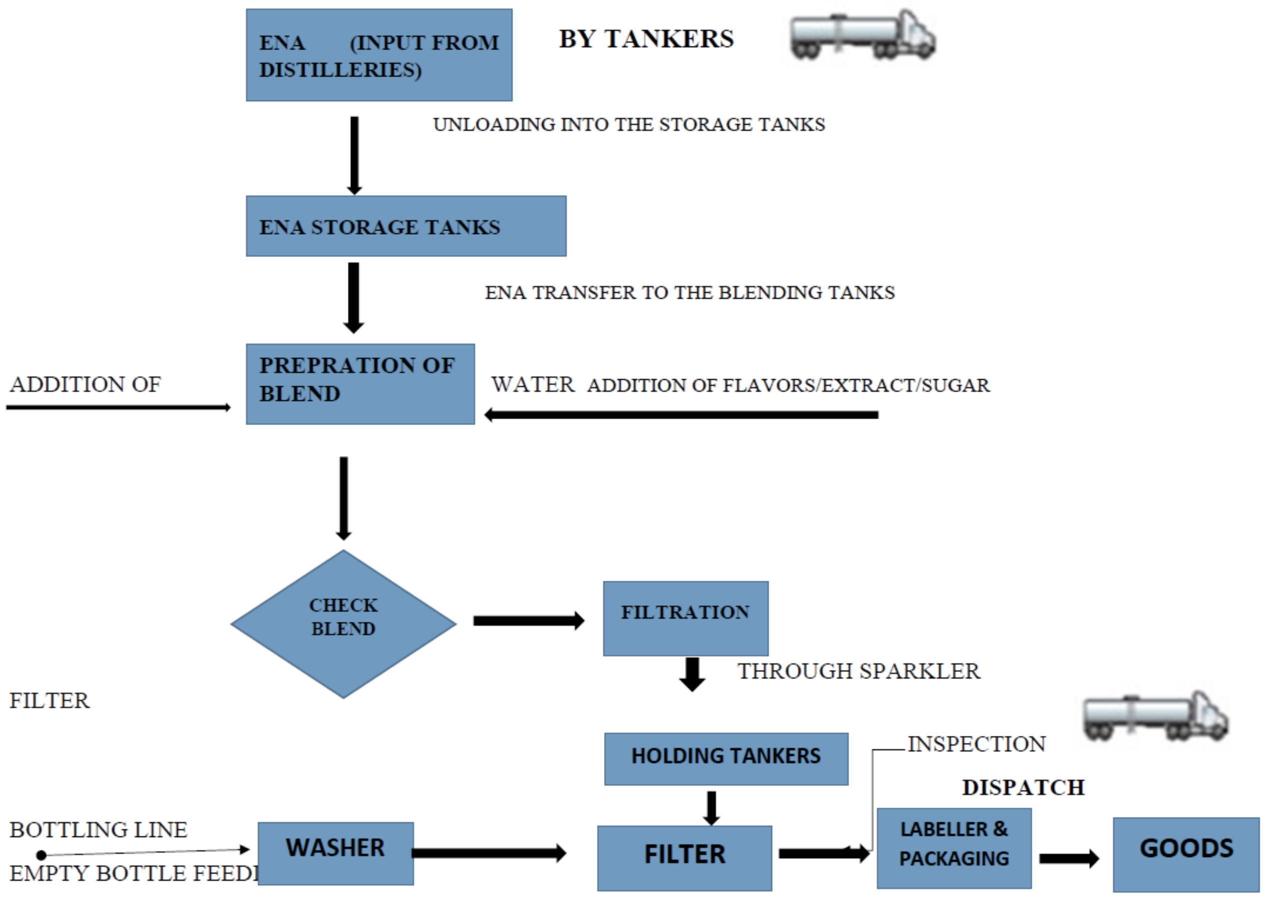
Water

Water required for manufacturing process, human consumption and other purposes is fully met at the existing premises from D.M. Water.

Manufacturing Process

The products manufactured by us has to go through various machines and undergo a number of processes, which are detailed below.

FLOWCHART-PRODUCTION OF I.M.F.L



(Stages in the Manufacturing process and elaboration to each stage)

Plant and Machinery

- 3 Automatic Aceptic Brick Bottling
- Blending Tanks
- Spirit Storage Tanks
- D,M Water Plant
- R.O Plant
- Domino Machine
- Air Compressor
- Chiller Machine

Capacity Utilization

Set forth below is the detail of the installed and utilized capacity of the Plant and Machinery for the last three financial years.

(Figures in cases in lakh)

Particulars	Nine months ended at December 31, 2023	FY ended on March 31, 2023	June 17, 2021, to March 31, 2022
Installed capacity*	16.25	16.25	16.25

Production	3.66	3.94	5.89
Capacity Utilization (%)	30.03%	24.25%	46.10%

(*) In single shift.

Collaborations

The Company has collaborated with Rajasthan State Ganganagar Sugar Mills Ltd. for Bottling of its Liquor Brands.

Marketing

The Company has its own sales team covering all major districts of Rajasthan for sale of Country Liquor brands.

Human Resources

We understand that our organization's key differentiation is derived from the collective strength of its human capital. The Company takes multiple initiatives to strengthen its people capital. This includes sharpening of skills at regular intervals through well-defined learning and development initiatives and a host of employee engagement policies.

A healthy and safe environment is a pre-requisite for a company's people capital to thrive. It offers various health schemes, camps and voluntary movements to its employees and their families. The company has laid down foundations for a quality-centric work culture by involving its employees and ensuring a decent work environment.

We encourages open collaboration, engagement and involvement. The Company believes in providing equal opportunity and ensures a fair and diverse work environment. Diversity and Inclusion are important aspects of sustainable business growth and we call this the 'winning balance'.

We believe our employees are one of our most important assets and critical to maintaining our competitive position in the markets and in our industry. As of December 31, 2023, we had 35 full time employees.

The following table sets forth a bifurcation of the number of our employees as of December 31, 2023:

Sr. No.	Description	No. of Employees
1	Promoter Management	1
2	Top Management	3
3	Corporate support staff (Accounts, Secretarial, office staff)	3
4	Marketing & Factory Staff	28
	Total	**35**

We also hire contract labourers through registered labour contractors for workmen at our manufacturing units, and other general duties at our offices, as and when the need arises.

Competition

Our Industry in India is highly competitive. There are several well entrenched brands which have built their brand equity over several decades. Many of our competitors, specifically the multi-national brands, have significant competitive advantages, including longer operating histories, larger and broader customer bases, more established relationships, greater brand recognition and greater financial strength, research and development, marketing, distribution and other resources than we do. The number of our direct competitors and the intensity of competition may increase as we expand our product portfolio and presence. They may also have the ability to spend more aggressively on marketing and distribution initiatives and may have more flexibility to respond to changing business and economic conditions than we do. Our competitors may also be able to respond more quickly and effectively than we can to new or changing opportunities, standards or consumer preferences, which could result in a decline in our revenues and market share.

Intellectual Property

Sr. No.	Word Mark	Status	Trademark No.
1.	VRV Nimboo Mastana	Accepted & Advertised	5667497
2.	DESI THAAT	Objected	5685013
3.	MANWAR	Opposed	5685014
4.	HILL TOP	Objected	6128396
5.	VRV Noorie Saunfi	Accepted & Advertised	5674485

Insurance

Operating our business involves many risks, which, if not insured, could adversely affect our business and results of operations. We maintain insurance coverage that we consider customary in the industry against certain of the operating risks. Our insurance policies include Burglary policy and policy for insurance against fire. We believe that our current level of insurance is adequate for our business and consistent with industry practice. We may not be able to obtain insurance coverage in the future to cover all risks inherent in our business, or insurance, if available, may be at rates that we do not consider to be commercially reasonable.

Property

We carry out business operations from the following properties:

1. **Freehold Property: NIL**

2. **Leasehold Property:**

Sr. No.	Details of the Deed/Agreement	Particulars of the Property, Description and Area	Consideration/License Fee/Rent	Tenure/Term	Usage
1.	Lease Dated July 16, 2021	Plot situated at Khasra no. 5816, 5818, 5840, 5841 Min, Taragragh Road Ajmer, measuring 2142.16 sq mtr	Rs. 59,842 per month + GST	10 Years	Industrial
2.	Lease Dated April 05, 2021	Plot situated at Khasra no. 5816, 5818, 5840, 5841 Min, Taragragh Road Ajmer, measuring 1965.08 sq mtr		10 Years	Industrial

Key Milestones

Following are the key milestones of the Company in the past years:

Contract with Rajasthan State Ganganagar Sugar Mills Ltd. for bottling of Rajasthan made Liquor (RML) in their brand.

Following acquisitions with an aim to expand our business in liquor vertical:

- a controlling stake in **Carya Chemicals & Fertilizers Private Limited (Carya)**, which has a Letter of Intent for setting up a Distillery and Bottling Plant for manufacture of Indian Made Foreign Liquor and Country Liquor in Rajasthan; and

- a 20% stake in **Shri Gang Industries & Allied Products Limited (Shri Gang)** which has set up a Bottling Plant for the manufacture of Indian Made Foreign Liquor at Sandila, District Hardoi, Uttar Pradersh and is setting up a grain-based Distillery for manufacture of Extra Neutral Alcohol ("ENA"), which is at an advanced stage for commissioning.

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OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association and subject to the provisions of the Companies Act, 2013, our Company is required to have not less than 3 Directors and not more than 15 Directors, unless otherwise determined by a special resolution. As on the date of this Letter of Offer, our Board comprises of 6 Directors, which includes, two (2) Executive Director out of which One (1) being Managing Director, and four (4) Non-executive Directors, two of whom are independent directors and two are non-independent directors. Our Company also has one Non-Executive - Independent Woman Director on its Board. The present composition of our Board and its committees is in accordance with the provisions of Companies Act and the SEBI Listing Regulations.

The following table sets forth details regarding our Board as of the date of this Draft Letter of Offer:

S. No.	Name, designation, date of birth, term, period of directorship, DIN, occupation and address	Age (in years)	Address	Other directorships
1.	Mr. Suraj Prakash Gupta **Designation**: Managing Director **Date of birth**: April 10, 1959 **DIN**: 00243846 **Term**: 5 years **Occupation**: Business	64	W-15/40, Western Avenue, Sainik Farms, Delhi – 110062	1. Gold Coin Marketing Private Limited 2. Express Infra Financial Consultancy Private Limited. 3. Gold Croft Global Commodities (OPC) Private Limited 4. Anita Greenfuels Private Limited 5. SASG Bio Energy Private Limited
2.	Mr. Syed Azizur Rahman **Designation**: Non-Executive Non-Independent Director **Date of Birth**: October 15, 1962 **DIN**: 00242790 **Term**: Not Applicable **Occupation**: Service	61	Flat B-104 (FF), Ananda Apartments, Sector-48, Noida, Uttar Pradesh – 201301	1. Shri Gang Industries and Allied Products Limited 2. Gold Coin Marketing Private Limited 3. Carya Chemicals & Fertilizers Private Limited
3.	Mr. Sanjay Kumar Jain **Designation**: Nominee Director **Date of Birth**: October 27, 1966	57	263, SFS, Hauz Khas, New Delhi – 110016	1. Shri Gang Industries and Allied Products Limited 2. Tinna Rubber and Infrastructure Limited

S. No.	Name, designation, date of birth, term, period of directorship, DIN, occupation and address	Age (in years)	Address	Other directorships
	DIN: 01014176 **Term**: Not Applicable **Occupation**: Service			3. Manphul Trading and Finance Company Private Limited 4. Dwarkadhish Finance and Investment Company Private Limited 5. PGA Securities Private Limited 6. B.G.K. Infrastructure Developers Private Limited 7. Taj Capital Partners Private Limited 8. Diensten Tech Limited 9. Express Infra Financial Consultancy Private Limited 10. J K Consultancy and Services Private Limited 11. JK Defence & Aerospace Limited. 12. Carya Chemicals & Fertilizers Private Limited. 13. Sarth Agbev And Energy Private Limited. 14. Allen Reinforced Plastics Private Limited
4.	Mr. Nazir Baig **Designation**: Non-Executive Independent Director **Date of Birth**: May 12, 1967 **DIN**: 07468989 **Term**: 5 Years **Occupation**: Service	56	House No. 104, Mohalla Prabhu Dayal, Jahangirabad Rural, Bulandshahar, Uttar Pradesh – 202394	1. Bhankerpur Distilleries Limited
5.	Mr. Ashu Malik **Designation**: Whole Time Director **Date of birth**: January 16, 1978 **DIN**: 07998930	45	Flat No. 1, First Floor, Plot No.-18, Prem Homes Maya Kunj, Avantika, Ghaziabad, Uttar Pradesh	None

S. No.	Name, designation, date of birth, term, period of directorship, DIN, occupation and address	Age (in years)	Address	Other directorships
	Term: 1 year **Occupation**: Service		– 201002	
6.	Ms. Pooja Solanki **Designation:** Non-Executive Independent Women Director **Date of Birth:** February 23, 1988 **DIN:** 09039846 **Term:** 5 years **Occupation:** Business	35	H. No. 84, Gali No. 7, A Block, Mukundpur Part 1, Samai Pur, Delhi – 110042	1. Carya Chemicals & Fertilizer Private Limited

Arrangement or Understanding with major shareholders, customers, suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Brief Profile of Directors:

Mr. Suraj Prakash Gupta
(Managing Director)

Mr. Suraj Prakash Gupta, aged about 64 years, is the Executive Director of the Company. He is Bachelor in Arts by qualification and has business experience of more than 34 years in edible oils and alcoholic beverages industry.

Mr. Syed Azizur Rahman
(Non-Executive Non-Independent Director)

Mr. Syed Azizur Rahman, aged about 61 years, is a mechanical engineer by profession and holds more than 30 years of experience in manufacturing inclusive of 19 years as Unit Head/Business head. He is currently holding the position of the Chairperson and Non-Executive Non-Independent Director in the Company.

Mr. Sanjay Kumar Jain
(Nominee Director)

Mr. Sanjay Kumar Jain is a dynamic professional aged 57 years graduated in Commerce from University of Delhi and then qualified Chartered Accountant in 1990. Mr. Sanjay Kumar Jain holds SEBI accreditations as a Registered Investment Advisor and Registered Research Analyst. He has about 32 years of work experience in Investments, Funds Management, Strategy, M&A, Corporate Finance and Investor Relations.

For the last 15 years, he has worked as an independent consultant working with Promoters/Senior Management of different companies. He had also co-founded an advisory business in M/s Taj Capital Partners Pvt Ltd. and participated in events of Global Investors, Government and Policy makers. He is on the Board as Non-Executive Independent Director.

Mr. Nazir Baig
(Non-Executive Independent Director)
He is a graduate in Commerce. He has more than 30 Years of experience in commercial matters having worked in various companies engaged in Manufacturing and trading of FMCG products & Commodities. He is on the Board as Non-Executive Independent Director.

Mr. Ashu Malik
(Whole Time Director)
Mr. Ashu Malik, aged 45 years, is B.Sc from Alcohol Tech. He is having 19 years of experience in Liquor Business. He is on the Board as Executive Director.

Ms. Pooja Solanki
(Non-Executive Independent Women Director)
She is a Fellow member of Institute of Company Secretaries of India. She has a vast experience in secretarial and legal matters. She is on the Board as Non-Executive Independent Director of the Company.

Directorships of Directors in listed companies

Except for Mr. Sanjay Kumar Jain and Mr. Syed Azizur Rahman, none of our Directors are, or for the five years prior to the date of this Draft Letter of Offer, have been on the board of directors of any listed company whose shares have been/ were suspended from being traded on any of the stock exchange, during his/ her tenure. The details of Company suspended during the tenure of Mr. Sanjay Kumar Jain and Mr. Syed Azizur Rahman are as follows:

S. No.	Particulars	Details
1.	Name of the Company	Shri Gang Industries & Allied Products Limited
2.	Listed on	BSE Limited
3.	Date of suspension on the stock exchange	September 17, 2012
4.	If trading suspended for more than three months, reasons for suspension and period of suspension	**Reason:** Alleged lapses of certain clauses of listing agreement. **Period:** 10 Years
5.	If the suspension of trading revoked, the date of revocation of suspension	The suspension has been revoked w.e.f. March 07, 2022
6.	Term (along with relevant dates) of the director in the above company(ies)	Mr. Syed Azizur Rahman was appointed on March 16, 2016 and resigned on October 31, 2020. Further, he was appointed as Non-Executive non Independent Director on June 14, 2022 in the Company. Mr. Sanjay Kumar Jain was appointed as Non-Executive Independent Director of the Company w.e.f. March 29,

		2022. Further his designation was changed from Non-Executive Independent Director to Nominee Director w.e.f. May 18, 2022.

None of our Directors has been or is a director on the board of directors of any listed company which has been/ was delisted from any stock exchange(s), during his/ her tenure in the past ten years.

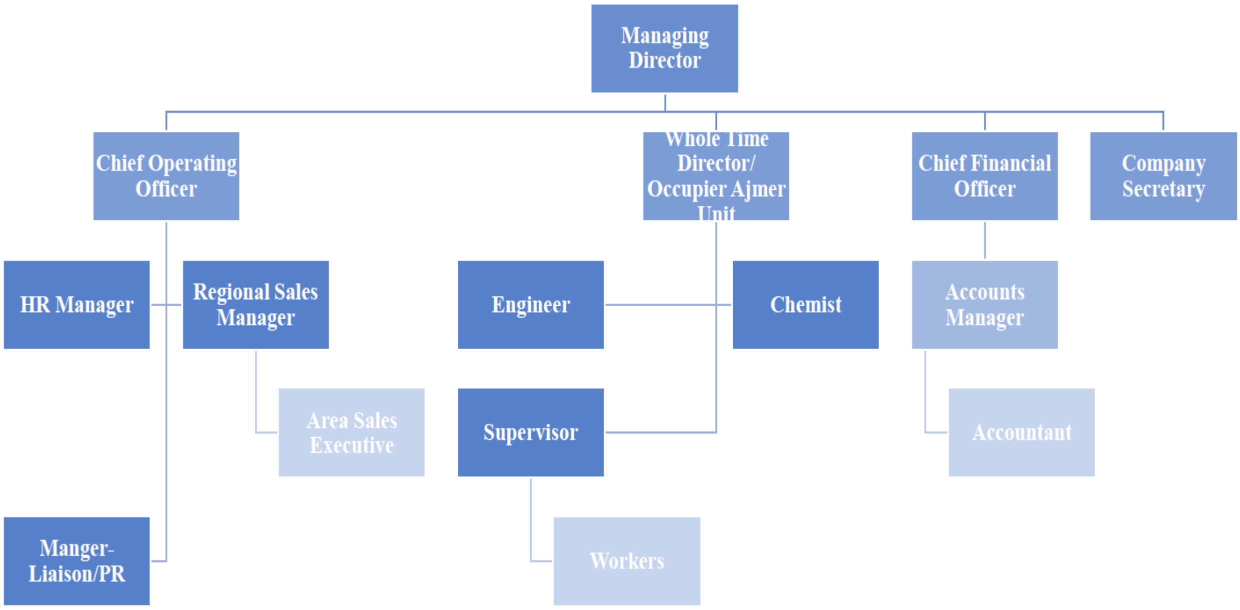
Details of Senior Management and KMP

S. No.	Name	Designation	Date of Appointment	Date of Cessation	Reason
1.	Mr. Suraj Prakash Gupta	Managing Director	February 06, 2020	-	NA
2.	Mr. Ashu Malik	Whole time Director	June 27, 2021	-	NA
3.	Mr. Sanjai Kapoor	Chief Financial Officer	June 22, 2022	November 03, 2023	Personal Reason (his intention to pursue his lifelong dreams.)
4.	Ms. Snehlata Sharma	Company Secretary & Compliance Officer	October 19, 2022	-	NA

Relationship of Key Managerial Personnel with our Directors, Promoter and / or other Key Managerial Personnel

None of the key managerial personnel are related to each other or to our Promoter or to any of our Directors except that Mr. Suraj Prakash Gupta (Promoter), is the Managing Director of the Company and is the husband of Mrs. Anita Gupta who is the member of Promoter & Promoter Group of the Company.

Management Organizational Structure



SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Pawan Shubham & Co.
CHARTERED ACCOUNTANTS

601, ROOTS TOWER
7, District Centre
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

INDEPENDENT AUDITOR'S REPORT

To The Members of **SURAJ INDUSTRIES LTD**

Report on the Audit of the Standalone financial statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Other Matter

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

Our opinion is not modified in respect of this matter.

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, but does not include the standalone financial

DELHI FRN. 011573C Chartered Accountants

601, ROOTS TOWER
7, District Centre
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

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

Management's Responsibility for the Standalone financial statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income) the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

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e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31st March, 2023 on its financial position in its standalone financial statements –Refer Note No- 37 of standalone financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March, 2023.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2023.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. As stated in Note No. 15 (f) to the standalone financial statements, no dividend has been declared by the Company in current and previous years.

PAWAN SHUBHAM & CO. FRN. 011573C Chartered Accountants

2. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of sub-section (11) of Section 143 of the Act ("the Order"), we give in **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

3. In our opinion and as per information and explanations given to us, the managerial remuneration for the year ended 31st March 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 of the Act.

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

PAWAN SHUBHAM & CO.
DELHI
FRN. 011573C
Chartered Accountants

CA Krishna Kumar
Partner
Membership Number: 523411
UDIN: 23523411BGWIHN4724

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

Pawan Shubham & Co.
CHARTERED ACCOUNTANTS

601, ROOTS TOWER
7, District Centre
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Standalone financial statements

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

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone financial statements and such internal financial controls with reference to Standalone financial statements were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note Issued by the ICAI.

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

PAWAN SHUBHAM & CO.
DELHI
FRN. 011573C
Chartered Accountants

CA Krishna Kumar
Partner
Membership Number: 523411

UDIN: 23523411BGWIHN4724

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

601, ROOTS TOWER
7, District Centre
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

Annexure B to Independent Auditors' Report

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

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

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the Property, Plant and Equipment and right of use assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property. Therefore, this clause is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of use assets) or intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year. No inventory is lying with third parties. No discrepancies of 10% or more in aggregate for each class of inventory were noticed.

(b) The Company has not been sanctioned any working capital limits from banks. Therefore, this clause is not applicable.

iii. During the year, the company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. However, it has not provided any guarantee and security to any other entity.

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

(INR in lakhs)

Particulars	Subsidiaries	Joint Ventures	Associates	Others
Aggregate amount granted during the year	-	-	-	-
Balance outstanding as at balance sheet date	76.00	-	-	60.00

B) In our opinion, the Company has made investment in subsidiaries and associates in the current year. Also, the terms and conditions of the loans and advances are not prejudicial to the Company's interest.

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

601, ROOTS TOWER
7, District Centre
Laxmi Nagar, Delhi-110092
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C) In our opinion, in respect of loans and advance, the terms and schedule of repayment of principal and interest has been stipulated and receipts are regular.

D) In our opinion, no amount is overdue in respect of loans and advances given to subsidiaries, associates, joint ventures and other entities.

E) No loans and advances have fallen due and thus this clause is not applicable.

F) None of the loans and advances are repayable on demand. Proper schedule of repayment of principal and interest has been stipulated.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made by it. The Company has not given any loan or advances to Directors, hence provisions of Section 185 of the Companies Act, 2013 are not applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. a) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing the undisputed statutory dues including goods and service tax, provident fund, employees state insurance, income tax, sale tax, service tax, duty of customs, duty of excise, value added tax, Cess and other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no disputed amounts payable in respect of the aforesaid dues as at 31st March, 2023.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) According to the records of the Company examined by us and the information and explanation given to us, term loans taken by the Company were applied for the purpose for which they were obtained.

d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.

e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, associate or Joint venture.

PAWAN SHUBHAM & CO. DELHI FRN: 011573C Chartered Accountants

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f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary, joint venture or associate company.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has made preferential allotment of shares in accordance with S.62 of the Companies Act, 2013 and funds have been utilised for the purpose for which funds have been raised.

xi. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) No whistle-blower complaints were received by the Company during the year (and upto the date of this report) and hence reporting under clause 3(xi)(c) of the Order is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date.

xv. During the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable. In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the current and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

601, ROOTS TOWER
7, District Centre
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) There is no unspent CSR amount as at Balance Sheet date under section (5) of section 135 of the Act, pursuant to any ongoing project, hence, reporting under clause 3(xx)(b) of the Order is not applicable.

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

PAWAN SHUBHAM & CO.
DELHI
FRN. 011573C
Chartered Accountants

CA Krishna Kumar
Partner
Membership Number: 523411
UDIN: 23523411BGWIHN4724

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

SURAJ INDUSTRIES LTD

(CIN: L26943HP1992PLC016791)

STANDALONE BALANCE SHEET AS AT 31st MARCH 2023

(INR in lakhs)

	Particulars	Note No.	As at 31 March 2023 Audited	As at 31 March 2022 Audited
I.	**ASSETS**			
1	**Non current assets**			
	(a) Property, Plant and Equipment	3	1,132.97	1,212.14
	(b) Capital Work in progress	4	65.21	-
	(c) Right of Use Assets	5	73.36	-
	(d) Financial Assets			
	- Investments	6	2,998.10	-
	- Other Financial Assets	7	35.69	27.69
			4,305.33	1,239.83
2	**Current assets**			
	(a) Inventories	8	77.71	16.60
	(b) Financial Assets			
	- Trade receivable	9	2,421.54	231.72
	- Cash and bank balances	10	5.87	285.78
	- Loans	11	136.00	778.50
	- Other Financial Assets	12	43.50	0.24
	(c) Income Tax Assets	13	31.61	27.46
	(d) Other current assets	14	114.80	127.66
			2,831.03	1,467.96
	Total		7,136.36	2,707.79
II.	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Equity share capital	15	1,229.42	954.20
	(b) Other Equity	16	2,386.99	(499.46)
			3,616.41	454.74
2	**Non current liabilities**			
	(a) Financial Liabilities			
	- Borrowings	17	39.01	30.03
	- Lease liability	18	70.08	-
	(b) Provisions	19	9.09	7.93
	(c) Deferred tax liabilities (Net)	20	45.39	28.59
			163.57	66.55
3	**Current liabilities**			
	(a) Financial Liabilities			
	- Borrowings	21	1,005.48	1,927.75
	- Lease liability	22	9.43	-
	- Trade payables	23		
	A) total outstanding dues of micro enterprises and small enterprises		-	1.58
	B) total outstanding dues of creditors other than micro enterprises and small enterprises		2,120.49	141.41
	- Other Financial Liability	24	2.29	9.64
	(b) Other current liabilities	25	29.68	60.28
	(c) Provisions	26	0.06	0.04
	(d) Current Tax Liabilities	27	188.95	45.80
			3,356.38	2,186.50
	Total		7,136.36	2,707.79

Significant accounting policies	2
Other notes to accounts	3-51

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For PAWAN SHUBHAM & CO.
Chartered Accountants
Firm's Registration No: 011573C

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

(CA Krishna Kumar)
PARTNER
Membership No. 523411

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

Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Syed Azizur Rahman
(Director)
DIN- 00242790

Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D

Snehlata Sharma
Company Secretary
M.No: 62066

Place: New Delhi
Date: 30.05.2023

SURAJ INDUSTRIES LTD
(CIN: L26943HP1992PLC016791)
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2023

(INR in lakhs)

	Particulars	Note No.	For the year ended on 31 MARCH 2023 Audited	For the year ended on 31 MARCH 2022 Audited
	Income:			
I.	Revenue from operations	28	6,737.89	4,126.41
II.	Other income	29	84.56	2.09
III.	**Total Income (I + II)**		6,822.45	4,128.50
IV.	**Expenses:**			
	Purchase of Stock in Trade	30	5,117.37	2,785.75
	Cost of materials consumed	31	459.41	584.65
	Employees benefits expense	32	178.00	110.76
	Finance costs	33	69.63	2.49
	Depreciation and amortisation expense	34	125.98	59.72
	Other expenses	35	179.68	172.67
	Total expenses		6,130.07	3,716.04
V.	**Profit / (Loss) before tax (III- IV)**		692.38	412.46
VI.	**Tax expense**			
	Current tax		188.95	45.81
	Deferred tax charge / (credit)		16.86	59.39
	Earlier year taxes		9.83	0.27
	Total tax expenses		215.64	105.47
VII.	**Profit / (Loss) for the year (V -VI)**		476.74	306.99
VIII.	**Other Comprehensive Income**			
	--- Items not to be reclassified to profit & Loss		2.60	(2.23)
	--- Income tax on above		0.06	-
	Other Comprehensive Income for the year net of Tax		2.66	(2.23)
IX.	**Total Comprehensive Income for the year net of Tax (VII + VIII)**		479.40	304.76
X.	**Earnings per equity share:**	36		
	(1) Basic		4.12	3.42
	(2) Diluted		3.81	3.19
	Nominal value of equity shares		10.00	10.00

Significant accounting policies	**2**	
Other notes to accounts	**3-51**	

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For PAWAN SHUBHAM & CO.
Chartered Accountants
Firm's Registration No: 011573C

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

(CA Krishna Kumar)
PARTNER
Membership No. 523411

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

Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Syed Azizur Rahman
(Director)
DIN- 00242790

Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D

Snehlata

Snehlata Sharma
Company Secretary
M.No: 62066

Place: New Delhi
Date: 30.05.2023

SURAJ INDUSTRIES LTD

(CIN: L26943HP1992PLC016791)

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2023

(INR in lakhs)

	Particulars	For the year ended on 31 March, 2023	For the year ended on 31 March, 2022
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax & Extraordinary items	692.38	412.46
	Add: Non cash and Non operating items		
	Provision for Employee Benefits	1.16	6.44
	Depreciation	125.98	59.72
	Less: OCI -Remeasurement of defined benefit plans	2.60	(2.23)
	Operating Profit before Working Capital changes	822.12	476.39
	Adjustments for:		
	Loans & Advances & Other Current Assets	607.94	(893.06)
	Inventories	(61.11)	(16.60)
	Trade Receivables	(2,189.82)	79.92
	Trade Payable	1,977.50	(165.58)
	Other Current Liabilities	105.23	68.21
	Cash Generated from operations before extraordinary item and tax	1,261.86	(450.72)
	Less: Taxes Paid	198.79	46.08
	Net Cash from Operating Activities..................(A)	1,063.07	(496.80)
B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Capital Advances	-	370.00
	Increase in Fixed Assets/RTU/CWIP	(185.38)	(1,271.55)
	Increase in Investments	(2,998.10)	
	Earnest Money Deposit	(8.00)	0.05
	Net Cash used in Investing Activities.................(B)	(3,191.48)	(901.50)
C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Movement in Short Term/Long Term Borrowings	(913.29)	1,599.44
	Movement in Lease Liability	79.52	
	Shares Issued during the year	2,509.70	89.20
	Share Warrant Application Money Recd (net of amount converted)	172.57	(22.30)
	Net Cash received in financing Activities............(C)	1,848.50	1,666.34
D)	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(279.91)	268.04
	Cash & Cash Equivalents as at beginning of year	285.78	17.74
	Cash & Cash Equivalents as at end of year	5.87	285.78

Notes

(I) Figures in brackets represent deductions and outflows

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

Significant accounting policies	2
Other notes to accounts	3-51

The accompanying notes form an integral part of the financial statements

As per our report of even date

For PAWAN SHUBHAM & CO.
Chartered Accountants
Firm's Registration No: 011573C

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

(CA Krishna Kumar)
PARTNER
Membership No. 523411

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

Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Syed Azizur Rahman
(Director)
DIN- 00242790

Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D

Snehlata
Snehlata Sharma
Company Secretary
M.No: 62066

Place: New Delhi
Date: 30.05.2023

SURAJ INDUSTRIES LTD
(CIN: L26943HP1992PLC016791)
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2023

A. Equity Share Capital

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

B. Other Equity

(INR in lakhs)

Particulars	Reserve and Surplus				Other Comprehensive Income	Total
	Capital Reserve	Share Premium	Equity Component of other financial instruments (share warrants)	Retained Earnings		
Balance as at 01 April, 2021	231.69	-	49.72	(1,063.19)	(0.14)	(781.92)
Amount received against Share warrants	-	-	66.90	-	-	66.90
Less: Share warrants converted to Equity Shares	-	-	(89.20)	-	-	(89.20)
Net Profit/(Net Loss) for the current year	-	-	-	306.99	(2.23)	304.76
Add: Actuarial Gain/ (Loss) for the year on PBO						-
Other Comprehensive Income for the Year	-	-	-	-	-	-
Balance as at 31 March, 2022	231.69	-	27.42	(756.20)	(2.37)	(499.46)
2022-23						
Amount received against Share warrants	-	-	282.27	-	-	282.27
Less: Share warrants converted to Equity Shares	-	-	(109.70)	-	-	(109.70)
Share Premium for issue of shares	-	2,234.48	-	-	-	2,234.48
Net Profit/(Net Loss) for the current year	-	-	-	476.74	-	476.74
Add: Actuarial Gain/ (Loss) for the year on PBO	-	-	-	-	2.66	2.66
Other Comprehensive Income for the Year	-	-	-	-	-	-
Balance as at 31 March, 2023	231.69	2,234.48	199.99	(279.46)	0.29	2,386.99

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

As per our report of even date
For Pawan Shubham & Co.
Chartered Accountants
Firm's Registration Number: 011573C

PAWAN SHUBHAM & CO. DELHI FRN.011573C Chartered Accountants

(CA Krishna Kumar)
PARTNER
Membership No. 523411

For and on behalf of Board of Directors
SURAJ INDUSTRIES LTD

Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Syed Azizur Rahman
(Director)
DIN- 00242790

Snehlata

Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D

Snehlata Sharma
Company Secretary
M.No: 62066

Place: New Delhi
Date: 30.05.2023

SURAJ INDUSTRIES LTD

(CIN: L26943HP1992PLC016791)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2023

1. CORPORATE INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

i) A newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

ii) The Company presents an additional balance sheet at the beginning of the earliest comparative period when: it applies an accounting policy retrospectively; it makes a retrospective restatement of items in its financial statements; or, when it reclassifies items in its financial statements, and the change has a material effect on the financial statements.

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

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

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

b. CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

Assets

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

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

All other assets are classified as non-current assets

Liabilities

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

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

All other liabilities are classified as non-current liabilities.

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

c. USE OF ESTIMATES

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

d. PROPERTY, PLANT AND EQUIPMENT

Initial recognition and measurement

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

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

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

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

Subsequent Measurement

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

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

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

FRN 011573C
Chartered Accountants

Transition to Ind AS

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

Depreciation / amortization

a. Depreciation on items of PPE is provided on straight line method in accordance with the useful life as specified in Schedule II to the Companies Act, 2013.
b. Depreciation on additions to assets or on sale/discard of assets is calculated pro-rata from the date of such addition or up to the date of such sale / discard.
c. Assets residual values and useful lives are reviewed and adjusted, at the end of each reporting period.

The following useful lives are applied:

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

e. CAPITAL WORK-IN-PROGRESS

Capital Work in Progress comprises of Property, Plant and Equipment that are not ready for their intended use at the end of reporting period and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalized and other direct expenditure. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of Property, Plant and Equipment. Costs are capitalised till the period of assets are substantially ready for their intended use. Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is substantially ready for its intended use.

f. RIGHT OF USE ASSETS

Company as a Lessee

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

PAWAN SHUBHAM & CO.
DELHI
FRN. 011573C
Chartered Accountants

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

Finance lease

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

g. INTANGIBLE ASSETS

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

Asset Category	Useful Life
Computer Software	05 years

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

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

PAWAN ... & CO. DELHI FRN. 011573C Chartered Accountants

h. FINANCIAL INSTRUMENTS

1. Financial Assets

Initial recognition and measurement

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

Subsequent measurement

I. Debt Instruments at Amortised Cost

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

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

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

II. Equity Investments

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

III. Impairment of Financial Assets

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

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

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

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

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

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

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

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

IV. Derecognition of Financial Assets

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

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

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associated liability are measured on a basis that reflects rights and obligations that the Company has retained.

2. Financial liability

Initial recognition and measurement

Financial liabilities are classified at initial recognition as:
a. Financial liabilities at fair value through Profit or Loss
b. Loans and Borrowings
c. Payables

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

Subsequent measurement

Measurement of financial liabilities depends on their classification as below:

a. **Financial liabilities at Fair Value Through Profit or Loss (FVTPL):** Gains or losses on liabilities are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

b. **Loans and Borrowings:** After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (hereinafter referred as EIR) method. Gains and Losses are recognised in statement of profit and loss when liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included as Finance Costs in the statement of profit and loss.

c. **Trade and Other Payables:** These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

Derecognition of Financial liability

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

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i. INVESTMENTS

Subsidiaries

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

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

Associates and Joint Ventures

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

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

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

j. INVENTORY

S. No.	Particulars / Item Type	Method of Valuation
1	Raw Material, Packing Material & Consumables (including in transit)	At Cost including direct procurement Overhead / Taxes.
2	Finished Goods (including in transit)	At cost or net realisable value, whichever is lower
3	Stock in process	At cost
4	By Products	At net realisable value
5	Loose Tools	At cost and charged off when discarded

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

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

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k. CASH AND CASH EQUIVALENTS

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

l. TAXES

Current Income Tax

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

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

Deferred Tax

Deferred Income Taxes are calculated using Balance Sheet Approach, on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that temporary differences will not reverse in foreseeable future.

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

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

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

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

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

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

Indirect Taxes

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

Excise Duty

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

m. REVENUE RECOGNITION

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

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

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

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n. EMPLOYEE BENEFIT SCHEMES

Short-term employee benefits

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

Compensated Absences

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

Gratuity

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

Provident Fund

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

o. FOREIGN CURRENCY

Functional and presentation currency

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

Transactions and balances

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

p. EARNINGS PER SHARE

a. **Basic EPS** is calculated by dividing profit/ (loss) attributable to equity shareholders of the Company by weighted average number of equity shares outstanding during the period.

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

q. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Provisions

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

Contingent Liabilities

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

Contingent Assets

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

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r. CASH FLOW STATEMENT

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

s. SEGMENT REPORTING

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

t. FAIR VALUE MEASUREMENT

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on presumption that transaction to sell asset or transfer liability takes place either:
i. In the principal market for asset or liability, or
ii. In absence of a principal market, in most advantageous market for asset or liability.

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

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

The Company uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising use of relevant observable inputs and minimizing use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2- Valuation techniques for which lowest level input that is significant to fair value measurement is directly or indirectly observable.
Level 3- Valuation techniques for which lowest level input that is significant to fair value measurement is unobservable.

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

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

u. EXCEPTIONAL ITEMS

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

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Note 3 Property, Plant and Equipment *(INR in lakhs)*

Particulars	Buildings	Plant and Equipments	Furniture and Fixtures	Computer	Vehicles	Office Equipments	Total
Gross Carrying Amount							
As at 1 April 2021	-	-	0.14	-	-	0.17	0.31
Additions	167.93	1,004.20	0.80	-	48.50	50.12	1,271.55
Disposal / Adjustment	-	-	-			-	-
As at 31 March 2022	167.93	1,004.20	0.94	-	48.50	50.29	1,271.86
Additions	-	-	-	0.48	30.85	0.30	31.63
Disposal / Adjustment	-	-	-	-	-	-	-
As at 31 March 2023	167.93	1,004.20	0.94	0.48	79.35	50.59	1,303.49
Depreciation and Impairment							
As at 1 April 2021	-	-	-			-	-
Additions	3.99	47.70	0.45	-	1.61	5.97	59.72
Disposal / Adjustment	-	-	-		-	-	-
As at 31 March 2022	3.99	47.70	0.45	-	1.61	5.97	59.72
Additions	24.53	66.08	0.08	0.09	9.84	10.18	110.80
Disposal / Adjustment	-	-	-		-	-	-
As at 31 March 2023	28.52	113.78	0.53	0.09	11.45	16.15	170.52
Net Carrying Value							
As at 31 March 2023	139.41	890.42	0.41	0.39	67.90	34.44	1,132.97
As at 31 March 2022	163.94	956.50	0.49	-	46.89	44.32	1,212.14

Note 4 Capital Work in Progress (CWIP) *(INR in lakhs)*

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

Particulars	Buildings	Plant and Equipments	Furniture and Fixtures	Computer	Vehicles	Office Equipments	Total
As at 1 April 2021							
Additions	-	-	-	-	-	-	-
Transfer to PPE / ROU	-	-	-	-	-	-	-
As at 31 March 2022	-	-	-	-	-	-	-
Additions	44.84	20.37	-	-	-	-	65.21
Transfer to PPE / ROU*	-	-	-	-	-	-	-
As at 31 March 2023	44.84	20.37	-	-	-	-	65.21

Note 4.1 Capital Work in Progress Ageing Schedule

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

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

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

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

Note 5 Right of Use Assets (ROU Assets) *(INR in lakhs)*

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

Particulars	Leasehold Building	Total
Gross Carrying Amount		
As at 1 April 2021	-	-
Additions	-	-
Disposal / Adjustment	-	-
As at 31 March 2022	-	-
Additions	88.54	88.54
Disposal / Adjustment	-	-
As at 31 March 2023	88.54	88.54
Depreciation and Impairment		
As at 1 April 2021	-	-
Additions	-	-
Disposal / Adjustment	-	-
As at 31 March 2022	-	-
Additions	15.18	15.18
Disposal / Adjustment	-	-
As at 31 March 2023	15.18	15.18
Net Carrying Value		
As at 31 March 2023	73.36	73.36
As at 31 March 2022	-	-

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

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Note 6 Investments *(INR in lakhs)*

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

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

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

Note 8 Inventories *(INR in lakhs)*

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

Note 9 Trade Receivables *(INR in lakhs)*

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

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

(A) Trade Receivables Ageing Schedule as at 31 March, 2023

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

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

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

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Note 10 Cash and bank balances *(INR in lakhs)*

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

Note 11 Loans *(INR in lakhs)*

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

**Refer note 45 for related party disclosure.*

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

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

**Refer note 45 for related party disclosure.*

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

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

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
GST Recoverable	13.29	11.31
MAT Credit	23.63	5.10
Prepaid Expenses	24.94	13.98
Advances to Supplier - Others	52.72	97.27
Amount Recoverable - Related Party*	0.22	-
Total	114.80	127.66

**Refer note 45 for related party disclosure.*

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Note 15 Equity Share Capital *(INR in lakhs)*

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

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

Particulars	31 March 2023		31 March 2022	
	Number	Rs. In lakhs	Number	Rs. In lakhs
Shares outstanding at the beginning of the year	9,542,000	954.20	8,650,000.00	865.00
Add: Shares issued during the year	2,752,172	275.22	892,000.00	89.20
Shares outstanding at the end of the year	12,294,172	1,229.42	9,542,000.00	954.20

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

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

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

Name of the Promoters	31 March 2023		31 March 2022		% Change
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
Suraj Prakash Gupta	6,028,030	49.03%	4,931,030	51.68%	-2.65%
Shuchi Bahl	185,000	1.50%	185,000	1.94%	-0.44%
Anita Gupta	10	0.00%	10	0.00%	0.00%
Rajesh Gupta	10	0.00%	10	0.00%	0.00%
M/s Global Spirits Private Limited	84,378	0.69%	84,378	0.88%	-0.19%
Total	6,297,428	51.22%	5,200,428	54.50%	-3.28%

d) Terms / rights attached to Equity shares:

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

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

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

Note 16 Other Equity *(INR in lakhs)*

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

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

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

**Secured against hypothecation of respective vehicles.*

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

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

Note 19 Provisions *(INR in lakhs)*

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

Note 20 Deferred Tax Asset/Liability *(INR in lakhs)*

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

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

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

Refer note 45 for related party disclosures.

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

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

Note 23 Trade Payables *(INR in lakhs)*

Particulars	As at 31 March 2023	As at 31 March 2022
Outstanding dues of micro enterprises and small enterprises	-	1.58
Outstanding dues of creditors other than micro enterprises and small enterprises	2,120.49	141.41
Total	2,120.49	142.99

Note 23.1 Trade Payables ageing schedule

(A) Trade payable ageing schedule as at 31st March 2023

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

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

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
a) Amount remaining unpaid to supplier covered under MSMED Act at the end of the year		
-Principal	-	1.58
-Interest	-	
-Total	-	1.58
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the	-	-
c)The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) The amount of interest accrued and remaining unpaid at the end of the year.	-	7.56
e)The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-	-
f) The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period.	-	-

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

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

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

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

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

Note 26 **Provisions** *(INR in lakhs)*

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

Note 26.1 **Movement of provisions**

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

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

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

Note 27.1 **Movement of provisions**

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

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

Particulars	For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
Sale of Products:		
Empty glass bottles & Other Products	-	56.91
Edible Oils	5,852.59	2,812.33
Liquor Bottling Services	885.30	1,257.17
Total	**6,737.89**	4,126.41

Note 29 Other income *(INR in lakhs)*

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

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

Particulars		For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
Empty glass bottles & Other Products	(A)	-	56.47
Edible Oils			
Opening Stock		-	-
Add: Purchases of Edible Oils		5,117.37	2,729.28
Less: Closing Stock (including In-Transit)		-	-
	(B)	5,117.37	2,729.28
Total (A+B)		**5,117.37**	**2,785.75**

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

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

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

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

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

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

Refer note 45 for related party disclosure.

Note 33 Finance Cost *(INR in lakhs)*

Particulars	For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
Interest expenses:		
- Interest on Vehcile Loan	3.86	1.32
- Interest on unsecured loan	55.02	1.10
- Financial liabilities measured at amortised cost	10.15	-
	69.03	2.42
Bank Charges	0.60	0.07
Total	69.63	2.49

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

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

Note 35 Other Expenses *(INR in lakhs)*

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

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Note 35.1 **Payment to the auditors as:**

(INR in lakhs)

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

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

(A) **Earnings Per Share**

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

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

Particulars	For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
Number of Equity shares at the beginning of the year	95,42,000	86,50,000
Add: Weighted average number of equity shares issued during the year	20,82,366	2,56,603
Weighted average number of Equity shares for Basic EPS	1,16,24,366	89,06,603
Add: Adjustment for Share Warrants	9,73,632	6,35,397
Weighted average number of equity shares for Diluted EPS	1,25,97,998	95,42,000

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Note 37 Contingent Liabilities and commitments: *(INR in lakhs)*

Particulars	For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
Contingent Liabilities:		
a) Claims against the company not acknowledged as Debts.	Nil	Nil
Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	Nil	Nil

Note 38 Disclosures as required under Ind-AS 116 "Leases": *(INR in lakhs)*

(A) Maturity analysis of lease liabilities (contractual undiscounted cash flows) on unconditional basis:

Particulars	For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
Upto one year	20.08	-
After one year but not more than five years	86.21	-
More than five years	-	-

**The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.*

(B) Amounts recognised in Statement of profit and loss:

Particulars	For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
Depreciation on ROU assets	15.18	-
Interest on lease liabilities	10.15	-
Lease payments not recognised as liability in 'Other Expenses':		
----Expenses relating to short-term leases	29.39	5.17
----Expenses relating to leases of low-value assets	-	-

(C) Amounts recognised in Statement of cash flows:

Particulars	For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
Total cash outflow for leases	19.17	-

(D) Future lease Commitments

Particulars	For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
The total future cash outflow for leases that had not yet commenced	-	-

Note 39 Movement in Deferred Tax Assets / (Liability) *(INR in lakhs)*

(A) Movement in Deferred Tax Assets

Particulars	Brought forward business losses and depreciation	Employee Benefit Obligation	Total Deferred Tax Assets
As at 31 March 2021	30.52	0.37	30.89
----Profit & Loss	(30.52)	1.63	(28.89)
----Other Comprehensive income	-	-	-
As at 31 March 2022	-	2.00	2.00
----Profit & Loss	-	0.55	0.55
----Other Comprehensive income	-	0.06	0.06
As at 31 March 2023	-	2.61	2.61

(B) Movement in Deferred Tax Liability

Particulars	Depreciation / amortization on PPE	Other timing differences	Total Deferred Tax Liability
As at 31 March 2021	0.09	-	0.09
----Profit & Loss	30.50	-	30.50
----Other Comprehensive income		-	-
As at 31 March 2022	30.59	-	30.59
----Profit & Loss	17.41	-	17.41
----Other Comprehensive income	-	-	-
As at 31 March 2023	48.00	-	48.00

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Note 40 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(INR in lakhs)

Particulars	As at 31 MARCH 2023	As at 31 MARCH 2022
Accounting Profit (Profit / (loss) before tax)	**692.38**	412.46
Enacted tax rates in India	**27.82%**	27.82%
Computed expected tax expense	**192.62**	114.75
Tax Effect of non-deductible expenses	**40.03**	18.49
Tax reversals due to expenses allowed for Indian tax purpose	**(50.13)**	(87.43)
Interest on income tax	**6.43**	-
Total Current Income tax expense	**188.95**	45.81

The applicable Indian corporate statutory tax rate for the year ended 31 March 2023 and 31 March 2022 is 27.82%.

Note 41 **Disclosures of Ratios:**

(INR in lakhs)

S.No.	Ratio	Numerator	Denominator	31st March, 2023	31st March, 2022	% Variance	Reasons for change in ratio by more than 25% as compared to the previous year
Performance Ratios							
1	Net profit ratio	Profit after Tax	Net Sales	0.07	0.07	-4.89%	Increase is due to better operating margins
2	Net capital turnover ratio*	Net Sales	Working capital	10.83	7.76	39.52%	Increase in Revenue and increased in working capital
3	Return on capital employed	Earning before Interest and taxes	Capital Employed	0.35	1.37	-74.13%	Decrease is due to long term investments made in Subsidiary and associate companies
4	Return on equity ratio	Net Profit after Tax	Average Shareholder Equity	0.23	1.14	-79.48%	Decrease is due to long term investments made in Subsidiary and associate companies
5	Return on Investment	Interest Income	Weighted Average Cost of Investment	0.69	NA	NA	There was no investment in previous year
6	Debt service coverage ratio	Earning Available for debt service	Debt service	NA	NA	NA	The company has no borrowings from bank's and FIs except for vehicle loan
Leverages Ratios							
7	Debt- equity ratio	Total Debt	Shareholder Equity	0.72	4.24	-83.00%	Debt equity ratio has improved due to increase in the shareholders' equity
Liquidity Ratios							
8	Current Ratio	Current Ratio	Current Liabilities	0.64	0.41	54.67%	Current ratio has improved due to higher increase in current assets as compared to current liabilities.
Activity Ratios							
9	Inventory turnover ratio	Sale	Average Inventory	142.89	497.17	-71.26%	The ratio has improved with increase in the turnover of the company
10	Trade receivables turnover ratio	Net Credit Sale	Avg Account Receivable	0.20	0.07	199.05%	This is due higher level of trade receivables vis a vis previous year
11	Trade Payable turnover ratio	Net Credit Purchase	Avg Trade Payable	0.22	0.08	173.64%	This is due higher level of trade payables vis a vis previous year

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Note 42 Investment in Subsidiary, Associate and Joint Venture *(INR in lakhs)*

(A) Company's investment in direct subsidiary:

Particulars	Country of Incorporation	Portion ofownership interest as at		Method used to account incorporation for the
		31 MARCH 2023	31 MARCH 2022	
M/s Carya Chemicals & Fertilzers Private Limited	India	50.73%	-	Cost

(B) Company's investment in Associate:

Particulars	Country of Incorporation	Portion ofownership interest as at		Method used to account incorporation for the
		31 MARCH 2023	31 MARCH 2022	
M/s Shri Gang Industries & Allied Products Limited	India	20.08%	-	Cost

(C) Disclosure required under Section 186(4) of the Companies Act, 2013 for year ended 31 March, 2023

Particulars	Investment made	Loan Given	Gross Outstanding Balance	Purpose of Loan Given
M/s Carya Chemicals & Fertilzers Private Limited	2,638.10	76.00	76.00	Business Expension
M/s Shri Gang Industries & Allied Products Limited	360.00	-	-	

Note 43 Additional Notes

(A) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(B) The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

(C) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(D) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(E) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other person or entities ("ultimate beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries. The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding that the Company shall lend or invest in other persons or entities identified by or on behalf of the Funding Party or provide any guarantee, security or the like from to or on behalf of the Ultimate Beneficiaries.

(F) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(G) The Company has not made any provision for Corporate Social Responsibility (CSR) required as per S.135 of Companies Act, 2013 since the same is not applicable.

(H) The company does not have any borrowings from banks and financial institutions on the basis of security of current assets.

(I) The company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

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

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

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Note 44 Disclosures under Ind AS 19 "Employee Benefits": *(INR in lakhs)*

The company has a defined benefit gratuity plan as long term benefits to employees. Provision is made on the basis of acturial valuation.

	Particulars	For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
i)	**Change in benefit obligation**		
a)	Present value of obligation as at the beginning of the period	7.97	1.86
b)	Acquisition adjustment	-	-
c)	Interest cost	0.58	0.12
d)	Past service cost	-	-
e)	Current service cost	3.20	3.76
f)	Curtailment cost/(Credit)	-	-
g)	Settlement cost/(Credit)	-	-
h)	Benefits paid	-	-
i)	Actuarial (gain)/loss on obligation	(2.60)	2.23
j)	**Present value of obligation as at the end of period**	9.15	7.97
ii)	**Fair value of plan assets :**		
a)	Fair value of plan assets at the beginning of the period	-	-
b)	Acquisition adjustment	-	-
c)	Actual return on plan assets	-	-
d)	Employer contributions	-	-
e)	Benefits paid	-	-
f)	Fair value of plan assets at the end of the period	-	-
g)	Funded status	(9.15)	(7.97)
h)	Excess of actual over estimated return on plan assets	-	-
iii)	**Fair value of plan assets :**		
a)	Expected return on plan assets	-	-
b)	Actual return on plan assets	-	-
c)	Actuarial gain/(loss) on plan assets	-	-
iv)	**Actuarial gain / loss recognized**		
a)	Actuarial gain / (loss) for the period- obligation	2.60	(2.23)
b)	Actuarial gain / (loss) recognized in the period	2.60	(2.23)
c)	Unrecognized actuarial gains / (losses) at the end of period	-	-
v)	**The amounts to be recognized in balance sheet and related analysis**		
a)	Present value of obligation as at the end of the period	(9.15)	(7.97)
b)	Fair value of plan assets as at the end of the period		-
c)	Funded status / Difference	1.18	6.11
d)	Excess of actual over estimated		-
e)	Unrecognized actuarial (gains) / losses		-
f)	Net asset / (liability)recognized in balance sheet	(9.15)	(7.97)
	As Current Liabilty (amount due within one year)	(0.06)	(0.04)
	As Non Current Liabilty (amount due over one year)	(9.09)	(7.93)

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(INR in lakhs)

Particulars		For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
vi)	**Expense recognized in the statement of profit and loss**		
a)	Current service cost	**3.20**	3.76
b)	Past service cost		-
c)	Interest cost	**0.58**	0.12
d)	Expected return on plan assets		-
e)	Curtailment cost / (Credit)		-
f)	Settlement cost / (credit)		-
g)	Net actuarial (gain) / loss recognized in the period		-
h)	Expenses recognized in the statement of profit & losses	**3.78**	3.88
vii)	**Reconciliation statement of expense in the statement of profit and loss**		
a)	Present value of obligation as at the end of period	**(9.15)**	(7.97)
b)	Present value of obligation as at the beginning of the period	**(7.97)**	(1.86)
c)	Benefits paid		
d)	Actual return on plan assets		
e)	Actuarial gain/(loss) on PBO to be recognised in OCI	**2.60**	(2.23)
f)	Acquisition adjustment		
g)	Expenses recognized in the statement of profit & losses	**3.78**	3.88
viii)	**Sensitivity Analysis of the defined benefit obligation.**		
a)	**Impact of the change in discount rate**		
	Present Value of Obligation at the end of the period	**9.15**	7.97
a)	Impact due to increase of 0.50%	**(0.15)**	(0.16)
b)	Impact due to decrease of 0.50 %	**0.17**	0.18
b)	**Impact of the change in salary increase**		
	Present Value of Obligation at the end of the period	**9.15**	7.97
a)	Impact due to increase of 0.50%	**0.17**	0.18
b)	Impact due to decrease of 0.50 %	**(0.15)**	(0.16)
ix)	**Actuarial Assumptions:**		
	Particulars		
	Mortality table	**IALM (2012-14)**	IALM (2012-14)
	Discount rate	**7.39%**	7.26%
	Expected rate of return on plan assets	**N.A.**	N.A.
	Rate of escalation in salary per annum	**5.00%**	5.00%
	Employee turnover up to 30 years	**5.00%**	5.00%
	Above 30 years but up to 44 years	**3.00%**	3.00%
	Above 44 years	**2.00%**	2.00%

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

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2023

Note 45 **The Related Party disclousres as per IND AS 24 "Related Party Disclosures":** *(INR in lakhs)*

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

(A) **Names of the Related parties and description of relationship**

S.NO.	Relationship	Name
1	Key Managerial Personnel (KMP)	Suraj Prakash Gupta, Managing Director Ashu Malik, Whole Time Director Sanjai Kapoor, CFO (w.e.f June 22,2022) Chhavi Agrawal, Company Secretary (Upto October 18,2022) Snehlata Sharma, Company Secretary (w.e.f October 19,2022)
2	Subsidiary Company	Carya Chemicals & Fertilzers Pvt Ltd (w.e.f June 15,2022)
3	Associate Company	Shri Gang Industries & Allied Products Ltd (wef July July 09, 2022)

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

Particulars	For the year ended on 31 MARCH 2023	For the year ended on 31 MARCH 2022
Managerial Remuneration Expense		
Key Managerial Personnel		
Salary to Managing Director, Suraj Prakash Gupta	72.00	40.50
Salary to Whole Time Director, Ashu Malik	10.50	8.50
Salary to CFO, Sanjai Kapoor	23.25	-
Salary to Company Secretary, Bhanumathy Ramchandran	-	0.46
Salary to Company Secretary, Chhavi Agrawal	3.50	1.17
Salary to Company Secretary, Snehlata Sharma	2.46	-
Salary to CFO, Sujeet Gupta	-	2.60
	111.71	53.23
Managerial Remuneration Payable		
Key Managerial Personnel		
Salary to Managing Director, Suraj Prakash Gupta	9.95	4.39
Salary to Whole Time Director, Ashu Malik	0.84	3.67
Salary to CFO, Sanjai Kapoor	2.00	-
Salary to Company Secretary, Chhavi Agrawal	-	0.41
Salary to Company Secretary, Snehlata Sharma	0.43	-
	13.22	8.47
Interest received from **Carya Chemicals & Fertilzers Pvt Ltd, Subsidiary**	22.48	-
	22.48	-
Unsecured Loan received- **Suraj Prakash Gupta, MD**		
Opening Balance	2.60	190.00
Loan received	24.00	23.10
Loan repaid	8.60	210.50
Closing Balance	18.00	2.60
Unsecured Loan given- **Carya Chemicals & Fertilzers Pvt Ltd, Subsidiary**		
Opening Balance (i.e. on June 15,2022, date of becoming subsidiary)	86.00	-
Loan given	-	-
Loan repaid	10.00	-
Closing Balance	76.00	-
Amount due from **Carya Chemicals & Fertilzers Pvt Ltd, Subsidiary**		
Interest Receivable	5.29	-
	5.29	-
Investment in Equity Shares		
Carya Chemicals & Fertilzers Pvt Ltd, Subsidiary	2,638.10	-
Shri Gang Industries & Allied Products Ltd	360.00	-
	2,998.10	-
Reimbursement of Expenses from:		
Shri Gang Industries & Allied Products Ltd:		
Expenses incurred	4.23	-
Amount received against expenses incurred	4.02	-
Closing Amount Recoverable	0.22	-

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Note 46 Fair Value Measurements *(INR in lakhs)*

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on presumption that transaction to sell asset or transfer liability takes place either:
i. In the principal market for asset or liability, or
ii. In absence of a principal market, in most advantageous market for asset or liability.

Fair Value of an asset or liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using asset in its highest and best use or by selling it to another market participant that would use asset in its highest and best use.

The Company uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising use of relevant observable inputs and minimizing use of unobservable inputs.

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

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2- Valuation techniques for which lowest level input that is significant to fair value measurement is directly or indirectly observable.
Level 3- Valuation techniques for which lowest level input that is significant to fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(A) Carrying amounts of Financial Assets and Financial Liabilities in each category are as follows: *(INR in lakhs)*

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
At amortised cost				
Investments	**2,998.10**	**2,998.10**	-	-
Trade receivable	**2,421.54**	**2,421.54**	231.72	231.72
Cash and Cash Equivalents	**5.87**	**5.87**	285.78	285.78
Loans	**136.00**	**136.00**	778.50	778.50
Other Financial Assets	**79.20**	**79.20**	27.93	27.93
Total	**5,640.71**	**5,640.71**	1,323.93	1,323.93

Financial Liability				
At amortised cost				
Borrowings including short term	**1,044.49**	**1,044.49**	1,957.78	1,957.78
Lease liabilities including short term	**79.52**	**79.52**	-	-
Trade payables	**2,120.49**	**2,120.49**	142.99	142.99
Other financial liabilities	**2.29**	**2.29**	9.64	9.64
Total	**3,246.79**	**3,246.79**	2,110.41	2,110.41

a) Carrying amount of Trade Receivables, Trade Payables, other financial assets, other financial liabilities and Cash & Cash Equivalent are considered to be the same as their Fair Value due to their short term nature
b) Carrying amount of Financial Assets and Liabilities carried at Amortized Cost is considered a reasonable approximation of Fair Value.

(B) Fair Value Hierarchy *(INR in lakhs)*

The following table provides the fair value measurement hierarchy for financial assets and liabilities:

Particulars	31 March 2023			31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	-	-	**2,998.10**	-	-	-
Trade receivable			**2,421.54**			231.72
Cash and Cash Equivalents			**5.87**			285.78
Loans	-	-	**136.00**	-	-	778.50
Other Financial Assets	-	-	**79.20**	-	-	27.93
Total	-	-	**5,640.71**	-	-	**1,323.93**

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(INR in lakhs)

Particulars	31 March 2023			31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liability						
Borrowings including short term	-	-	1,044.49	-	-	1,957.78
Lease liabilities including short term	-	-	79.52	-	-	-
Trade payables	-	-	2,120.49	-	-	142.99
Other financial liabilities	-	-	2.29	-	-	9.64
Total	-	-	3,246.79	-	-	2,110.41

Note 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(INR in lakhs)*

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company does not have foreign trade transactions nor any foreign currency transactions. The Board of Directors manages the financial risk of the company through internal risk reports and analyse exposure by magnitude of risk.

The Company's overall risk management procedures to minimise potential adverse effects of financial market on the Company are as follows:

(A) Market Risk

Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign curreny receivables or payables. It includes three types of risks: a) Interest rate risk, b) Currency risk and c) price and commodity risk.

A) Interest Rate Risk: The Company's borrowings are at fixed rates. Therefore, interest rate risk does not have any major impact on the company.

B) Currency Risk: Since, Company does not have any foreign currency dealings, this risk is not applicable to the Company.

C) Price and commodity risk: The Company majorly purchases Spirits and Grain in its manufacturing. Since, prices are generally regulated, there are no major movements in the prices. Therefore, the adversity of this risk is low.

(B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial intrument leading to a financial loss. The Company's exposure to credit risk primarily consists of Trade receivables and other financial assets. The Company deals with only few customers since liquor opertions are government regulated. Therefore, default risk on the part of debtors is significantly low.

(C) Liquidity Risk

The Company's principle source of liquidity are Cash and cash equivalents and cash generated from operations. The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay. The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk.

Note 48 CAPITAL MANAGEMENT *(INR in lakhs)*

(A) Risk Management

Capital management is driven by Company's policy to maintain a sound capital base to support the continued development of its business. The Management and Board of Directors seeks to maintain a prudent balance between different components of Company's capital. Management monitors capital structure and net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities including lease liabilities less cash and cash equivalents and short term investments.

The capital structure is governed by policies approved by the Board of Directors and monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, lease liabilities, less cash and cash equivalents.

Particulars		As at	
		31 March 2023	31 March 2022
Borrowings including current maturities and short term borrowings		1,044.49	1,957.78
Trade Payables		2,120.49	142.99
Other Payables including Lease Liabilities		81.81	9.64
Less: Cash & Cash Equivalents		(5.87)	(285.78)
Net Debt	(A)	3,240.92	1,824.63
Equity		1,229.42	954.20
Other equity		2,386.99	(499.46)
Total Equity Capital	(B)	3,616.41	454.74
Capital and Net Debt	(C=A+B)	6,857.33	2,279.37
Gearing Ratio (%)	(A/C*100)	47.26%	80.05%

(B) Dividends

The Company has not declared any dividends in the current and previous year.

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SURAJ INDUSTRIES LTD
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Note 49 Segment Reporting

(INR in lakhs)

Disclosure as per Indian Accounting Standard (Ind AS) 108 "Operating Segments"
The company has two business segments- Trading Operations and Liquor Operations.

Particulars	Trading operations		Liquor operations		Unallocated		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
1. Segment Revenue	5,852.59	2,871.32	885.30	1,257.17	-	-	6,737.89	4,128.49
Less: Inter-segment Revenue	-	-	-	-	-	-	-	-
Total	5,852.59	2,871.32	885.30	1,257.17	-	-	6,737.89	4,128.49
2. Segment Results	710.78	60.64	145.36	412.03	-	-	856.14	472.67
Less:								
a) Finance Cost	-	-	-	-	(69.63)	(2.42)	(69.63)	(2.42)
B) Other unallocable expenses	-	-	-	-	(94.13)	(57.79)	(94.13)	(57.79)
Total	710.78	60.64	145.36	412.03	(163.76)	(60.21)	692.38	412.46
3. Segment Assets	2,356.24	196.88	1,412.09	1,398.07	3,368.03	1,112.84	7,136.36	2,707.79
4. Segment Liabilities	2,076.52	118.20	854.72	995.01	588.71	1,139.84	3,519.95	2,253.05

Information about Geographical Segment:

Secondary Segment Information	India		Outside India		Total	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue	6,737.89	4,126.41	-	-	6,737.89	4,126.41
Non Current Assets	4,305.33	1,239.83	-	-	4,305.33	1,239.83

Information about major customers :

Major customers having revenue exceeding 10% of total revenues	For the year ended on 31 March 2023		For the year ended on 31 March 2022	
	Rs. In Lakhs	%	Rs. In Lakhs	%
Magnum Traders	-	-	1,099.79	26.65%
Shree Sai Sagar Oil Refinery	-	-	695.54	16.86%
K R Foods Ltd.	-	-	1,017.00	24.65%
Rajasthan State Ganganagar Sugar Mills Ltd.	885.30	13.14%	1,257.17	30.47%
Legacy Commodities Pvt. Ltd.	3,102.83	46.05%	-	-
Regent Entrprises Limited	869.75	12.91%	-	-
Euroasia Holding Private Limited	1,320.00	19.59%	-	-

Note 50 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 51 Previous year's figures have been regrouped/reclassified, wherever considered necessary, to conform to current year's classification.

For PAWAN SHUBHAM & CO.
Chartered Accountants
Firm's Registration No: 011573C

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

(CA Krishna Kumar)
PARTNER
Membership No. 523411

Place: New Delhi
Date: 30.05.2023

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

Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Syed Azizur Rahman
(Director)
DIN- 00242790

Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D

Snehlata Sharma
Company Secretary
M.No: 62066

Pawan Shubham & Co.
CHARTERED ACCOUNTANTS

601, ROOTS TOWER
7, District Center
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

INDEPENDENT AUDITOR'S REPORT

To The Members of **SURAJ INDUSTRIES LTD**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SURAJ INDUSTRIES LTD** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which includes Group's share of profit / (loss) in its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity for the year then ended, notes to the financial statements including summary of significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements).

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

Basis for Opinion

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

Key Audit Matters

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

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

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

PAWAN SHUBHAM & CO.
DELHI
FRN. 011573C
Chartered Accountants

601, ROOTS TOWER
7, District Center
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated changes in equity of the Group including its Associate in accordance with the Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies included in the Group and of its Associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies included in the Group and its Associate are responsible for assessing the ability of the Group and its Associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and its Associate are responsible for overseeing the financial reporting process of the Group and its Associate.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

601, ROOTS TOWER
7, District Center
Laxmi Nagar, Delhi-110092
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Tel 011-45108755

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability and its Associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

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

PAWAN SHUBHAM & CO. ★ DELHI FRN. 011573C ★ Chartered Accountants

601, ROOTS TOWER
7, District Center
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit of the subsidiary and associate, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and returns.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**, which is based on the auditors' reports of the Holding Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements reporting of Holding Company.

PAWAN SHUBHAM & CO. ★ Chartered Accountants ★ DELHI FRN. 011573C

601, ROOTS TOWER
7, District Center
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Tel 011-45108755

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and its Associate – Refer Note No. 39 to the consolidated financial statements.

ii. The Group and its Associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses during the year ended 31st March, 2023.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31st March, 2023.

iv. (a) The Management of the Holding Company has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note No. 17(f) to the consolidated financial statements, no dividend has been declared by the Holding Company during the year.

PAWAN SHUBHAM & CO.
DELHI
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Pawan Shubham & Co.
CHARTERED ACCOUNTANTS

601, ROOTS TOWER
7, District Center
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company, we give in "**Annexure B**" a statement on the matter specified in paragraphs 3(xxi) of the Order.

3. In our opinion and as per information and explanations given to us, the managerial remuneration for the year ended 31st March, 2023 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 of the Act.

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

PAWAN SHUBHAM & CO.
DELHI
FRN. 011573C
Chartered Accountants

CA Krishna Kumar
Partner
Membership Number: 523411

UDIN: 23523411BGWIHO4169

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

Pawan Shubham & Co.
CHARTERED ACCOUNTANTS

601, ROOTS TOWER
7, District Center
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

Referred to in paragraph 1(f) of the Independent Auditors' Report of even date to the members of SURAJ INDUSTRIES LTD on the Consolidated Financial Statements for the year ended 31st March, 2023

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **SURAJ INDUSTRIES LTD** (hereinafter referred to as "Holding Company"), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

PAWAN SHUBHAM & CO.
DELHI
FRN. 011573C
Chartered Accountants

601, ROOTS TOWER
7, District Center
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

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

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

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

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

CA Krishna Kumar
Partner
Membership Number: 523411

UDIN: 23523411BGWIHO4169

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

Pawan Shubham & Co.
CHARTERED ACCOUNTANTS

601, ROOTS TOWER
7, District Center
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 of the Independent Auditors' Report of even date to the members of SURAJ INDUSTRIES LTD on the Consolidated Financial Statements as of and for the year ended 31st March 2023.

I. As required under clause 3(xxi) of the Order we report as under:

According to the information and explanations given to us, following company incorporated in India and included in the Consolidated financial statements, have certain remarks included in the report under Companies (Auditor's Report) Order, 2020 ("CARO"):

Sr. No.	Name	CIN	Clause number of the CARO report which is qualified or adverse
1	Suraj Industries Ltd (Holding Company)	L26943HP1992PLC016791	Nil
2	Carya Chemicals & Fertilizers Private Limited	U24297DL2013PTC252503	XVIII

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

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

CA Krishna Kumar
Partner
Membership Number: 523411

UDIN: 23523411BGWIHO4169

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

SURAJ INDUSTRIES LTD

(CIN: L26943HP1992PLC016791)

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

(INR in lakhs)

	Particulars	Note No.	As at 31 March 2023 Audited
I.	**ASSETS**		
1	**Non current assets**		
	(a) Property, Plant and Equipment	3	1,132.96
	(b) Capital Work in progress	4	1,163.09
	(c) Right of Use Assets	5	1,147.20
	(d) Intangible assets		0.71
	(e) Financial Assets		
	- Investments	6	624.11
	- Other Financial Assets	7	48.07
	(f) Income Tax Assets	8	0.28
	(g) Other Non Current Assets	9	1,734.70
			5,851.12
2	**Current assets**		
	(a) Inventory	10	77.71
	(b) Financial Assets		
	- Trade receivable	11	2,421.54
	- Cash and bank balances	12	1,744.78
	- Loans	13	60.00
	- Other Financial Assets	14	38.34
	(c) Income Tax Assets	15	31.61
	(d) Other current assets	16	150.27
			4,524.25
	Total		10,375.37
II.	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Equity share capital	17	1,229.42
	(b) Other Equity	18	2,651.08
			3,880.50
	(c) Non Controlling Interests		2,561.21
			6,441.71
2	**Non current liabilities**		
	(a) Financial Liabilities		
	- Borrowings	19	39.01
	- Lease liability	20	70.08
	(b) Provisions	21	9.09
	(c) Deferred tax liabilities (Net)	22	45.39
	(d) Other non-current liabilities		-
			163.57
3	**Current liabilities**		
	(a) Financial Liabilities		
	- Borrowings	23	1,015.48
	- Lease liability	24	9.43
	- Trade payables	25	
	A) total outstanding dues of micro enterprises and small enterprises		-
	B) total outstanding dues of creditors other than micro enterprises and small enterprises.		2,120.49
	- Other Financial Liability	26	4.02
	(b) Other current liabilities	27	431.66
	(c) Provisions	28	0.06
	(d) Current Tax Liabilities	29	188.95
			3,770.09
	Total		10,375.37

Significant accounting policies 2

Other notes to accounts 3-51

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For **PAWAN SHUBHAM & CO.**
Chartered Accountants
Firm's Registration No: 011573C

PAWAN SHUBHAM & CO. Chartered Accountants DELHI FRN. 011573C

(CA Krishna Sharma)
PARTNER
Membership No. 523411

Place: New Delhi
Date: 30.05.2023

For and On behalf of the Board of Directors of
SURAJ INDUSTRIES LIMITED

Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Syed Azizur Rahman
(Director)
DIN- 00242790

Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D

Snehlata
Snehlata Sharma
Company Secretary
M.No: 62066

SURAJ INDUSTRIES LTD
(CIN: L26943HP1992PLC016791)
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

(INR in lakhs)

	Particulars	Note No.	For the year ended on 31 MARCH 2023 Audited
	Income:		
I.	Revenue from operations	30	6,737.89
II.	Other income	31	84.56
III.	**Total Income (I + II)**		6,822.45
IV.	**Expenses:**		
	Purchase of Stock in Trade	32	5,117.37
	Cost of materials consumed	33	459.41
	Employees benefits expense	34	178.00
	Finance costs	35	69.63
	Depreciation and amortisation expense	36	125.98
	Other expenses	37	179.68
	Total expenses		6,130.07
V.	**Profit/ (loss) before share of profit /(loss) of Associate**		692.38
	Share of profit/ (loss) of Associate (net of tax)		264.11
VI.	**Profit / (Loss) before tax (III- IV)**		956.49
VII.	**Tax expense**		
	Current tax		188.95
	Deferred tax charge / (credit)		16.87
	Earlier year taxes		9.83
	Total tax expenses		215.65
VIII.	**Profit / (Loss) for the year (V -VI)**		740.84
IX.	**Other Comprehensive Income**		
	--- Items not to be reclassified to profit & Loss		2.60
	--- Income tax on above		0.06
	Other Comprehensive Income for the year net of Tax		2.66
X.	**Total Comprehensive Income for the year net of Tax (VIII+IX)**		743.50
	Profit/(Loss) attributable to		
	Equity Shareholders of Holding Company		740.84
	Non Controlling Interests		-
	Other Comprehensive Income attributable to		
	Equity Shareholders of Holding Company		2.66
	Non Controlling Interests		-
	Total Comprehensive Income attributable to		
	Equity Shareholders of Holding Company		743.50
	Non Controlling Interests		-
	Total Comprehensive Income for the year net of Tax		743.50
XI.	**Earnings per equity share:**	38	
	(1) Basic		6.40
	(2) Diluted		5.90
	Nominal value of equity shares		10.00

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

As per our report of even date attached

For PAWAN SHUBHAM & CO.
Chartered Accountants
Firm's Registration No: 011573C

(CA Krishna Sharma)
PARTNER
Membership No. 523411

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

Place: New Delhi
Date: 30.05.2023

For and On behalf of the Board of Directors of
SURAJ INDUSTRIES LIMITED

Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Syed Azizur Rahman
(Director)
DIN- 00242790

Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D

Snehlata Sharma
Company Secretary
M.No: 62066

SURAJ INDUSTRIES LTD
(CIN: L26943HP1992PLC016791)
STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2023

A. Equity Share Capital

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

B. Other Equity *(INR in lakhs)*

Particulars	Reserve and Surplus				Other Comprehensive Income	Total	Non-controlling interest
	Capital Reserve	Share Premium	Equity Component of other financial instruments (share warrants)	Retained Earnings			
Balance as at 31 March, 2022	231.69	-	27.42	(756.21)	(2.37)	(499.47)	-
2022-23							
Amount received against Share warrants	-	-	282.27	-	-	282.27	-
Less: Share warrants converted to Equity Shares	-	-	(109.70)	-	-	(109.70)	-
Share capital including premium	-	2,234.48	-	-	-	2,234.48	2,561.21
Net Profit/(Net Loss) for the current year	-	-	-	740.84	-	740.84	-
Add: Actuarial Gain/ (Loss) for the year on PBO	-	-	-	-	2.66	2.66	-
Balance as at 31 March, 2023	231.69	2,234.48	199.99	(15.37)	0.29	2,651.08	2,561.21

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

As per our report of even date

For Pawan Shubham & Co.
Chartered Accountants
Firm's Registration Number: 011573C

PAWAN SHUBHAM & CO. DELHI FRN: 011573C Chartered Accountants

(CA Krishna Sharma)
PARTNER
Membership No. 523411

Place: New Delhi
Date: 30.05.2023

For and On behalf of the Board of Directors of
SURAJ INDUSTRIES LIMITED

Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Syed Azizur Rahman
(Director)
DIN- 00242790

Snehlata

Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D

Snehlata Sharma
Company Secretary
M.No: 62066

SURAJ INDUSTRIES LTD
(CIN: L26943HP1992PLC016791)
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON 31 MARCH 2023

1. CORPORATE INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Consolidated Financial Statements (hereinafter referred as Consolidated Financial Statements or the Financial Statements) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015. These Consolidated financial statements includes Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss including Other Comprehensive Income and Consolidated Statement of Changes in Equity for the year ended 31st March, 2023, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as Consolidated Financial Statements or the Financial Statements).

The Consolidated Financial Statements comprise Financial Statements of Holding Company and it's Subsidiary (Collectively known as "Group") and Share of Profit/(Loss) of Associate for the year ended 31st March, 2023.

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

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

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

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

PAWAN SHUBHAM & CO. DELHI FRN: 011573C Chartered Accountants

b. BASIS OF CONSOLIDATION

Basis of Accounting

- Financial Statements of the Subsidiary and Associate in the consideration are drawn up to same reporting date as of Holding Company for purpose of consolidation.

- Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard (Ind AS) 110– 'Consolidated Financial Statements' specified under Section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Principles Of Consolidation

Subsidiaries are those entities in which the Holding Company directly or indirectly, has interest more than 50% of voting power or otherwise control composition of board or governing body so as to obtain economic benefits from activities.

Associates are all entities where the group has significant influence but not control or joint control. This is generally when the group holds between 20% and 50% of voting rights. Investment in associates are accounted for using equity method of accounting.

Consolidated Financial Statements have been prepared as per the following principles

- Financial Statements of Holding Company and its Subsidiary are combined on a line by line basis by adding together of like items of Assets, Liabilities, Income and Expenses after eliminating intra-group balances, intra-group transactions, unrealized profits or losses in accordance with Ind AS 110–'Consolidated Financial Statements' notified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended time to time.

- Non-Controlling Interest (NCI) in net assets of the consolidated subsidiaries is identified and presented in Consolidated Balance Sheet separately from liabilities and equity attributable to Holding Company's shareholders. NCI in net assets of consolidated subsidiary consists of:- a) Amount of equity attributable to NCI at the date on which investment in a subsidiary is made; and b) NCI share of movement in equity since the date the Holding Subsidiary relationship came into existence,

- For acquisitions of additional interests in subsidiary, where there is no change in control, Group recognises a reduction to NCI of the respective Subsidiary with difference between this figure and cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of NCI, difference between cash received from sale or listing of subsidiary shares and increase to NCI is also recognised in equity.

- If Group loses control over a subsidiary, it derecognises related assets (including goodwill), liabilities, NCI and other components of equity, while any resultant gain or loss is recognised

PAWAN SHUBHAM & CO. DELHI FRN: 011573C Chartered Accountants

in profit and loss account. Any investment retained is recognised at fair value. Results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from effective date of acquisition or up to effective date of disposal, as appropriate.

- In case of Associate and Joint Venture, investments are accounted for using equity method in accordance with Ind AS-28 "Investments in Associates and Joint Ventures". Under equity method, carrying amount of investment in Associates and Joint Ventures is increased or decreased to recognize the Group's share of Profit and Loss and Other Comprehensive Income of Associate and Joint Venture, adjusted where necessary to ensure consistency with Accounting Policies of Group. Goodwill relating to associate or joint venture is included in carrying amount of investment and is not tested for impairment individually. The carrying amount of these investments are tested for impairment in accordance with Ind AS-36 "Impairment of Assets".

- Consolidated Financial Statements are prepared using uniform Accounting Policies for like transactions and other events in similar circumstances and are presented to extent possible, in same manner as Holding Company's Separate Financial Statements except as otherwise stated in notes to the accounts.

c. CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

Assets

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

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

All other assets are classified as non-current assets

Liabilities

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

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

All other liabilities are classified as non-current liabilities.

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

d. USE OF ESTIMATES

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

e. PROPERTY, PLANT AND EQUIPMENT

Initial recognition and measurement

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

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

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

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

Subsequent Measurement

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

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

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

Depreciation / amortization

a. Depreciation on items of PPE is provided on straight line method in accordance with the useful life as specified in Schedule II to the Companies Act, 2013.

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

b. Depreciation on additions to assets or on sale/discard of assets is calculated pro-rata from the date of such addition or up to the date of such sale / discard.
c. Assets residual values and useful lives are reviewed and adjusted, at the end of each reporting period.

The following useful lives are applied:

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

f. CAPITAL WORK-IN-PROGRESS

Capital Work in Progress comprises of Property, Plant and Equipment that are not ready for their intended use at the end of reporting period and are carried at cost. Cost includes related acquisition expenses, construction cost, borrowing cost capitalized and other direct expenditure. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of Property, Plant and Equipment. Costs are capitalised till the period of assets are substantially ready for their intended use. Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is substantially ready for its intended use.

g. RIGHT OF USE ASSETS

Group as a Lessee

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

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

PAWAN SHUBHAM & CO. DELHI FRN: 011573C Chartered Accountants

equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Finance lease

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

h. INTANGIBLE ASSETS

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

Asset Category	Useful Life
Computer Software	05 years

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

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

i. FINANCIAL INSTRUMENTS

1. Financial Assets

Initial recognition and measurement

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

PAWAN SHUBHAM & CO. DELHI FRN 011573C Chartered Accountants financial assets at Fair Value through profit or loss are recognised immediately in statement of Profit and Loss.

Subsequent measurement

I. Debt Instruments at Amortised Cost

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

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

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

II. Equity Investments

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

III. Impairment of Financial Assets

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

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

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

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

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

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

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

IV. Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:
i. The rights to receive cash flows from asset has expired, or
ii. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either :-
(a) The Group has transferred substantially all risks and rewards of the asset, or
(b) The Group has neither transferred nor retained substantially all risks and rewards of the asset but has transferred control of the asset.

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

2. Financial liability

Initial recognition and measurement

Financial liabilities are classified at initial recognition as:

a. Financial liabilities at fair value through Profit or Loss

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b. Loans and Borrowings
c. Payables

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

Subsequent measurement

Measurement of financial liabilities depends on their classification as below:

a. Financial liabilities at Fair Value Through Profit or Loss (FVTPL): Gains or losses on liabilities are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk is recognized in OCI. These gains/losses are not subsequently transferred to statement of profit and loss. However, the Group may transfer cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

b. Loans and Borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (hereinafter referred as EIR) method. Gains and Losses are recognised in statement of profit and loss when liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR amortisation is included as Finance Costs in the statement of profit and loss.

c. Trade and Other Payables: These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid.

Derecognition of Financial liability

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

j. INVESTMENTS

Associates and Joint Ventures

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

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

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

k. INVENTORY

S. No.	Particulars / Item Type	Method of Valuation
1	Raw Material, Packing Material & Consumables (including in transit)	At Cost including direct procurement Overhead / Taxes.
2	Finished Goods (including in transit)	At cost or net realisable value, whichever is lower
3	Stock in process	At cost
4	By Products	At net realisable value
5	Loose Tools	At cost and charged off when discarded

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

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

l. CASH AND CASH EQUIVALENTS

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

m. TAXES

Current Income Tax

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

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

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Deferred Tax

Deferred Income Taxes are calculated using Balance Sheet Approach, on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that temporary differences will not reverse in foreseeable future.

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

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

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

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

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

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

Indirect Taxes

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

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Excise Duty

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

n. REVENUE RECOGNITION

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

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

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

o. EMPLOYEE BENEFIT SCHEMES

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

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

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

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Provident Fund

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

p. FOREIGN CURRENCY

Functional and presentation currency

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

Transactions and balances

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

q. EARNINGS PER SHARE

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

r. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

Provisions

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

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risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost.

Contingent Liabilities

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

Contingent Assets

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

s. CASH FLOW STATEMENT

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

t. SEGMENT REPORTING

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

u. FAIR VALUE MEASUREMENT

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on presumption that transaction to sell asset or transfer liability takes place either:
i. In the principal market for asset or liability, or
ii. In absence of a principal market, in most advantageous market for asset or liability.

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

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

The Group uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising use of relevant observable inputs and minimizing use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2- Valuation techniques for which lowest level input that is significant to fair value measurement is directly or indirectly observable.
Level 3- Valuation techniques for which lowest level input that is significant to fair value measurement is unobservable.

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

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

v. EXCEPTIONAL ITEMS

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

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Note 3 Property, Plant and Equipment *(INR in lakhs)*

Particulars	Buildings	Plant and Equipments	Furniture and Fixtures	Computer	Vehicles	Office Equipments	Total
Gross Carrying Amount							
As at 31 March 2022	167.93	1,004.20	0.94	-	48.50	50.29	1,271.86
Additions	-	-	-	0.48	30.85	0.30	31.63
Disposal / Adjustment	-	-	-	-	-	-	-
As at 31 March 2023	167.93	1,004.20	0.94	0.48	79.35	50.59	1,303.49
Depreciation and Impairment							
As at 31 March 2022	3.99	47.70	0.45	-	1.61	5.97	59.72
Additions	24.53	66.09	0.08	0.09	9.84	10.18	110.81
Disposal / Adjustment	-	-	-		-	-	-
As at 31 March 2023	28.52	113.79	0.53	0.09	11.45	16.15	170.53
Net Carrying Value							
As at 31 March 2023	139.41	890.41	0.41	0.39	67.90	34.44	1,132.96

Note 4 Capital Work in Progress (CWIP) *(INR in lakhs)*

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

Particulars	Buildings	Plant and Equipments	Furniture and Fixtures	Computer	Office Equipments	Preoperative expenses pending allocation	Total
As at 31 March 2022	312.73	-	-	1.28	22.20	622.35	958.56
Additions	44.84	20.37	-	0.38	0.25	138.69	204.53
Transfer to PPE / ROU*	-	-	-	-	-	-	-
As at 31 March 2023	357.57	20.37	-	1.66	22.45	761.04	1,163.09

Note 4.1 Capital Work in Progress Ageing Schedule

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

Capital Work in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Buildings	44.84	-	-	312.73	357.57
Plant and Equipments	-	-	-	-	-
Furniture and Fixtures	20.37	-	-	-	20.37
Computer	0.39	-	-	1.28	1.67
Office Equipments	0.25	-	-	22.20	22.45
Preoperative expenses pending allocation	138.69	12.80	12.19	597.35	761.03
Total	204.54	12.80	12.19	933.56	1,163.09

Note 5 Right of Use Assets (ROU Assets) *(INR in lakhs)*

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

Particulars	Leasehold Land	Leasehold Building	Total
Gross Carrying Amount			
As at 31 March 2022	1,142.14	-	1,142.14
Additions	-	88.54	88.54
Disposal / Adjustment	-	-	-
As at 31 March 2023	1,142.14	88.54	1,230.68
Depreciation and Impairment			
As at 31 March 2022	56.76	-	56.76
Additions	11.54	15.18	26.72
Disposal / Adjustment	-	-	-
As at 31 March 2023	68.30	15.18	83.48
Net Carrying Value			
As at 31 March 2023	1,073.84	73.36	1,147.20

Notes:
(a) Refer note 40 for lease liabilities recognised on behalf of ROU Assets.

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Note 3 Property, Plant and Equipment

(INR in lakhs)

Particulars	Buildings	Plant and Equipments	Furniture and Fixtures	Computer	Vehicles	Office Equipments	Total
Gross Carrying Amount							
As at 31 March 2022	167.93	1,004.20	0.94	-	48.50	50.29	1,271.86
Additions	-	-	-	0.48	30.85	0.30	31.63
Disposal / Adjustment	-	-	-	-	-	-	-
As at 31 March 2023	167.93	1,004.20	0.94	0.48	79.35	50.59	1,303.49
Depreciation and Impairment							
As at 31 March 2022	3.99	47.70	0.45	-	1.61	5.97	59.72
Additions	24.53	66.09	0.08	0.09	9.84	10.18	110.81
Disposal / Adjustment	-	-	-		-	-	-
As at 31 March 2023	28.52	113.79	0.53	0.09	11.45	16.15	170.53
Net Carrying Value							
As at 31 March 2023	139.41	890.41	0.41	0.39	67.90	34.44	1,132.96

Note 4 Capital Work in Progress (CWIP)

(INR in lakhs)

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

Particulars	Buildings	Plant and Equipments	Furniture and Fixtures	Computer	Office Equipments	Preoperative expenses pending allocation	Total
As at 31 March 2022	312.73	-	-	1.28	22.20	622.35	958.56
Additions	44.84	20.37	-	0.38	0.25	138.69	204.53
Transfer to PPE / ROU*	-	-	-	-	-	-	-
As at 31 March 2023	357.57	20.37	-	1.66	22.45	761.04	1,163.09

Note 4.1 Capital Work in Progress Ageing Schedule

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

(INR in lakhs)

Capital Work in Progress (CWIP)	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Buildings	44.84	-	-	312.73	357.57
Plant and Equipments	-	-	-	-	-
Furniture and Fixtures	20.37	-	-	-	20.37
Computer	0.39	-	-	1.28	1.67
Office Equipments	0.25	-	-	22.20	22.45
Preoperative expenses pending allocation	138.69	12.80	12.19	597.35	761.03
Total	204.54	12.80	12.19	933.56	1,163.09

Note 5 Right of Use Assets (ROU Assets)

(INR in lakhs)

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

Particulars	Leasehold Land	Leasehold Building	Total
Gross Carrying Amount			
As at 31 March 2022	1,142.14	-	1,142.14
Additions	-	88.54	88.54
Disposal / Adjustment	-	-	-
As at 31 March 2023	1,142.14	88.54	1,230.68
Depreciation and Impairment			
As at 31 March 2022	56.76	-	56.76
Additions	11.54	15.18	26.72
Disposal / Adjustment	-	-	-
As at 31 March 2023	68.30	15.18	83.48
Net Carrying Value			
As at 31 March 2023	1,073.84	73.36	1,147.20

Notes:
(a) Refer note 40 for lease liabilities recognised on behalf of ROU Assets.

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Note 6 Investments

(INR in lakhs)

Particulars	As at 31 March 2023
Investment in Equity Shares (Unquoted)	
Investment in Associate Company	
36,00,000 equity shares (PY: Nil) of M/s Shri Gang Industries & Allied Products Ltd @ Rs 10 per share)	624.11
Total	624.11

Note 7 Other Financial Assets- Non Current

(INR in lakhs)

Particulars	As at 31 March 2023
Security/Earnest Money Deposits	35.69
Bank deposits (due for maturity after twelve months from the reporting date)*	2.00
Security Deposits	10.38
Total	48.07

Note 8 Income Tax Assets

(INR in lakhs)

Particulars	As at 31 March 2023
Tds/tcs Receivable	0.28
Total	0.28

**Refer note 42 for reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes.*

Note 9 Other Non Current Assets

(INR in lakhs)

Particulars	As at 31 March 2023
Capital Advance	1,734.70
Total	1,734.70

Note 10 Inventories

(INR in lakhs)

Particulars	As at 31 March 2023
Packing Material	76.69
Consumables	1.02
Total	77.71

Note 11 Trade Receivables

(INR in lakhs)

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

Note 11.1 Trade Receivables (Current) Ageing Schedule as at 31st March, 2023

(A) Trade Receivables Ageing Schedule as at 31 March, 2023

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

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Note 12 Cash and bank balances *(INR in lakhs)*

Particulars	As at 31 March 2023
Balance with banks:	
In Current Accounts	1,730.28
Cash in Hand	14.50
Total	1,744.78

Note 13 Loans *(INR in lakhs)*

Particulars	As at 31 March 2023
Loans to Others	60.00
Loans to Related Party	-
Total	60.00

Note 14 Other Financial Assets *(INR in lakhs)*

Particulars	As at 31 March 2023
Interest Receivable from Related Party	-
Interest Receivable from Others	38.21
Interest Accrued on Bank deposits above (net of tds)	0.13
Total	38.34

Note 15 Income Tax Assets *(INR in lakhs)*

Particulars	As at 31 March 2023
TDS/TCS Receiavble	31.61
Total	31.61

**Refer note 42 for reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes.*

Note 16 Other current assets *(INR in lakhs)*

Particulars	As at 31 March 2023
GST Recoverable	42.29
MAT Credit	23.63
Prepaid Expenses	24.94
Advances to Supplier - Others	59.19
Amount Recoverable - Related Party	0.22
Total	150.27

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Note 17 Equity Share Capital *(INR in lakhs)*

Particulars	As at
	31 March 2023
Authorised share capital	
2,00,00,000 Equity Shares of Rs. 10/- each	2,000.00
	2,000.00
Issued. Subscribed & Paid-up	
1,22,94,172 Equity Shares of Rs. 10/- each	1,229.42
	1,229.42

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

Particulars	31 March 2023	
	Number	(INR in lakhs)
Shares outstanding at the beginning of the year	9,542,000	954.20
Add: Shares issued during the year	2,752,172	275.22
Shares outstanding at the end of the year	12,294,172	1,229.42

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

Name of the shareholder	31 March 2023	
	No. of Shares	% of Holding
Suraj Gupta	6,028,030	49.03%
Ayodhya Finlease Ltd	2,455,172	19.97%
	8,483,202	69.00%

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

Name of the Promoters	31 March 2023	
	No. of Shares	% of Total Shares
Suraj Prakash Gupta	6,028,030	49.03%
Shuchi Bahl	185,000	1.50%
Anita Gupta	10	0.00%
Rajesh Gupta	10	0.00%
M/s Global Spirits Private Limited	84,378	0.69%
Total	6,297,428	51.22%

d) Terms / rights attached to Equity shares:

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

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

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

Note 18 Other Equity *(INR in lakhs)*

Particulars	As at
	31 March 2023
Share Premium	2,234.48
Capital Reserve	231.69
Equity Component of other financial instruments (share warrants)	199.99
Retained Earnings	(15.37)
Other Comprehensive Income	0.29
Total	2,651.08

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Note 19 Borrowings-Non current *(INR in lakhs)*

Particulars	As at 31 March 2023
Secured	
Finance Lease Obligations on Hire Purchase of Vehicles*	50.97
Less: Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles	(11.96)
Loan From Related Party	-
Total	39.01

Secured against hypothecation of respective vehicles.

Note 20 Lease Liability Non Current *(INR in lakhs)*

Particulars	As at 31 March 2023
Lease liability	70.08
Total	70.08

Note 21 Provisions *(INR in lakhs)*

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

Note 22 Deferred Tax Asset/Liability *(INR in lakhs)*

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

Note 23 Borrowings-Current *(INR in lakhs)*

Particulars	As at 31 March 2023
Unsecured Loans	
- From Bodies Corporate	450.52
- From NBFC	525.00
- From Related Party	18.00
Current Maturities of Finance Lease Obligations on Hire Purchase of Vehicles	11.96
Loan From Others	10.00
Total	1,015.48

Note 24 Lease Liability Current *(INR in lakhs)*

Particulars	As at 31 March 2023
Lease liability	9.43
Total	9.43

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Note 25 Trade Payables

(INR in lakhs)

Particulars	As at 31 March 2023
Outstanding dues of micro enterprises and small enterprises	-
Outstanding dues of creditors other than micro enterprises and small enterprises	2,120.49
Total	2,120.49

Note 25.1 Trade Payables ageing schedule

(A) Trade payable ageing schedule as at 31st March 2023

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

Note 25.2 Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)*

Particulars	As at 31 March 2023
a) Amount remaining unpaid to supplier covered under MSMED Act at the end of the year	
-Principal	-
-Interest	-
-Total	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-
c)The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-
d) The amount of interest accrued and remaining unpaid at the end of the year.	-
e)The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-
f) The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period.	-

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

Note 26 Other Financial Liability

(INR in lakhs)

Particulars	As at 31 March 2023
Interest payable	4.02
Interest Payable to MSME	-
Interest payable related party	-
Total	4.02

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

Particulars	As at 31 March 2023
Accrued Salary & Benefits	27.45
Expenses Payable	9.18
Statutory dues payable	8.05
Capital Creditors	386.58
Other payable	0.40
Total	431.66

Note 28 Provisions *(INR in lakhs)*

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

Note 28.1 Movement of provisions

Particulars	As at 31 March 2023
Opening	7.97
Addition	1.18
Deletion	-
Closing	9.15
Current	0.06
Non-current	9.09

Note 29 Current Tax Liabilities *(INR in lakhs)*

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

Note 29.1 Movement of Current Tax Liability

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

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Note 30 Revenue from operations *(INR in lakhs)*

Particulars	For the year ended on 31 MARCH 2023
Sale of Products:	
Empty glass bottles & Other Products	-
Edible Oils	5,852.59
Liquor Bottling Services	885.30
Total	**6,737.89**

Note 31 Other income *(INR in lakhs)*

Particulars	For the year ended on 31 MARCH 2023
Unpaid liabilities written back	13.01
Interest on Loan	67.80
Other Income	3.75
Total	**84.56**

Note 32 Purchase of Stock in Trade *(INR in lakhs)*

Particulars		For the year ended on 31 MARCH 2023
Empty glass bottles & Other Products	(A)	-
Edible Oils		
Opening Stock		-
Add: Purchases of Edible Oils		5,117.37
Less: Closing Stock (including In-Transit)		-
	(B)	5,117.37
Total (A+B)		5,117.37

Note 33 Cost of raw material consumed *(INR in lakhs)*

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

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Note 34 Employee benefit expense *(INR in lakhs)*

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

Note 34.1 Compensation Paid To Key Managerial Personnel included in above: *(INR in lakhs)*

Particulars	For the year ended on 31 MARCH 2023
Salaries, Wages and Incentives	111.70
Contribution to Provident & Other Funds	0.02
Total	**111.72**

Note 35 Finance Cost *(INR in lakhs)*

Particulars	For the year ended on 31 MARCH 2023
Interest expenses:	
- Interest on Vehcile Loan	3.86
- Interest on unsecured loan	55.02
- Financial liabilities measured at amortised cost	10.15
	69.03
Bank Charges	0.60
Total	**69.63**

Note 36 Depreciation and Amortisation Expenses: *(INR in lakhs)*

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

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Note 37 Other Expenses *(INR in lakhs)*

Particulars	For the year ended on 31 MARCH 2023
Auditors Remuneration (Refer Note 37.1)	2.00
Power & Fuel	23.66
Repairs & Maintenance	12.21
Labour Charges	11.81
Fee & Taxes	27.46
Legal & Professional Expenses	31.65
Festival Expenses	4.72
Rent	29.39
Advertisement	0.63
Website Expenses	0.95
Printing & Stationery	4.36
Telephone, Postage & Internet Expenses	0.74
Insurace Expenses	3.77
Tours & Travelling & Conveyance	12.33
Security Services Agency chagres	5.62
Miscellaneous Expenses	8.38
Total	**179.68**

Note 37.1 Payment to the auditors as:

Particulars	For the year ended on 31 MARCH 2023
- Statutory Auditor	
a) Statutory Audit Fees	2.00
b) For Taxation Matters	-
c) Others	-
Total	**2.00**

Note 38 Earnings Per Equity Share (EPS):

(A) Earnings Per Share

Particulars	For the year ended on 31 MARCH 2023
Profit after Tax	740.84
Basic Earnings Per Share	6.40
Diluted Earnings Per Share	5.90
Par Value Per Equity Share	10.00

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

Particulars	For the year ended on 31 MARCH 2023
Number of Equity shares at the beginning of the year	9,542,000.00
Add: Weighted average number of equity shares issued during the year	2,082,366.38
Weighted average number of Equity shares for Basic EPS	**11,624,366.38**
Add: Adjustment for Share Warrants	973,631.72
Weighted average number of equity shares for Diluted EPS	**12,597,998.09**

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Note 39 Contingent Liabilities and commitments: *(INR in lakhs)*

Particulars	For the year ended on 31 MARCH 2023
Contingent Liabilities:	
a) Claims against the company not acknowledged as Debts.	Nil
Commitments:	
a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	Nil

Note 40 Disclosures as required under Ind-AS 116 "Leases": *(INR in lakhs)*

(A) Maturity analysis of lease liabilities (contractual undiscounted cash flows) on unconditional basis:

Particulars	For the year ended on 31 MARCH 2023
Upto one year	20.08
After one year but not more than five years	86.21
More than five years	-

**The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.*

(B) Amounts recognised in Statement of profit and loss:

Particulars	For the year ended on 31 MARCH 2023
Depreciation on ROU assets	26.72
Interest on lease liabilities	10.15
Lease payments not recognised as liability in 'Other Expenses':	
----Expenses relating to short-term leases	29.39
----Expenses relating to leases of low-value assets	-

(C) Amounts recognised in Statement of cash flows:

Particulars	For the year ended on 31 MARCH 2023
Total cash outflow for leases	19.17

(D) Future lease Commitments

Particulars	For the year ended on 31 MARCH 2023
The total future cash outflow for leases that had not yet commenced	-

Note 41 Movement in Deferred Tax Assets / (Liability) *(INR in lakhs)*

(A) Movement in Deferred Tax Assets

Particulars	Brought forward business losses and depreciation	Employee Benefit Obligation	Total Deferred Tax Assets
As at 31 March 2022	-	2.00	2.00
----Profit & Loss	-	0.55	0.55
----Other Comprehensive income	-	0.06	0.06
As at 31 March 2023	-	2.61	2.61

(B) Movement in Deferred Tax Liability

Particulars	Depreciation / amortization on PPE	Other timing differences	Total Deferred Tax Liability
As at 31 March 2022	30.59	-	30.59
----Profit & Loss	17.41	-	17.41
----Other Comprehensive income	-	-	-
As at 31 March 2023	48.00	-	48.00

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Note 42 **A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:**

(INR in lakhs)

Particulars	For the year ended on 31 MARCH 2023
Accounting Profit (Profit / (loss) before tax) (excluding share of associate)	692.38
Enacted tax rates in India	27.82%
Computed expected tax expense	192.62
Tax Effect of non-deductible expenses	40.03
Tax reversals due to expenses allowed for Indian tax purpose	(50.13)
Interest on income tax	6.43
Total Current Income tax expense	188.95

The applicable Indian corporate statutory tax rate for the year ended 31 March 2023 and 31 March 2022 is 27.82%.

Note 43 **Additional Notes**

(A) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami

(B) The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

(C) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

(D) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(E) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in other person or entities ("ultimate beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries. The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding that the Company shall lend or invest in other persons or entities identified by or on behalf of the Funding Party or provide any guarantee, security or the like from to or on behalf of the Ultimate Beneficiaries.

(F) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act,

(G) The Company has not made any provision for Corporate Social Responsibility (CSR) required as per S.135 of Companies Act, 2013 since the same is not applicable.

(H) The company does not have any borrowings from banks and financial institutions on the basis of security of current assets.

(I) The company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

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

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

(L) The Company has not presented any statement of cash flows since there is no comparative period for its preparation.

(M) During the year ended 31.03.2023, the company acquired 2,63,81,000 equity shares of M/s Carya Chemicals & Fertilizers Pvt Ltd (Carya), which constitutes 50.73% of the paid up share capital of Carya. By virtue of this Carya has become a subsidiary company of Suraj Industries Ltd. Further, during the year ended 31.03.2023, the company acquired 36,00,000 equity shares of M/s Shri Gang Industries & Allied products Ltd (Shri Gang), which constitutes 20.08% of the paid up share capital of Shri Gang. By virtue of this Shri Gang has become a associate company of Suraj Industries Ltd. Accordingly, consolidated financial results have been prepared for the first time during FY 2022-23. Therefore, there are no consoildated financial results and consolidated statement of assets & liabilities for the year ended 31.03.2022. Since there is no consolidated statement of assets & liabilities as on 31.03.2022, therefore consolidated cash flow statement for year ended 31.03.2023 cannot be prepared.

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Note 44 Disclosures under Ind AS 19 "Employee Benefits": *(INR in lakhs)*

The company has a defined benefit gratuity plan as long term benefits to employees. Provision is made on the basis of acturial valuation.

	Particulars	For the year ended on 31 MARCH 2023
i)	**Change in benefit obligation**	
a)	Present value of obligation as at the beginning of the period	7.97
b)	Acquisition adjustment	-
c)	Interest cost	0.58
d)	Past service cost	-
e)	Current service cost	3.20
f)	Curtailment cost/(Credit)	-
g)	Settlement cost/(Credit)	-
h)	Benefits paid	-
i)	Actuarial (gain)/loss on obligation	(2.60)
j)	**Present value of obligation as at the end of period**	9.15
ii)	**Fair value of plan assets :**	
a)	Fair value of plan assets at the beginning of the period	-
b)	Acquisition adjustment	-
c)	Actual return on plan assets	-
d)	Employer contributions	-
e)	Benefits paid	-
f)	Fair value of plan assets at the end of the period	-
g)	Funded status	(9.15)
h)	Excess of actual over estimated return on plan assets	-
iii)	**Fair value of plan assets :**	
a)	Expected return on plan assets	-
b)	Actual return on plan assets	-
c)	Actuarial gain/(loss) on plan assets	-
iv)	**Actuarial gain / loss recognized**	
a)	Actuarial gain / (loss) for the period- obligation	2.60
b)	Actuarial gain / (loss) recognized in the period	2.60
c)	Unrecognized actuarial gains / (losses) at the end of period	-
v)	**The amounts to be recognized in balance sheet and related analysis**	
a)	Present value of obligation as at the end of the period	(9.15)
b)	Fair value of plan assets as at the end of the period	
c)	Funded status / Difference	1.18
d)	Excess of actual over estimated	
e)	Unrecognized actuarial (gains) / losses	
f)	Net asset / (liability)recognized in balance sheet	(9.15)
	As Current Liabilty (amount due within one year)	(0.06)
	As Non Current Liabilty (amount due over one year)	(9.09)

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(INR in lakhs)

Particulars		For the year ended on 31 MARCH 2023
vi)	**Expense recognized in the statement of profit and loss**	
a)	Current service cost	**3.20**
b)	Past service cost	
c)	Interest cost	**0.58**
d)	Expected return on plan assets	
e)	Curtailment cost / (Credit)	
f)	Settlement cost / (credit)	
g)	Net actuarial (gain) / loss recognized in the period	
h)	Expenses recognized in the statement of profit & losses	**3.78**
vii)	**Reconciliation statement of expense in the statement of profit and loss**	
a)	Present value of obligation as at the end of period	-
b)	Present value of obligation as at the beginning of the period	-
c)	Benefits paid	
d)	Actual return on plan assets	
e)	Actuarial gain/(loss) on PBO to be recognised in OCI	**2.60**
f)	Acquisition adjustment	
g)	Expenses recognized in the statement of profit & losses	**2.60**
viii)	**Sensitivity Analysis of the defined benefit obligation.**	
a)	**Impact of the change in discount rate**	
	Present Value of Obligation at the end of the period	-
a)	Impact due to increase of 0.50%	**(0.15)**
b)	Impact due to decrease of 0.50 %	**0.17**
b)	**Impact of the change in salary increase**	
	Present Value of Obligation at the end of the period	-
a)	Impact due to increase of 0.50%	**0.17**
b)	Impact due to decrease of 0.50 %	**(0.15)**
ix)	**Actuarial Assumptions:**	
	Particulars	
	Mortality table	**IALM (2012-14)**
	Discount rate	**7.39%**
	Expected rate of return on plan assets	**N.A.**
	Rate of escalation in salary per annum	**5.00%**
	Employee turnover up to 30 years	**5.00%**
	Above 30 years but up to 44 years	**3.00%**
	Above 44 years	**2.00%**

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

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Note 45 The Related Party disclousres as per IND AS 24 "Related Party Disclosures": *(INR in lakhs)*

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

(A) Names of the Related parties and description of relationship

S.NO.	Relationship	Name
1	Key Managerial Personnel (KMP)	Suraj Prakash Gupta, Managing Director Ashu Malik, Whole Time Director Sanjai Kapoor, CFO (w.e.f June 22,2022) Chhavi Agrawal, Company Secretary (Upto October 18,2022) Sanjai Kapoor, CFO (w.e.f June 22,2022) Snehlata Sharma, Company Secretary (w.e.f October 19,2022)
2	Associate Company	Shri Gang Industries & Allied Products Ltd (wef July July 09, 2022)

(B) Transactions during the year with the Related Parties

Particulars	For the year ended on 31 MARCH 2023
Managerial Remuneration Expense	
Key Managerial Personnel	
Salary to Managing Director, Suraj Prakash Gupta	72.00
Salary to Whole Time Director, Ashu Malik	10.50
Salary to CFO, Sanjai Kapoor	23.25
Salary to Company Secretary, Chhavi Agrawal	3.50
Salary to Company Secretary, Snehlata Sharma	2.46
	111.71
Managerial Remuneration Payable	
Key Managerial Personnel	
Salary to Managing Director, Suraj Prakash Gupta	9.95
Salary to Whole Time Director, Ashu Malik	0.84
Salary to CFO, Sanjai Kapoor	2.00
Salary to Company Secretary, Snehlata Sharma	0.43
	13.22
Unsecured Loan received- Suraj Prakash Gupta, MD	
Opening Balance	2.60
Loan received	24.00
Loan repaid	8.60
Closing Balance	18.00
Investment in Equity Shares	
Shri Gang Industries & Allied Products Ltd	360.00
	360.00
Reimbursement of Expenses from:	
Shri Gang Industries & Allied Products Ltd:	
Expenses incurred	4.23
Amount received against expenses incurred	4.02
Closing Amount Recoverable	0.22

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Note 46 Fair Value Measurements *(INR in lakhs)*

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on presumption that transaction to sell asset or transfer liability takes place either:
i. In the principal market for asset or liability, or
ii. In absence of a principal market, in most advantageous market for asset or liability.

Fair Value of an asset or liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using asset in its highest and best use or by selling it to another market participant that would use asset in its highest and best use.

The Company uses valuation techniques that are appropriate in circumstances and for which sufficient data are available to measure fair value, maximising use of relevant observable inputs and minimizing use of unobservable inputs.

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

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2- Valuation techniques for which lowest level input that is significant to fair value measurement is directly or indirectly observable.
Level 3- Valuation techniques for which lowest level input that is significant to fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to fair value measurement as a whole) at end of each reporting period. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(A) Carrying amounts of Financial Assets and Financial Liabilities in each category are as follows: *(INR in lakhs)*

Particulars	As at 31 March 2023	
	Carrying Value	Fair Value
Financial Assets		
At amortised cost		
Investments	624.11	624.11
Trade receivable	2,421.54	2,421.54
Cash and Cash Equivalents	1,744.78	1,744.78
Loans	60.00	60.00
Other Financial Assets	86.41	86.41
Total	4,936.84	4,936.84

Financial Liability		
At amortised cost		
Borrowings including short term	1,054.49	1,054.49
Lease liabilities including short term	79.52	79.52
Trade payables	2,120.49	2,120.49
Other financial liabilities	4.02	4.02
Total	3,258.52	3,258.52

a) Carrying amount of Trade Receivables, Trade Payables, other financial assets, other financial liabilities and Cash & Cash Equivalent are considered to be the same as their Fair Value due to their short term nature
b) Carrying amount of Financial Assets and Liabilities carried at Amortized Cost is considered a reasonable approximation of Fair Value.

(B) Fair Value Hierarchy *(INR in lakhs)*

The following table provides the fair value measurement hierarchy for financial assets and liabilities:

Particulars	31 March 2023		
	Level 1	Level 2	Level 3
Financial Assets			
Investments	-	-	624.11
Trade receivable	-	-	2,421.54
Cash and Cash Equivalents	-	-	1,744.78
Loans	-	-	60.00
Other Financial Assets	-	-	86.41
Total	-	-	4,936.84

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

(INR in lakhs)

Particulars	31 March 2023		
	Level 1	Level 2	Level 3
Financial Liability			
Borrowings including short term	-	-	1,054.49
Lease liabilities including short term	-	-	79.52
Trade payables	-	-	2,120.49
Other financial liabilities	-	-	4.02
Total	-	-	3,258.52

Note 47 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(INR in lakhs)*

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company does not have foreign trade transactions nor any foreign currency transactions. The Board of Directors manages the financial risk of the company through internal risk reports and analyse exposure by magnitude of risk.

The Company's overall risk management procedures to minimise potential adverse effects of financial market on the Company are as follows:

(A) Market Risk

Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign curreny receivables or payables. It includes three types of risks: a) Interest rate risk, b) Currency risk and c) price and commodity risk.

A) Interest Rate Risk: The Company's borrowings are at fixed rates. Therefore, interest rate risk does not have any major impact on the company.

B) Currency Risk: Since, Company does not have any foreign currency dealings, this risk is not applicable to the Company.

C) Price and commodity risk: The Company majorly purchases Spirits and Grain in its manufacturing. Since, prices are generally regulated, there are no major movements in the prices. Therefore, the adversity of this risk is low.

(B) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial intrument leading to a financial loss. The Company's exposure to credit risk primarily consists of Trade receivables and other financial assets. The Company deals with only few customers since liquor opertions are government regulated. Therefore, default risk on the part of debtors is significantly low.

(C) Liquidity Risk

The Company's principle source of liquidity are Cash and cash equivalents and cash generated from operations. The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay. The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk.

Note 48 CAPITAL MANAGEMENT *(INR in lakhs)*

(A) Risk Management

Capital management is driven by Company's policy to maintain a sound capital base to support the continued development of its business. The Management and Board of Directors seeks to maintain a prudent balance between different components of Company's capital. Management monitors capital structure and net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities including lease liabilities less cash and cash equivalents and short term investments.

The capital structure is governed by policies approved by the Board of Directors and monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, lease liabilities, less cash and cash equivalents.

Particulars		As at 31 March 2023
Borrowings including current maturities and short term borrowings		1,054.49
Trade Payables		2,120.49
Other Payables including Lease Liabilities		83.53
Less: Cash & Cash Equivalents		(1,744.78)
Net Debt	(A)	1,513.73
Equity		1,229.42
Other equity		2,651.08
Total Equity Capital	(B)	3,880.50
Capital and Net Debt	(C=A+B)	5,394.23
Gearing Ratio (%)	(A/C*100)	28.06%

(B) Dividends

The Company has not declared any dividends in the current and previous year.

PAWAN SHUBHAM & CO. DELHI FRN: 011573C Chartered Accountants

SURAJ INDUSTRIES LTD
(CIN: L26943HP1992PLC016791)
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2023

Note 49 Segment Reporting *(INR in lakhs)*

Disclosure as per Indian Accounting Standard (Ind AS) 108 "Operating Segments"
The company has two business segments- Trading Operations and Liquor Operations.

Particulars	Trading operations 31 March 2023	Liquor operations 31 March 2023	Unallocated 31 March 2023	Total 31 March 2023
1. Segment Revenue	5,852.59	885.30	-	**6,737.89**
Less: Inter-segment Revenue	-	-	-	-
Total	**5,852.59**	**885.30**	-	**6,737.89**
2. Segment Results	710.78	145.36	-	**856.14**
Less:				
a) Finance Cost	-	-	(69.63)	**(69.63)**
B) Other unallocable expenses	-	-	(94.13)	**(94.13)**
Profit/ (loss) before share of profit /(loss) of Associate	**710.78**	**145.36**	**(163.76)**	**692.38**
Share of profit/ (loss) of Associate (net of tax)				**264.11**
Profit / (Loss) before tax				**956.49**
3. Segment Assets	2,356.24	7,371.92	647.21	**10,375.37**
4. Segment Liabilities	2,076.52	1,268.43	588.71	**3,933.66**

Information about Geographical Segment:

Secondary Segment Information	India 31 March 2023	Outside India 31 March 2023	Total 31 March 2023
Revenue	**6,737.89**	-	**6,737.89**
Non Current Assets	**5,851.12**	-	**5,851.12**

Information about major customers :

Major customers having revenue exceeding 10% of total revenues	For the year ended on 31 March 2023 Rs. In Lakhs	%
Rajasthan State Ganganagar Sugar Mills Ltd.	**885.30**	**13.14%**
Legacy Commodities Pvt. Ltd.	**3,102.83**	**46.05%**
Regent Entrprises Limited	**869.75**	**12.91%**
Euroasia Holding Private Limited	**1,320.00**	**19.59%**

Note 50 Additional Information in pursuant to Schedule III of the Companies Act, 2013 for the financial year ended March 31, 2023 *(INR in lakhs)*

S. No.	Name of Entity	Ownership Interest	Net Assets, i.e., Total Assets minus Total Liabilities: As % of consolidated net assets	Amount	Share in Profit or Loss: As % of consolidated profit or loss	Amount	Share in Other Comprehensive Income: As % of consolidated other comprehensive income	Amount	Share in Total Other Comprehensive Income: As % of consolidated total other comprehensive income	Amount
1	**Holding Company**	-	56.14%	3,616.41	64.35%	476.73	100.00%	2.66	64.48%	479.39
2	**Subsidiary Company** Carya Chemicals & Fertilzers Private Limited	**50.73%**	43.86%	2,825.30	0.00%	-	0.00%	-	0.00%	-
3	**Associate Company** Shri Gang Industries & Allied Products Limited	**20.08%**	0.00%	-	35.65%	264.11	0.00%	-	35.52%	264.11

Note 51 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

For PAWAN SHUBHAM & CO.
Chartered Accountants
Firm's Registration No: 011573C

PAWAN SHUBHAM & CO. DELHI FRN. 011573C Chartered Accountants

(CA Krishna Kumar)
PARTNER
Membership No. 523411

Place: New Delhi
Date: 30.05.2023

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

Suraj Prakash Gupta
(Managing Director)
DIN-00243846

Syed Azizur Rahman
(Director)
DIN- 00242790

Sanjai Kapoor
Chief Financial Officer
PAN No. AALPK5266D

Snehlata Sharma
Company Secretary
M.No: 62066

Pawan Shubham & Co.
CHARTERED ACCOUNTANTS

601, Roots Tower
7, District Center
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

To
The Board of Directors
SURAJ INDUSTRIES LTD

LIMITED REVIEW REPORT OF THE INDEPENDENT AUDITORS ON THE STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON DECEMBER 31, 2023.

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of SURAJ INDUSTRIES LTD (the 'Company') for the quarter and nine months ended December 31, 2023 (the 'Statement'), being submitted by the Company pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the India Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on this statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For PAWAN SHUBHAM & CO
Chartered Accountants
ICAI Firm's Reg. No. 011573C

PAWAN SHUBHAM & CO.
DELHI
FRN.011573C
Chartered Accountants

Place of Signature: New Delhi
Date: February 02, 2024

(CA Krishna Kumar)
Partner
M.No.: 523411
UDIN : 24523411BKAPCO5717

SURAJ INDUSTRIES LTD

Regd. Office: Plot No. 2, Phase III, Sansarpur Terrace, Dist. Kangra, Himachal Pradesh-173212
CIN: L26943HP1992PLC016791
Website: www.surajindustries.org ; Email ID: secretarial@surajindustries.org

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31st December 2023

INR in lakh

	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2023 (Unaudited)	31.12.2022 (Unaudited)	30.09.2023 (Unaudited)	31.12.2023 (Unaudited)	31.12.2022 (Unaudited)	31.03.2023 (Audited)
1	Income from operations						
	(a) Revenue from operations	986.64	1777.57	1251.36	4086.53	3920.12	6737.89
	(b) Other income	20.13	18.04	5.13	29.95	58.15	84.56
	Total income from operations	1006.77	1795.61	1256.49	4116.48	3978.27	6822.45
2	Expenses						
	(a) Cost of materials consumed	164.25	124.98	170.25	547.07	409.09	459.41
	(b) Purchases of stock-in-trade	598.30	1350.00	820.00	2748.30	2649.09	5117.37
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	5.12	0.00	0.16	(8.90)	0.00	0.00
	(d) Excise Duty paid on sales	16.60	0.00	18.51	44.47	0.00	0.00
	(e) Employee benefits expense	59.04	45.86	67.96	175.94	126.93	178.00
	(f) Finance Costs	25.76	16.10	26.05	77.65	47.61	69.63
	(g) Depreciation and Amortisation Expenses	30.14	24.61	30.12	89.61	73.09	125.98
	(h) Other expenses	101.20	51.27	73.53	239.98	140.84	179.68
	Total Expenses	1000.41	1612.82	1206.58	3914.12	3446.65	6130.07
3	Profit / (Loss) before exceptional and extraordinary items and tax	6.36	182.79	49.91	202.36	531.62	692.38
4	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
5	Profit / (Loss) from ordinary activities before tax	6.36	182.79	49.91	202.36	531.62	692.38
6	Tax Expense						
	Current Tax	(1.05)	51.94	11.52	48.60	131.70	198.78
	Earlier year taxes	10.17	0.00	0.00	10.17	0.00	0.00
	Deferred Tax	2.66	3.92	2.87	8.55	12.15	16.86
7	Profit / (Loss) from ordinary activities after tax	(5.42)	126.93	35.52	135.14	387.77	476.74
8	Extra ordinary items	0.00	0.00	0.00	0.00	0.00	0.00
9	Net Profit /(Loss) for the period from continuing	(5.42)	126.93	35.52	135.14	387.77	476.74
10	Profit /(Loss) from discontinuing operations before	0.00	0.00	0.00	0.00	0.00	0.00
11	Tax expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00
12	Net Profit /(Loss) from discontinuing operations after tax	0.00	0.00	0.00	0.00	0.00	0.00
13	Net Profit / (Loss) for the period (11+12)	(5.42)	126.93	35.52	135.14	387.77	476.74
14	Other Comprehensive Income	0.00	0.00	0.00	0.00	0.00	2.66
15	Total Comprehensive Income for the period	(5.42)	126.93	35.52	135.14	387.77	479.40
16	Paid-up equity share capital						
	Paid-up equity share capital	1,284.59	1,229.42	1,229.42	1,284.59	1,229.42	1,229.42
	Face value of equity share capital	10.00	10.00	10.00	10.00	10.00	10.00
17	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						2386.99
18	Earnings per share						
	(not annualized*):						
	a) Basic earnings (loss) per share from continuing and discontinued operations	(0.04)*	1.03*	0.29*	1.09*	3.40*	4.12
	b) Diluted earnings (loss) per share from continuing and discontinued operations	(0.04)*	0.99*	0.28*	1.05*	3.24*	3.81

SEGMENTWISE REVENUE AND RESULTS

	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2023 (Unaudited)	31.12.2022 (Unaudited)	30.09.2023 (Unaudited)	31.12.2023 (Unaudited)	31.12.2022 (Unaudited)	31.03.2023 (Audited)
1	Segment Revenue						
	a) Liquor operations	342.12	252.57	326.36	1037.01	795.79	885.30
	b) Trading Operations	644.52	1525.00	925.00	3049.52	3124.33	5852.59
	Total	986.64	1777.57	1251.36	4086.53	3920.12	6737.89
	Less: Inter-segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
	Net Sales/Income from operations	986.64	1777.57	1251.36	4086.53	3920.12	6737.89
2	Segment Results						
	a) Liquor operations	30.59	52.34	26.94	129.91	185.84	145.36
	b) Trading Operations	42.89	171.04	96.32	283.78	464.71	710.78
	Total	73.48	223.38	123.26	413.69	650.55	856.14
	Less: a) Finance Cost	25.76	16.10	26.05	77.65	47.61	69.63
	b) Other Unallocable Expenses (net of unallocable income)	41.36	24.49	47.30	133.68	71.32	94.13
	Total Profit before Tax	6.36	182.79	49.91	202.36	531.62	692.38

PAWAN SHUBHAM & CO. DELHI FRN.011573C Chartered Accountants

SURAJ INDUSTRIES LTD. NEW DELHI

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2023 (Unaudited)	31.12.2022 (Unaudited)	30.09.2023 (Unaudited)	31.12.2023 (Unaudited)	31.12.2022 (Unaudited)	31.03.2023 (Audited)
SEGMENTWISE ASSETS AND LIABILITIES						
Segment Assets						
a) Liquor operations	1452.46	1427.92	1476.23	1452.46	1427.92	1412.09
b) Trading Operations	659.74	1574.91	1391.70	658.74	1574.91	2356.24
c) Unallocated	3978.19	3082.10	3373.65	3978.19	3082.10	3368.03
Total Assets	6090.39	6084.93	6241.58	6090.39	6084.93	7136.36
Segment Liabilities						
a) Liquor operations	774.97	830.05	819.54	774.97	830.05	854.72
b) Trading Operations	322.21	1463.34	924.85	322.21	1463.34	2076.52
c) Unallocated	641.66	266.76	740.24	841.66	268.76	588.71
Total Liabilities	1738.84	2560.15	2484.63	1738.84	2560.15	3519.95

Notes to the Statement of Standalone Financial Results for the quarter and nine months ended 31st December 2023

1 The above standalone financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 2, 2024. These standalone financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

2 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company is in the process of assessing the impact of the code and will record the same, if any, in the period the Code becomes effective.

3 The company has two business segments- a) Liquor operations (b) Trading Operations. The Segment reporting is being accordingly made.

4 In line with the requirements of Regulation 46(2) and 47(2) of the Listing Regulations, 2015, the results are available on the website of BSE Limited (URL www.bseindia.com/corporates),and on the company's website at www.surajindustries.org

5 Previous periods' figures have been regrouped/ re-arranged,wherever necessary.

SURAJ INDUSTRIES LTD. NEW DELHI

By Order of the Board
For Suraj Industries Ltd.

Suraj Prakash Gupta
Managing Director
DIN- 00243846

Place: New Delhi
Date: 02.02.2024

PAWAN SHUBHAM & CO. DELHI FRN.011573C Chartered Accountants

Pawan Shubham & Co.
CHARTERED ACCOUNTANTS

601, Roots Tower
7, District Center
Laxmi Nagar, Delhi-110092
Pawan@pawanshubham.com
Tel 011-45108755

To
The Board of Directors
SURAJ INDUSTRIES LTD

LIMITED REVIEW REPORT OF THE INDEPENDENT AUDITORS ON THE CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED ON DECEMBER 31, 2023.

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of SURAJ INDUSTRIES LTD (the 'the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which includes Group's share of profit / (loss) in its associate for the quarter and nine months ended December 31, 2023 (the 'Statement') attached herewith, being submitted by the Holding Company pursuant to requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

2. This Statement which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the India Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on this statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

S. No.	Company Name	Relationship
1.	Suraj Industries Ltd	Holding Company
2.	Carya Chemicals & Fertilizers Private Limited	Subsidiary Company
3.	Shri Gang Industries & Allied Products Limited	Associate Company

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For PAWAN SHUBHAM & CO
Chartered Accountants
ICAI Firm's Reg. No. 011573C

PAWAN SHUBHAM & CO. DELHI FRN.011573C Chartered Accountants

Place of Signature: New Delhi
Date: February 02, 2024

(CA Krishna Kumar)
Partner
M.No.: 523411
UDIN : 24523411BKAPCP6981

SURAJ INDUSTRIES LIMITED

Regd. Office: Plot No. 2, Phase III, Sansarpur Terrace, Dist. Kangra, Himachal Pradesh-173212

CIN: L26943HP1992PLC016791

Website: www.surajindustries.org ; Email ID: secretarial@surajindustries.org

Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December 2023

(INR in lakhs)

S.No	Particulars	Quarter Ended			Nine Months Ended		Year ended
		31.12.2023	31.12.2022	30.09.2023	31.12.2023	31.12.2022	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from operations						
	(a) Revenue from operations	986.64	1777.57	1251.36	4086.53	3920.12	6737.89
	(b) Other income	35.90	18.04	27.51	68.10	58.15	84.56
	Total income from operations	1022.54	1795.61	1278.87	4154.63	3978.27	6822.45
2	Expenses						
	(a) Purchases of stock-in-trade	598.30	1350.00	820.00	2748.30	2649.09	5117.37
	(b) Cost of materials consumed	164.25	124.98	170.25	547.07	409.09	459.41
	(c) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	5.12	-	0.16	(8.90)	-	-
	(d) Excise Duty paid on sales	16.60	-	18.51	44.47	-	-
	(e) Employee benefits expense	67.71	45.86	83.98	200.63	126.93	178.00
	(f) Finance Costs	25.76	16.10	26.05	77.65	47.61	69.63
	(g) Depreciation and Amortisation Expenses	30.14	24.61	30.12	89.61	73.09	125.98
	(h) Other expenses	102.05	51.27	75.17	242.47	140.84	179.68
	Total Expenses	1009.93	1612.82	1224.24	3941.30	3446.65	6130.07
3	Profit / (Loss) before exceptional and extraordinary items and tax	12.61	182.79	54.63	213.33	531.62	692.38
4	Exceptional Items	-	-	-	-	-	-
5	Profit / (Loss) from ordinary activities before share of profit/loss of associates and tax	12.61	182.79	54.63	213.33	531.62	692.38
6	Add: Share of profit/loss of associates	48.15	30.50	79.54	274.16	63.93	264.11
7	Profit/(Loss) from ordinary activities before tax	60.76	213.28	134.17	487.49	595.55	956.49
8	Tax Expense						
	Current Tax	(1.05)	51.94	11.52	48.50	131.70	198.78
	Deferred Tax Asset	2.66	3.92	2.87	8.55	12.15	16.87
	Previous year Tax	10.17	-	-	10.17	-	-
9	Profit / (Loss) from ordinary activities after tax	48.98	157.42	119.78	420.27	451.70	740.84
10	Extra ordinary items	-	-	-	-	-	-
11	Net Profit /(Loss) for the period from continuing operations	48.98	157.42	119.78	420.27	451.70	740.84
12	Profit /(Loss) from discontinuing operations before tax expense	-	-	-	-	-	-
13	Tax expense of discontinuing operations	-	-	-	-	-	-
14	Net Profit /(Loss) from discontinuing operations after tax	-	-	-	-	-	-
15	Net Profit / (Loss) for the period (11+12)	48.98	157.42	119.78	420.27	451.70	740.84
16	Other Comprehensive Income	-	-	-	-	-	2.66
17	Total Comprehensive Income for the period	48.98	157.42	119.78	420.27	451.70	743.50
18	Net Profit / (Loss) for the period attributable to-						
	-Equity holders of the parent	45.91	157.42	117.45	414.87	451.70	740.84
	-Non-controlling interests	3.07	-	2.33	5.40	-	-
19	Other Comprehensive Income attributable to-						
	-Equity holders of the parent	-	-	-	-	-	2.66
	-Non-controlling interests	-	-	-	-	-	-
20	Total Comprehensive Income attributable to-						
	-Equity holders of the parent	45.91	157.42	117.45	414.87	451.70	743.50
	-Non-controlling interests	3.07	-	2.33	5.40	-	-
21	Paid-up equity share capital						
	Paid-up equity share capital	1,284.59	1,229.42	1,229.42	1,284.59	1,229.42	1,229.42
	Face value of equity share capital	10.00	10.00	10.00	10.00	10.00	10.00
22	Reserve excluding Revaluation Reserves as per balance sheet						2651.08
23	Earnings per share						
	(not annualized for quaters*):						
	a) Basic earnings (loss) per share from continuing and discontinued operations	0.38*	*1.28	0.96*	3.38*	*3.96	6.40
	b) Diluted earnings (loss) per share from continuing and discontinued operations	0.38*	*1.23	0.91*	3.27*	*3.78	5.90

PAWAN SHUBHAM & CO. DELHI FRN.011573C Chartered Accountants

SURAJ INDUSTRIES LTD. NEW DELHI

SURAJ INDUSTRIES LIMITED

CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES

(INR in lakhs)

S.No	Particulars	Quarter Ended			Nine Months Ended		Year ended
		31.12.2023	31.12.2022	30.09.2023	31.12.2023	31.12.2022	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	a) Liquor operations	342.12	252.57	326.36	1037.01	795.79	885.30
	b) Trading Operations	644.52	1525.00	925.00	3049.52	3124.33	5852.59
	Total	986.64	1777.57	1251.36	4086.53	3920.12	6737.89
	Less: Inter-segment Revenue	-	-	-	-	-	-
	Net Sales/Income from operations	986.64	1777.57	1251.36	4086.53	3920.12	6737.89
2	Segment Results						
	a) Liquor operations	33.77	52.34	29.33	135.48	185.84	145.36
	b) Trading Operations	42.89	171.04	96.32	283.78	464.71	710.78
	c) Share in profit/(loss) of associate	48.15	30.50	79.54	274.16	63.93	264.11
	d) Profit attributable to non controlling interest	3.07	-	2.33	5.40	-	-
	Total	127.88	253.87	207.52	698.82	714.49	1120.25
	Less: a) Finance Cost	25.76	16.10	26.05	77.65	47.61	69.63
	b) Other Unallocable Expenses	41.36	24.49	47.30	133.68	71.32	94.13
	Total Profit before Tax	60.76	213.28	134.17	487.49	595.55	956.49
3	Segment Assets						
	a) Liquor operations	7242.88	1,427.92	7349.55	7242.88	1427.92	7371.92
	b) Trading Operations	659.74	1,574.91	1391.70	659.74	1574.91	2356.24
	c) Unallocated	1340.09	4,753.25	695.10	1340.09	4753.25	647.21
	Total Segment Assets	9242.71	7,756.08	9436.35	9242.71	7756.08	10375.37
4	Segment Liabilities						
	a) Liquor operations	817.55	830.05	958.96	817.55	830.05	1268.43
	b) Trading Operations	322.21	1,463.34	924.85	322.21	1463.34	2076.52
	c) Unallocated	641.66	664.99	740.24	641.66	664.99	588.71
	Total Segment Liabilities	1,781.42	2,958.38	2624.05	1781.42	2958.38	3933.66

Notes to the Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December 2023

1 The above Consoliated financial results were reviewed by the Audit Committee and approved by the Board of Directors of Suraj Industries Ltd("Holding Company") at their respective meetings held on February 2, 2024. These consolidated financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

2 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company is in the process of assessing the impact of the code and will record the same, if any, in the period the Code becomes effective.

3 The company has two business segments- a) Liquor operations (b) Trading Operations. The Segment reporting is being accordingly made.

4 In line with the requirements of Regulation 47(2) of the Listing Regulations, 2015, the results are available on the website of BSE Limited (URL www.bseindia.com/corporates),and on the company's website

5 Previous periods' figures have been regrouped/ re-arranged,whereever necessary.

Place: Delhi
Date 02.02.2024

For and on behalf of Board of Directors of
SURAJ INDUSTRIES LIMITED

SURAJ INDUSTRIES LTD. NEW DELHI

PAWAN SHUBHAM & CO. DELHI FRN.011573C Chartered Accountants

Suraj Prakash Gupta
(Managing Director)
DIN: 00243846

STATEMENT OF ACCOUNTING RATIOS

The following table presents certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements included in "Financial Statements".

(On the basis of consolidated financials)

Amount in Rupees Lakhs except shares data or as otherwise stated.

Particulars	**For nine months ended on December 31, 2023**	**For year ended on March 31, 2023**	**For year ended on March 31, 2022**	**For year ended at March 31, 2021**
Basic and Diluted Earnings Per Share (Rs.)				
Basic Earnings Per Share (Basic EPS)				
Net profit after tax, attributable to equity shareholders	414.87	743.50	306.99	37.12
Weighted average number of Equity Shares outstanding	1,24,52,667	1,16,24,366	89,06,603	73,08,422
Basic EPS in Rs.	3.33	6.40	3.42	0.51
Face value in Rs.	10	10	10	10
Diluted Earnings Per Share (Diluted EPS)				
Net profit after tax, attributable to equity shareholders	414.87	743.50	306.99	37.12
Weighted average number of shares considered for calculating Diluted EPS	1,28,45,896	1,25,97,998	95,42,000	73,08,422
Diluted EPS in Rs.	3.22	5.90	3.19	0.51
Face value in Rs.	10	10	10	10
Net Asset Value Per Equity Share (Rs.)				
Net Asset Value (Net-worth)	4894.68	3880.50	454.74	83.08
Number of equity shares outstanding at the year end	1,28,45,896	1,22,94,172	95,42,000	73,08,422
Net Assets Value per equity share (Rs.)	38.10	31.56	4.77	1.14
***Return on Net worth**				
Net Profit after tax	414.87	743.50	306.99	37.12
Net worth	4894.68	3880.50	454.74	83.08
Return on net worth	8.48%	19.16%	67.51%	44.68%
EBITDA				
Profit/(loss) after tax (A)	414.87	743.50	306.99	37.12
Income tax expense (B)	67.21	215.64	105.47	-30.80
Finance costs (C)	77.65	69.63	2.49	1.17
Depreciation and amortization expense (D)	89.61	125.98	59.72	0

Exceptional item	0	0	0	0
EBITDA (A+B+C+D)	**649.34**	**1,154.75**	**474.67**	**7.49**

The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

Net Profit after tax, attributable to equity shareholders
Weighted average number of equity shares outstanding during the year

(ii) Net Assets Value (NAV)

Net Asset Value, at the end of the year
Number of equity shares outstanding at the end of the year

(iii) Return on Net worth (%)

Net Profit after tax, attributable to equity shareholders
Net worth (excluding revaluation reserve), at the end of the year

Net-worth (excluding revaluation reserve), means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss.

(iv) EBITDA

Profit/(loss) after tax for the period adjusted for income tax, expense, finance costs, depreciation and amortization expense, as presented in the standalone statement of profit and loss.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the period ended March 31, 2022, and March 31, 2023. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" and the chapter titled "Financial Information" on page 116 of the Draft Letter of Offer. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 21 of this Draft Letter of Offer. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" on page 17 of this Draft Letter of Offer. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Suraj Industries Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Standalone and Consolidated financial statements ended on March 31, 2023, and nine months period ending at December 31, 2023, included in this Draft Letter of Offer beginning on page 116 of this Draft Letter of Offer.

BUSINESS OVERVIEW

Incorporated in 1992, Suraj Industries Limited (SIL) was initially into the Business of edible oils and other products. During the year 2021, the company ventured into Liquor business through acquisition of a running Bottling Plant at Ajmer, Rajasthan. Presently, the company is manufacturing Rajasthan Made Liquor for Rajasthan State Ganganagar Sugar Mills Limited (RSGSM), a Government of Rajasthan undertaking having exclusive wholesale rights for Country Liquor and RML in the State of Rajasthan.

Currently, the business line of the Company is divided into two verticals:
1. Trading of edible oils and other commodities; and
2. Manufacturing of Rajasthan Made Liquor for Rajasthan State Ganganagar Sugar Mills Limited (RSGSM), a Government of Rajasthan undertaking.

During the financial year 2022-23, our company made the following acquisitions with an aim to expand its business in liquor vertical:
- a controlling stake in **Carya Chemicals & Fertilizers Private Limited**, which has a LOI for setting up a Distillery for manufacturing Ethanol & ENA and Bottling Plant for manufacture of Indian Made Foreign Liquor and Country Liquor in Rajasthan; and
- a 20% stake in **Shri Gang Industries & Allied Products Limited** which has set up a Bottling Plant for the manufacture of Indian Made Foreign Liquor at Sandila, Dist. Hardoi (UP) and has set up up a grain-based Distillery for manufacture of ENA.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled *"Risk Factors"* on page 21. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in Rajasthan, Gujarat, Uttar Pradesh, Madhya Pradesh, Himachal Pradesh and Maharashtra;
- Any adverse development that may affect in implementation of new projects due to cost overrun, Time overrun, undue delay in approvals.
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units;
- Our ability to maintain and enhance our brand image;
- Our reliance on third party suppliers for our products;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interstate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

Discussion on Results of Operations for last Two Fiscals Summary of Consolidated and Standalone Revenues, Expenses, and Profitability

The table below sets forth a summary of our **Standalone financial results** containing significant items of our income and expenses for year ended March 31, 2023, 2022 and 2021 based on our Financial Statements included in the section titled "***Financial Information***" on page 116.

(Rs. In Lakh)

Particulars	Standalone Financial Statement

	March 31, 2023 Audited	March 31, 2022 Audited	March 31, 2021 Audited	(Increase /Decrease) For FY 2023-22	% of Increase/ (Decrease)	(Increase /Decrease) For FY 2022-21	% of Increase / (Decreas e)
INCOMES:							
Revenue from Operations	6,737.89	4,126.41	699.11	2,611.48	63.29	3,427.30	490.24
Other income	84.56	2.09	5.22	82.47	3945.93	(3.13)	-59.96
Total Revenue	**6,822.45**	**4,128.50**	**704.33**	**2,693.95**	**65.25**	**3,424.17**	**486.16**
EXPENSES:							
Purchase of Stock in Trade	5117.37	2785.75	644.24	2331.62	83.70	2141.51	332.41
Consumption of Packing Material & consumables	459.41	584.65	0.00	-125.24	-21.42	584.65	-
Employee benefits expense	178.00	107.32	23.85	70.68	65.86	83.47	349.98
Other Expenses	179.68	176.18	28.76	3.50	1.99	147.42	512.59
Total Expense	**5934.46**	**3653.90**	**696.85**	**2280.56**	**62.41**	**2957.05**	**424.35**
Profit before Interest, Depreciation and Tax	**887.99**	**474.60**	**7.48**	**413.39**	**87.10**	**467.12**	**6244.92**
Depreciation and amortization expenses	125.98	59.72	0.00	66.26	110.95	59.72	-
Profit before Interest and Tax	**762.01**	**414.88**	**7.48**	**347.13**	**83.67**	**407.40**	**5446.52**
Financial Charges	69.63	2.42	1.17	67.21	2777.27	1.25	106.84
Profit/(Loss) before tax	**692.38**	**412.46**	**6.31**	**279.92**	**67.87**	**406.15**	**6436.61**
Total tax expenses	215.64	105.47	-30.80	110.17	104.46	136.27	-442.44
Profit/(loss) after Tax	**476.74**	**306.99**	**37.11**	**169.75**	**55.29**	**269.88**	**727.24**

The table below sets forth a summary of our **Consolidated financial results** containing significant items of our income and expenses for the nine months ended December 31, 2023 & 2022, based on our Financial Statements included in the section titled "***Financial Information***" on page 116.

(Rs. In Lakh)

Particulars	**Consolidated Financial Statement**			
	Nine Months ended December 31, 2023,	**Nine Months ended December 31, 2022**	**(Increase/ Decrease) For December**	**% of Increase/**

	Un-Audited	Un-Audited	2023-22 Quarter	(Decrease)
INCOMES:				
Revenue from Operations	4086.53	3920.12	166.41	4.24
Other income	68.10	58.15	9.95	17.11
Total Revenue	**4154.63**	**3978.27**	**176.36**	**4.43**
EXPENSES:				
Purchase of Stock in Trade	2748.30	2649.09	99.21	3.74
Cost of Material Consumed	547.07	409.09	137.98	33.72
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-8.90	0.00	-8.90	100.00
Excise Duty paid on sales	44.47	-	44.47	100.00
Employee benefits expense	200.63	126.93	73.70	58.06
Other Expenses	242.47	140.84	101.63	72.15
Total Expense	**3774.04**	**3325.95**	**448.09**	**13.47**
Profit before Interest, Depreciation and Tax	**380.59**	**652.32**	**-271.73**	**-41.65-**
Depreciation and amortization expenses	89.61	73.09	16.52	22.60
Profit/Loss before Interest and Tax	**290.98**	**579.23**	**-288.25**	**- 49.76**
Financial Charges	77.65	47.61	30.04	63.09
Profit/Loss before share of profit/loss of Associates and tax	**213.33**	**531.62**	**- 318.29**	**-59.87**
Share of profit of associates	274.16	63.93	210.23	328.84
Profit/Loss before tax	**487.49**	**595.55**	**-108.06**	**-18.14**
Total tax expenses	67.22	143.85	-76.63	-53.27
Profit/(loss) after Tax	**420.27**	**451.70**	**-31.43**	**-6.95**

FISCAL YEAR ENDED MARCH 31, 2023, COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022 (STANDALONE)

Income

Total revenue has increased by Rs. 2,693.95 Lakhs and 65.25% from Rs. 4,128.50 Lakhs in the fiscal year ended March 31, 2022, to Rs. 6,822.45 Lakhs in the fiscal year ended March 31, 2023. The Increase in revenue is on account of Increase in operation.

Expenditure

Total Expenditure Increased by Rs. 2,280.56 Lakhs and 62.41% from Rs. 3,653.90 Lakhs in the fiscal year ended March 31, 2022, to Rs. 5,934.46 Lakhs in the fiscal year ended March 31, 2023.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage Increased by Rs. 70.68 Lakhs and 65.86% from Rs. 107.32 Lakhs in the fiscal year ended March 31, 2022, to Rs. 178.00 Lakhs in the fiscal year ended March 31, 2023.

Other Expenses

Other Expenses in terms of value and percentage Increased by Rs. 3.50 Lakhs and 1.99% from Rs. 176.18 Lakhs in the fiscal year ended March 31, 2022, to Rs.179.68 Lakhs in the fiscal year ended March 31, 2023.

Profit before Tax

Profit before Tax has Increased by Rs. 279.92 Lakhs and 67.87 % from Rs. 412.46 Lakhs in the fiscal year ended March 31, 2022, to Rs. 692.38 Lakhs in the fiscal year ended March 31, 2023.

Finance Costs

Finance Costs in terms of value and percentage increased by Rs. 67.21 Lakhs and 2,777.27 % from Rs. 2.42 Lakhs in the fiscal year ended March 31, 2022, to Rs. 69.63 Lakhs in the fiscal year ended March 31, 2023.

Depreciation & Amortization Expenses

Depreciation in terms of value increased by Rs. 66.26 Lakhs and 110.95% from Rs. 59.72 Lakhs in the fiscal year ended March 31, 2022, to Rs. 125.98 Lakhs in the fiscal year ended March 31, 2023.

Net Profit after Tax and Extraordinary items

Net Profit has increased by Rs. 169.75 Lakhs and 55.29 % from profit of Rs. 306.99 Lakhs in the fiscal year ended March 31, 2022, to profit of Rs. 476.74 Lakhs in the fiscal year ended March 31, 2023.

FISCAL YEAR ENDED MARCH 31, 2022, COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021 (STANDALONE)

Income

Total revenue has increased by Rs. 3,424.17 Lakhs and 486.16 % from Rs. 704.33 Lakhs in the fiscal year ended March 31, 2021, to Rs. 4,128.50 Lakhs in the fiscal year ended March 31, 2022. The Increase in revenue is on account of Increase in operation.

Expenditure

Total Expenditure Increased by Rs. 2,957.05 Lakhs and 424.35% from Rs. 696.85 Lakhs in the fiscal year ended March 31, 2021, to Rs. 3,653.90 Lakhs in the fiscal year ended March 31, 2022.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage Increased by Rs.83.47 Lakhs and 349.98% from Rs. 23.85 Lakhs in the fiscal year ended March 31, 2021, to Rs. 107.32 Lakhs in the fiscal year ended March 31, 2022.

Other Expenses

Other Expenses in terms of value and percentage Increased by Rs. 147.42 Lakhs and 512.59 % from Rs. 28.76 Lakhs in the fiscal year ended March 31, 2021, to Rs. 176.18 Lakhs in the fiscal year ended March 31, 2022.

Profit before Tax

Profit before Tax has Increased by Rs. 406.15 Lakhs and 6436.61 % from Rs. 6.31 Lakhs in the fiscal year ended March 31, 2021, to Rs. 412.46 Lakhs in the fiscal year ended March 31, 2022.

Finance Costs

Finance Costs in terms of value and percentage increased by Rs. 1.25 Lakhs and 106.84% from Rs. 1.17 Lakhs in the fiscal year ended March 31, 2021, to Rs. 2.24 Lakhs in the fiscal year ended March 31, 2022.

Depreciation & Amortization Expenses

Depreciation in terms of value increased by Rs. 59.72 Lakhs and 59.72% from Rs. 0.00 in the fiscal year ended March 31, 2021, to Rs. 59.72 Lakhs in the fiscal year ended March 31, 2022.

Net Profit after Tax and Extraordinary items

Net Profit has increased by Rs. 269.88 Lakhs and 727.24% from profit of Rs. 37.11 Lakhs in the fiscal year ended March 31, 2021, to profit of Rs. 306.99 Lakhs in the fiscal year ended March 31, 2022.

FOR THE NINE MONTHS ENDED DECEMBER 31, 2023 COMPARED WITH THE NINE MONTHS ENDED DECEMBER 31, 2022 (CONSOLIDATED)

Income

Total revenue has increased by Rs. 176.36 Lakhs and 4.24% from Rs. 3978.27 Lakhs in the nine months ended December 31, 2022, to Rs. 4154.63 Lakhs in the nine months ended December 31, 2023. The Increase in revenue is on account of Increase in operation.

Expenditure

Total expenditure has increased by Rs. 448.09 Lakhs and 13.47 % from Rs. 3325.95 Lakhs in the nine months ended December 31, 2022, to Rs. 3774.04 Lakhs in the nine months ended December 31, 2023.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by Rs. 73.70 Lakhs and 58.06 % from Rs. 126.93 Lakhs in the nine months ended December 31, 2022, to Rs. 200.63 Lakhs in the nine months ended December 31, 2023.

Other Expenses

Other Expenses in terms of value and percentage increased by Rs. 101.63 Lakhs and 72.15 % from Rs. 140.84 Lakhs in the nine months ended December 31, 2022, to Rs. 242.47 Lakhs in the nine months ended December 31, 2023.

Profit before Tax

Profit before Tax including share of profit and loss of associates has decreased by Rs. 108.06 Lakhs and 18.14% from Rs. 595.55 Lakhs in the nine months ended December 31, 2022, to Rs487.49 Lakhs in the nine months ended December 31, 2023.

Finance Costs

Finance Costs in terms of value and percentage increased by Rs. 30.04 Lakhs and 63.09%from Rs. 47.61 Lakhs in the nine months ended December 31, 2022, to Rs. 77.65 Lakhs in the nine months ended December 31, 2023.

Depreciation & Amortization Expenses

Depreciation in terms of value increased by Rs. 16.52 Lakhs and 22.60 % from Rs. 73.09 Lakhs in the nine months ended December 31, 2022, to Rs. 89.61 Lakhs in the nine months ended December 31, 2023.

Net Profit after Tax and Extraordinary items

Net Profit has decreased by Rs. 31.43 and 6.95 % from Rs 451.70Lakhs in the nine months ended December 31, 2022, to Rs. 420.27 Lakhs in the nine months ended December 31, 2023.

****

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company and its Subsidiary are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as disclosed below there are no outstanding litigation involving our Company and/or our Subsidiary with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiary, (ii) material violations of statutory regulations by our Company and/or our Subsidiary, (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiary, (iv) any matters which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company and/or our Subsidiary.

For the purpose of point (iv) above, the Company shall consider the following criteria for determining the materiality of the events

(a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
(b) The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
(c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event / information may be treated as being material if in the opinion of the Board of Directors, the event or information is considered material.

A. LITIGATIONS INVOLVING OUR COMPANY

(I) Litigations filed against our Company

a. Matters involving issues of moral turpitude or criminal liability on the part of our Company.
There are no matters involving issues of moral turpitude or criminal liability on the part of our Company.

b. Matters involving material violations of Statutory Regulations by our Company.
There are no matters involving material violations of Statutory Regulations by our Company.

c. Economic Offences where proceedings have been initiated against our Company.
There are no economic offences where proceedings have been initiated against our Company.

d. Other proceedings involving our Company which are material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.

Civil Matters

A Writ Petition was filed by Angan Vanaspati Workers Union ("Union") on September 29, 2014 against the Company before Hon'ble Himachal Pradesh High Court at Shimla against the final award dated June 30, 2014 passed by the Industrial Tribunal, Dharamshala, Himachal Pradesh.

The Hon'ble Industrial Tribunal rejected all the demands made by the Union holding that the workmen had resigned from the service voluntarily, hence there was no industrial dispute between the parties. Therefore, the Hon'ble Industrial Tribunal ruled against the Union and in favor of the Company.

In the Writ Petition, the Union has inter alia prayed to the Hon'ble High Court of Himachal Pradesh for the following:

- ✓ Quashing of the order passed by the Industrial Tribunal.
- ✓ Allow the demand notice of the Union.

Currently, the matter is pending before the Hon'ble High Court of Himachal Pradesh.

The amount involved cannot be quantified.

Tax Proceedings

Nil

II. Litigations filed by our Company

Civil Matters

Nil

Tax Proceedings

Sl. No.	Particulars	Number of Cases	Amount Involved in Lakh
Indirect taxes			
1.	Appeal filed by Company against GST demand of Rs. 6,32,129 pending before GST(Appeals), Camp at Dharamshala, District Kangra , Himachal Pradesh	1	Rs. 6.32/-

B. LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANY

(I) Litigations filed against our subsidiary company

(a) Matters involving issues of moral turpitude or criminal liability on the part of our Subsidiary Company

There are no issues of moral turpitude or criminal liability on part of our Subsidiary Company.

(b) Matters involving material violations of Statutory Regulations by our Subsidiary Company

There are no material violations of Statutory Regulations by our Subsidiary Company.

(c) Economic Offences where proceedings have been initiated against our Subsidiary Company

There are no matters involving economic offences where proceedings have been initiated against our Subsidiary.

(d) Other proceedings involving our Subsidiary Company which are material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Subsidiary.

Civil Matters

Nil

Tax Proceedings

Nil

(II) Litigations filed by our Subsidiary.

Civil Matters

Nil

Tax Proceedings

Nil

Other Disclosures

- Our Company, its Promoters, Promoter Group, Directors or any companies with which the Directors of our Company are associated as directors or promoters have not been prohibited from accessing the capital markets under any order or direction passed by SEBI which is still in force.
- Promoters and Directors of our Company are not declared as fugitive economic offender.
- Neither our Company, our Directors nor our Promoters are or have been declared as willful defaulters or fraudulent borrowers by a bank or financial institution or a consortium thereof in accordance with the guidelines issued by RBI.

Material development since the date of the last audited accounts

In the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Draft Letter of Offer and which materially and adversely affect or is likely to affect within the next twelve months except authorization by the Board of Directors to raise the funds by way of Rights Issue of Security.

GOVERNMENT APPROVALS OR LICENSING ARRANGEMENTS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage. Our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time. As on the date of this Draft Letter of Offer, there are no pending material approvals required for our Company or any of our Subsidiary, to conduct our existing business and operations.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

As on the date of this Draft Letter of Offer, there are no material pending government and regulatory approvals pertaining to the Objects of the Issue.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

This Issue has been authorized by a resolution of our Board passed at its meeting held on February 10, 2023, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

The Board of Directors of our Company in their meeting held on February 10, 2023, has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at an Issue Price of Rs. 65/- per Rights Equity Share as held on the Record Date. Further, the Rights Issue Committee of the Board of Directors in its meeting held on December 18, 2023, have resolved that the ratio for the proposed Rights issue shall be 7:30 i.e. 7 (Seven) Rights Equity Shares for every 30 (Thirty) Equity Shares, as held on the Record Date

Our Company has received in-principal approvals from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in this Issue vide letter dated [●].

Our Company will also make applications to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars. Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see *"Terms of the Issue"* on page 134.

Prohibition by SEBI

Our Company, our Promoters, our directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

The companies with which our Promoters or our Directors are associated as promoters or directors have not been debarred from accessing the capital market by SEBI. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Eligibility for this Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE Limited. Our Company is eligible to offer the Rights Equity Shares pursuant to the Issue in terms of applicable provisions of Chapter III of the SEBI ICDR Regulations, Part B of Schedule VI and other applicable provisions of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make application for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for this Issue.

Applicability of the SEBI ICDR Regulations:

The present Issue being of less than Rs. 50 Crores. Our Company is in compliance with first proviso to Regulation 3 of the SEBI ICDR Regulations, to the extent applicable and our Company will file the copy of this Draft Letter of Offer prepared in accordance with the SEBI ICDR Regulations with SEBI for information and dissemination on the website of SEBI i.e., www.sebi.gov.in.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the Listing Agreement or the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the SEBI and until date.

2. The reports, statements and information referred to above are available on the websites of stock exchange.

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI ICDR Regulations. The Company has obtained a certificate from M/s Vijay Jain & Co., Company Secretaries dated February 16, 2023 certifying that the Company is in compliance with Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER.

Disclaimer clauses from our Company
Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Himachal Pradesh, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of this Issue is BSE Limited.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer is set out below:

"BSE Limited (the "Exchange") has given, vide its letter dated [●], 2023**,** permission to the Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchange on which this Company's securities are proposed to be listed.

The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Draft Letter of Offer has been cleared or approved by BSE Limited, nor does it certify the correctness or completeness of any of the contents of the Draft Letter of Offer. The investors are advised to refer to the Draft Letter of Offer for the full text of the Disclaimer clause of the BSE Limited.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Filing

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is less than Rs. 5,000 Lakhs which does not require issuer to file Draft Letter of Offer with SEBI. Issuer has filed Draft Letter of Offer with BSE for obtaining in-principle approval.

Investor Grievances and Redressal System

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e- acknowledgement (in case of normal process). For details on the ASBA process see "Terms of the Issue" on page 115. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue
BEETAL Financial & Computer Services Private Limited
Address: Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110062, **India**
Telephone: +91-11-29961281/83, +91-11-26051061, +91-11-26051064 **Fax:** 011 – 29961284
E-mail: beetal@beetalfinancial.com, beetalrta@gmail.com
Investor grievance: investor@beetalfinancial.com
Website: www.beetalfinancial.com
Contact Person: Mr. Punit Kumar Mittal
Investor grievance: investor@beetalfinancial.com / beetalrta@gmail.com
CIN: U67120DL1993PTC052486
SEBI Registration No: INR000000262

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/Refund Orders etc.

Ms. Snehlata Sharma, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

F-32/3, Second Floor, Okhla Industrial Area Phase-2, New Delhi – 110020, India
Telephone: 011-42524455
Email: office.suraj123@gmail.com/ Secretarial@surajindustries.org
Website: www.surajindustries.org

SECTION VII: OFFERING INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("SEBI – Rights Issue Circular"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice.

Important:

1) Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

a) Our Company at www.surajindustries.org
b) the Registrar to the Issue at www.beetalfinancial.com
c) the Stock Exchange at www.bseindia.com ; and

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at (i.e., www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.surajindustries.org).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. However, our Company, and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

2) Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, refer *"Procedure for Application through the ASBA Process"* on page 146.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, titled *"Procedure for Application through the ASBA Process"* on page 146.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer "Grounds for Technical Rejection". Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, refer chapter titled *"Application on Plain Paper under ASBA process"* on page 149.

3) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account (namely, "SURAJ INDUSTRIES LIMITED RIGHTS ENTITLEMENT SUSPENSE ESCROW DEMAT ACCOUNT") opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (g) Eligible Equity Shareholders who have not provided their Indian addresses.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN, valid address proof and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than [●], being two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts by [●] being one day before the Issue Closing Date, i.e., [●] to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY.

4) Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

a) The Eligible Equity Shareholders are residents;
b) The Eligible Equity Shareholders are not making payment from non-resident account;
c) The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
d) The Eligible Equity Shareholders shall receive Rights Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Shares in such demat account.

5) Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in *"Basis of Allotment"* beginning on page 163.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "*Procedure for Application through the ASBA process*" on page 146 of this Draft Letter of Offer.

6) *Other important links and helpline:*

The Investors can visit following links for the below-mentioned purposes:

(a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.beetalfinancial.com
(b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: www.beetalfinancial.com
(c) Updation of demat account details by resident Eligible Equity Shareholders holding shares in physical form: www.beetalfinancial.com

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

This Issue has been authorized by a resolution of our Board passed at its meeting held on February 10, 2023 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The Rights Issue Committee of Board of Directors of our Company in its meeting held on December 18, 2023 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at Rs. 65/- per Rights Equity Share, in the ratio of 7:30 i.e., 7 (Seven) Rights Equity Share for every 30 (Thirty) Equity Shares, as held on the Record Date i.e. [●].

Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to its letter dated [●].

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (www.surajindustries.org).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the email addresses as well as to the physical addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange website. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

However, our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of Rs. 10/- .

Issue Price

Each Rights Equity Share is being offered at a price of Rs. 65/- per Rights Equity Share in the Issue. The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be Partly paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations. The Board of Directors, at their meeting held on February 10, 2023, has determined the Issue Price. On Application, Investors will have to pay Rs. 32.50/- (Rupees Thirty Two and Fifty Paisa Only) per Rights Share which constitutes 50.00% of the Issue Price, and the balance Rs. 32.50/- (Rupees Thirty Two and Fifty Paisa Only) per Rights Share which constitutes 50.00% of the Issue Price, will have to be paid, on one or more subsequent call(s) as may be decided by the Board/ Rights Issue Committee of the Board from time to time.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 7:30 i.e. 7 (Seven) Rights Equity Share(s) for every 30 (Thirty) Equity Share(s) held on the Record Date.

Terms of Payment

The Issue Price of Rs. 65 per Rights Equity Share shall be payable in 2 equal tranches i.e. Rs. 32.50 at the time of Application and balance Rs. 32.50 at the time of one or more subsequent call(s) as may be decided by the Board/ Rights Issue Committee of the Board from time to time.

Further, in terms of the provisions of Regulation 89 of Securities and Exchange Board of India (Issue of Capital & Disclosures Requirement) Regulations, 2018, the Company ensures that the outstanding subscription money would be called within twelve months from the date of allotment and if any applicant fails to pay the call money within the said twelve months, the equity shares on which there are calls in arrear along with the subscription money already paid on such shares shall be forfeited by the Company.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 7:30 i.e. 7 (Seven) Rights Equity Share(s) for every 30 (Thirty) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 30(Thirty) Equity Share(s) or not in the multiple of 30(Thirty), the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds 50 Equity Shares, such Shareholder will be entitled to 7 Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than 30 Equity Shares and therefore entitled to ‘Zero’ Rights Equity Share under this Issue shall be dispatched an Application Form with ‘Zero’ entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall, upon being fully paid up, rank pari passu with the existing Equity Shares, in all respects including dividends. In respect of the Rights Equity Shares, Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

Subject to receipt of the listing and trading approvals, the Rights Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE Limited vide its letter bearing reference number [●] dated [●]. Our Company will apply to BSE for final approval for the listing and trading of the Rights Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Shares or the price at which the Rights Shares offered under this Issue will trade after the listing thereof.

For an applicable period, the trading of the Rights Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.

The existing Equity Shares are listed and traded on BSE Limited under the ISIN: INE170U01011. The Rights Shares shall be credited to a temporary RE ISIN which will be frozen until the receipt of the final listing/ trading approval from BSE. Upon receipt of such listing and trading approval, the Rights Shares shall be debited from such temporary RE ISIN and credited to the new ISIN for the Rights Shares and thereafter be available for trading and the temporary RE ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from BSE, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/ blocked within four (4) days of receipt of intimation from BSE, rejecting the application for listing of the Rights Shares, and if any such money is not refunded/ unblocked within four (4) days after our Company becomes liable to repay it, our Company shall, on and from the expiry of the fourth day, be liable to repay that money with interest at rates prescribed under applicable law.

For details of trading and listing of partly paid-up Rights Shares, please refer to the heading *"Terms of Payment"* at page 141 of this Draft Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue"* on page

53.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with the applicable provisions of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is One Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send / dispatch the Letter of Offer, the Rights Entitlement Letter, Application Form and other issue materials ("Issue Materials") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one regional language daily newspaper with wide circulation, where our Registered Office is situated and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with BSE for making the same available on its website.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, refer *"Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form"* on page 154.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email and speed post before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

a) Our Company at www.surajindustries.org
b) the Registrar to the Issue at www.beetalfinancial.com ; and
c) the Stock Exchange at www.bseindia.com.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.surajindustries.org).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date i.e. [●], after which they can apply through ASBA facility.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see *"Grounds for Technical Rejection"* on page 160. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see *"Application on Plain Paper under ASBA process"* on page 149.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.beetalfinancial.com and link of the same would also be available on the website of our Company at www.surajindustries.org. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity

Shares; and
- Renounce his Rights Entitlement in full.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 149.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectorial caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue*" on page 134. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 163.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favor of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favor of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN – [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The on Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN - [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only. Eligible Equity Shareholders are requested to ensure that renunciation through off- market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN – [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on

or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "***Suraj Industries Limited – Rights Issue***" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "*Modes of Payment*" on page 152 in Chapter *"Terms of the Issue"*.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Suraj Industries Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of Rs. 65 per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each

Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;

- Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

"*I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at. Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date. If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "*Terms of the Issue - Basis of Allotment*" on page 163.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.surajindustries.org.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

  Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Draft Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full amount payable, at the time of the submission of the

Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self- attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

3. The remaining procedure for Application shall be same as set out in *"Application on Plain Paper under ASBA process"* beginning on page 149.

PLEASE NOTE THAT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE RIGHTS ENTITLEMENTS ARE HELD BY SUCH INVESTOR ON THE ISSUE CLOSING DATE, AS THE CASE MAY BE. FOR DETAILS, PLEASE SEE *"ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS"* ON PAGE 164.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

FOR DETAILS, SEE "ALLOTMENT ADVICES/ REFUND ORDERS" ON PAGE 164.

General instructions for Investors

(a) Please read this Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.

(b) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

(c) Please read the instructions on the Application Form sent to you.

(d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(e) Application should be made only through the ASBA facility or using.

(f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Draft Letter of Offer, the Abridged Draft Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.

(g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Application on Plain Paper under ASBA process*" on page 149 of the Chapter *"Terms of the Issue"*.

(h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

(i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(j) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts,

(k) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

(l) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.

(m) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

(n) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore. Cash payment or payment by cheque or demand or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(p) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(q) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(r) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(s) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

(t) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(u) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(v) In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Additional general instructions for Investors in relation to making of an Application

(a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(b) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, and Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(c) By signing the Application Forms, Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(d) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(e) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(f) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(g) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(h) Do not pay the Application Money in cash, by money order, pay order or postal order.

(i) Do not submit multiple Applications.

(j) No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

(k) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

(a) Ensure that the Application Form and necessary details are filled in.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don’ts:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Do’s for Investors applying through ASBA:

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of x`Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don’ts for Investors applying through ASBA:

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated

Branch of the SCSB or vice versa.

b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), and a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(e) Account holder not signing the Application or declaration mentioned therein.

(f) Submission of more than one Application Form for Rights Entitlements available in a particular Demat account.

(g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.

(l) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand s.

(n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non- U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

(p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(q) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository

Participants. By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms s are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "*Investment by Mutual Funds*" below on page 168 of the Chapter *"Terms of the Issue"*.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in *Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue* " on page 53).

Underwriting

The Issue is not underwritten.

Withdrawal of Application

Investors who have applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Issue schedule

Last Date for credit of Rights Entitlements:	[●]
Issue Opening Date:	[●]
Last Date for On Market Renunciation#:	[●]
Issue Closing Date*:	[●]
Finalization of Basis of Allotment (on or about):	[●]
Date of Allotment (on or about):	[●]

Date of credit (on or about):	[●]
Date of listing (on or about):	[●]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.

(b) As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored, therefore those Equity Shareholders holding less than 30 (Thirty) Equity Shares would be entitled to 'Zero' Rights Equity Shares under this Issue, Application Form with 'Zero' entitlement will be send to such shareholders. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the allotment of 1 (One) Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for. Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

(c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that our Board may deem fit provided there is surplus available after making

Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

(f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders

Our Company will send/dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary account (only in dematerialized mode) or in a demat suspense account or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay requisite interest at the rate of 15% per annum from the expiry of such 15 days' period. The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository. In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts. Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds/refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN\ BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 154 of the Chapter "Terms of the Issue".

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBIFPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI 299(Alternative Investments Funds) Regulations, 2012 ("SEBI AIF Regulations") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds Rs. 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed Rs. 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made. In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

(i) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
(ii) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
(iii) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than Rs. 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to Rs. 50 lakhs or with both.

Dematerialized Dealing

Our Company has entered into tripartite agreements dated March 29, 2019 and January 29, 2016 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE170U01011.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest the rate of 15% p.a. within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

(d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

(i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

(ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

(iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

(iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

(v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company’s Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.

(vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

(vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.

(viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.

(ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.

(x) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken that they may (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is applicable.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rate of 15% per annum in accordance with SEBI Master Circular SEBI/HO/CFD/PoD-1/P/CIR/2023/157 September 26, 2023.

Filing

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is less than Rs. 50 Crores which does not require issuer to file Draft Letter of Offer with SEBI. Issuer has filed Draft Letter of Offer with BSE for obtaining in-principle approval.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Company, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Important

Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application

Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "*Risk Factors*" on page 21.

All enquiries in connection with the Letter of Offer, the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "***Suraj Industries Limited – Rights Issue***" on the envelope to the Registrar at the following address:

BEETAL Financial & Computer Services Private Limited
Address: Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi – 110062, **India**
Telephone: +91-11-29961281/83, +91-11-26051061, +91-11-26051064 **Fax:** 011 – 29961284
E-mail: beetal@beetalfinancial.com, beetalrta@gmail.com
Investor grievance: investor@beetalfinancial.com
Website: www.beetalfinancial.com
Contact Person: Mr. Punit Kumar Mittal
Investor grievance: investor@beetalfinancial.com / beetalrta@gmail.com
CIN: U67120DL1993PTC052486
SEBI Registration No: INR000000262

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar www.beetalfinancial.com . Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 011 - 29961281.

The Issue will remain open for a minimum period of 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the Foreign Investment Promotion Board ("FIPB"). Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for FDI and approval from the Government will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Circular 2020"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. In case of any conflict, the relevant notification under the FEMA Rules will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by the RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA Rules and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FPI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue.

Our Company being in the digital media industry (falling under the category of Uploading/Streaming of News & Current Affairs through Digital Media) is subject to FDI cap of 26% of the paid-up capital of our Company. Any FDI by a foreign entity would require the prior approval of the Government of India.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and the FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.surajindustries.org from the date of this Draft Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

(i) Registrar Agreement dated December 16, 2023 entered into amongst our Company and the Registrar to the Issue.
(ii) Banker to Issue Agreement dated December 16, 2023 amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

Material Documents

(i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
(ii) Resolution of the Board of Directors dated February 10, 2023 in relation to the Issue.
(iii) Resolution of our Rights Issue Committee dated December 18, 2023, finalizing the terms of the Issue including the Rights Entitlement Ratio.
(iv) Resolution of our Rights Issue Committee dated [●], finalizing the terms of the Issue and Record Date.
(v) Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer in their respective capacities.
(vi) Statement of Tax Benefits dated November 06, 2023 from the Statutory Auditor included in this Draft Letter of Offer.
(vii) Tripartite Agreement dated March 29, 2019 between our Company, NSDL and the Registrar to the Issue.
(viii) Tripartite Agreement dated January 29, 2016 between our Company, CSDL and the Registrar to the Issue.
(ix) In principle listing approval dated [●] issued by BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Syed Azizur Rahman
DIN: 00242790
Non-Independent Director & Chairperson

Date: December 18, 2023
Place: New Delhi

DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Suraj Prakash Gupta
DIN: 00243846
Managing Director

Date: December 18, 2023
Place: New Delhi

DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Sanjay Kumar Jain
DIN: 01014176
Nominee Director

Date: December 18, 2023
Place: New Delhi

DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Nazir Baig
DIN: 07468989
Non-Executive Independent Director

Date: December 18, 2023
Place: New Delhi

DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Ashu Malik
DIN: 07998930
Whole Time Director

Date: December 18, 2023
Place: Ajmer

DECLARATION

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF THE COMPANY

Sd/-
Pooja Solanki
DIN: 09039846
Non-Executive Independent Women Director

Date: December 18, 2023
Place: New Delhi