



# **SURAJ PRODUCTS LIMITED**

Registered Office & Works :

CIN : L26942OR1991PLC002865

Vill. : Barpali, P.O. : Kesramal, Rajgangpur, Dist. : Sundargarh, Odisha, India, PIN : 770017

Tel : +91-94370 49074, e-mail : info@surajproducts.com, suproduct@gmail.com

www.surajproducts.com

Dated: 28<sup>th</sup> August, 2019

To

The Corporate Relation Department  
Bombay Stock Exchange Limited  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J.Towers,  
Dalal Street, Fort,  
Mumbai- 400001  
(Scrip Code: 518075)

The Listing Department  
Calcutta Stock Exchange Limited  
7, Lyons Range, Kolkata – 700001  
(Scrip Code: 13054)

Dear Sir,

**Sub: Submission of Annual Report under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the Financial Year 2019-20 along with the Notice convening the 29<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 21<sup>st</sup> September, 2020 at 12:30 PM through Video conferencing (VC)/ Other Audio- Visual Means (OAVM).

We request you to kindly take the same on record.

Thanking you,

Yours Faithfully,

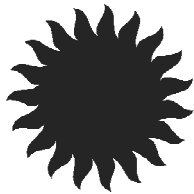
For Suraj Products Limited

A.N.Khatua  
Company Secretary



# **ANNUAL REPORT**

## **2019 - 2020**



**SURAJ PRODUCTS LIMITED**

*Formerly*

**CHAMPION CEMENT INDUSTRIES LTD.**

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

## SURAJ PRODUCTS LIMITED

### SURAJ PRODUCTS LIMITED

CIN: L26942OR1991PLC002865

#### BOARD OF DIRECTORS

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

#### AUDITOR

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

#### CHIEF FINANCIAL OFFICER (CFO)

Mr. M.K.Hati

#### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. A.N.Khatua

#### BANKER

Canara Bank

#### REGISTRAR & SHARE TRANSFER AGENTS

M/S MCS Share Transfer Agent Limited,  
383, Lake Gardens, 1st Floor,  
Kolkata- 700029  
Telephone: 033-40724052,  
E-mail: mcssta@rediffmail.com

#### REGISTERED OFFICE:

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

#### KOKATA OFFICE:

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

## NOTICE OF THE 29th ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of SURAJ PRODUCTS LIMITED will be held on **Monday the 21st day of September, 2020 at 12:30 PM** through Video Conferencing (VC)/ other Audio-Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the Financial Year ended 31st March, 2020 together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Sunita Dalmia (DIN- 00605973) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 ("Act") and being eligible seeks re-appointment.
3. To consider passing the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of Messrs B D S & Co, Chartered Accountants, Kolkata, having Firm Registration Number 326264E, allotted by the Institute of Chartered Accountants of India, as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 31st AGM of the Company to be held in the year 2022, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.

### Notes:

1. In view of the massive outbreak of the COVID 19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No-14/2020 dated April 08, 2020, Circular No-17/2020 dated April 13,2020 issued by the Ministry of Corporate Affairs followed by Circular No-20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio visual means (OAVM). Hence members can attend and participate in the ensuing AGM through VC/ OAVM.
2. Pursuant to the Circular No-14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and

## SURAJ PRODUCTS LIMITED

Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized Agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.surajproducts.com](http://www.surajproducts.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and Calcutta Stock Exchange Limited and AGM Notice is also available on the website of NSDL (Agency for providing the Remote e-voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed Companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agent Limited for assistance in this regard.
9. To support the "Green Initiative", Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in physical form.
10. Members are requested to intimate changes, if any pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), Mandates, nominations, power of Attorney, bank details such as, name of the bank and branch details, bank account number, MICR Code, IFSC code etc, to their DPs in case the shares are held by them in electronic form and to RTA MCS Share Transfer Agent Limited in case the shares are held by them in physical form.

## SURAJ PRODUCTS LIMITED

11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.surajproducts.com](http://www.surajproducts.com) and website of Stock Exchanges.
12. The Business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
13. Pursuant to Section 91 of the Companies Act, 2013, the Register of members and share transfer books of the Company will be closed from 14th day of September 2020 to 21st September 2020, both days inclusive.
14. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the Electronic form are therefore requested to submit their PAN to their Demat Accounts. Members holding physical shares can submit their PAN to the Company/ MCS Share Transfer Agent Limited.
15. The relevant detail of Director seeking appointment/re-appointment under item Nos. 2 above pursuant to Regulations 26(4) and 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this notice.
16. Corporate members intending to send their authorized representative (s) to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representatives to attend and vote on their behalf at the Meeting.
17. The Company had declared Dividend @7% i.e. ` 0.70 per equity shares of the Company for the Financial Year 2009-10, @ 8 % i.e. ` 0.80 for the Financial Year 2010-11, @ 9 % ` 0.9 for the Financial Year 2011-12 , @ 5 % i.e. ` 0.50 for the Financial Year 2012-13 @ 6% i.e. ` 0.60 for the Financial Year 2013-14 and @ 7% i.e. ` 0.70 for the Financial Year 2014-15. All the equity shareholders of the Company are requested to contact the Company/ Share Transfer Agent i.e. M/s MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata-700045, for payment of their dividend amount, if they have not been paid. The un-paid dividend for the Financial Year 2012-13, 2013-14 and 2014-15 as on 31.03.2020 are ` 5,08,608/- , ` 6,28,396/-, and ` 7,64,483/- respectively.  
  
Members are requested to note that as per Section 124 of the Companies Act, 2013, dividends not en-cashed or claimed within seven years from the date of transfer to the Company's Un-paid Dividend Account, will be transferred to the Investor Education and Protection Fund (IEPF).
18. Members, who have not encashed their dividend warrants issued for the years 2012-13 to 2014-15, are requested to immediately forward the same for revalidation to our Share Registrars at their address given in the Annual Report.
19. Members are requested to send all communications relating to shares to the Company's Registrar and Share Transfer Agent. (Physical and Electronic) M/s MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata- 700045. E- mail:[mcssta@rediffmail.com](mailto:mcssta@rediffmail.com).

## SURAJ PRODUCTS LIMITED

### EVOTING INSTRUCTIONS:

#### THE INSTUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Friday 18th September, 2020 at 09:00 AM and ends on Sunday 20th September, 2020 at 05: 00 PM. The remote e-voting module shall be disabled by NSDL for voting thereafter.

And cutoff date for E-voting is 14th September, 2020.

How to vote electronically using NSDL e-voting system?

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

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on step 1 mentioned below:

How to Log-in to NSDL e-voting website ?

1. Visit the e-voting website of NSDL, open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon 'Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or physical</b>	<b>Your User Id is:</b>
a) For members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 digit Client ID for example if your DP ID IN500*** and Client ID is 12***** then your user ID is IN500***12****
b) For members who hold shares in demat account with CDSL.	16 Digits Beneficiary ID For example if your Beneficiary ID is 12***** and EVEN is 201255 then User ID is 201255001***
c) For members holding shares in physical form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 201255 then user ID is 2012556001***

**5. Your password details are given below:**

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the "initial password" which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email id is registered in your demat account or with the Company, your 'initial password' is communicated to your email id. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a PDF file. Open the PDF file. The password to open the PDF file is your 8 digit client id for NSDL account, last 8 digit of client id for CDSL account or folio number for shares held in physical form. The PDF file contains your 'User ID' and your 'initial password'.
  - (ii) If your email Id is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

**6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:**

- a) Click on 'Forgot User Details/password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/ folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

**7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.**

**8. Now, you will have to click on 'Login' button.**

**9. After you click on the "Login" button, Home page of e-voting will open.**

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company for which you wish to cast your vote.



## SURAJ PRODUCTS LIMITED

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

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

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scan copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letters etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by email [lnpanda2004@gmail.com](mailto:lnpanda2004@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password? Or "Physical" User Reset password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQ) for shareholders and e-voting user manual for shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no: 180-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

In case shares are held in physical register details:

<https://www.mcssharetransfer.com>

In case shares are held in demat mode:

Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

### **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM AS UNDER:-**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those members/ shareholders, who will be present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
3. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

## SURAJ PRODUCTS LIMITED

4. The details of the persons who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for e-voting.

### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/ OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed.  
Members who do not have the User Id and password for e-voting or have forgotten the User Id and password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at ([companysecretary@surajproducts.com](mailto:companysecretary@surajproducts.com)). The same will be replied by the Company suitably.
6. Shareholders who would like to express their views or have questions may send their questions in advance, mentioning their name, Demat Account number, Folio Number, mobile number and email address at [companysecretary@surajproducts.com](mailto:companysecretary@surajproducts.com) from 15th September, 2020 (9: 00 AM) to 17th September, 2020 (5:00 PM). Those who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the available of time for the AGM.

Registered Office:

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

Place: Barpali

Date: the 1st day of August, 2020

By order of the Board of Directors

sd/-  
A.N.Khatua  
Company Secretary  
Membership No- ACS21776

## SURAJ PRODUCTS LIMITED

### ANNEXURE TO THE NOTICE

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

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

## SURAJ PRODUCTS LIMITED

### DIRECTORS' REPORT TO SHAREHOLDERS

Dear Shareholders,

Your Directors have pleasure in presenting their Report on the business and operations of your Company along with the Audited Accounts of the company for the year ended 31st March 2020.

#### FINANCIAL RESULTS:

Particulars	Current Year (` In Lac)	Previous Year (` In Lac)
<b>Sales and other income</b>	<b>11824.61</b>	<b>11682.75</b>
Profit before depreciation	1055.72	1038.25
Depreciation	674.01	401.12
<b>Profit for the year</b>	<b>381.71</b>	<b>637.13</b>
Provision for tax	(158.74)	7.55
<b>Profit after tax</b>	<b>540.45</b>	<b>629.59</b>
Profit brought forward from the previous year	2325.18	1695.59
Profit available for appropriation	2865.63	2325.18
<b>Surplus carried to Balance Sheet</b>	<b>2865.63</b>	<b>2325.18</b>

#### OPERATIONS:

During the year, the Company produced 35,869 MT, sold 4,587 MT and captively consumed 31,406 MT of sponge iron compared to previous year's production of 37,153 MT, sales of 18,680 MT and captive consumption of 10,405 MT. The Company produced 18,147 MT, sold 10,946 MT and captively consumed 6,726 MT of Pig Iron as compared to last year's production of 9,734 MT, sales of 6,259 MT and captive consumption of 3,250 MT. The Company produced 31,132 MT and sold 19,058 MT and captively consumed 11,643 MT of MS Ingot/Billet compared to previous year's production of 18,864 MT and sales of 18,203 MT. During the year the Company has started manufacturing process of TMT Bars. The Company produced 11,049 MT of TMT Bars & sold 9074MT compared to previous year Nil.

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

The spread of Covid 19 has affected the business operations post the Nation wide Lockdown. The Company has taken various measures in consonance with Central and State Government advisories to contain the pandemic, which included closing of manufacturing facilities. Given the uncertainty of quick turnaround to normalcy, post lifting of the Lockdown, the Company has carried out a comprehensive assessment of possible impact on its business operations, financial assets, contractual obligation and its overall liquidity position, based on the internal and external sources of information and application of reasonable estimates. The Company does not foresee any significant incremental risk to the recoverability of its assets, in meeting its financial obligations over the foreseeable future, given early and required steps taken to contain, protect and mitigate the exposure. Pursuant to the relaxed guidelines the Company has now resumed its operations; however some of the staff continues to operate from home. Since the situation is continuously evolving, the impact assessed in future may be different from the estimates made as at the date of approval of these financial results. Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

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### **DIVIDEND:**

Considering the need to conserve resources for the Company's ongoing capital expenditure programme for value additions, the Board of Directors of the Company do not recommend any dividend on the equity shares for the year ended 31st March, 2020.

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

The Register of Members and Share Transfer Books of the Company will be closed with effect from Tuesday September 14, 2020 to Monday September 21, 2020 (both days inclusive) for the purpose of Annual General Meeting.

### **TRANSFER TO RESERVES:**

The Company did not transfer any amount to General Reserve during the year.

### **SHARE CAPITAL:**

The Authorized Share Capital of the Company is ` 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 Equity Shares of ` 10/- each. As on March 31, 2020 the paid-up share capital of the Company is ` 11,40,00,000 (Rupees Eleven Crores and Forty Lacs only) divided into 1,14,00,000 Equity Shares of ` 10/- each. During the year your Company has not issued any equity shares.

### **DEPOSITS:**

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

### **DIRECTORS:**

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

### **PERFORMANCE EVALUATION:**

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

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

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

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

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

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

### **STATUTORY AUDIT:**

Messers BDS & Co (formerly Bharat D. Sarawgee & Co), Chartered Accountants (Firm Registration Number 326264E) was appointed as the Statutory Auditors of the Company at the 26th Annual General Meeting of the Company held on 29th day of September, 2017, to hold office from the

## SURAJ PRODUCTS LIMITED

conclusion of twenty sixth (26th) Annual General Meeting until the conclusion of thirty first (31st) Annual General Meeting of the Company, subject to ratification by the Members of the Company at every subsequent Annual General Meeting at such remuneration as may be mutually agreed by the Board of Directors of the Company and the Auditors.

### **SECRETARIAL AUDIT:**

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

### **AUDIT COMMITTEE RECOMMENDATION:**

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

### **LISTING FEES:**

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

The respective listing fees for the above Stock Exchanges up to the year 2020-21 have been paid.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (prevention, prohibition and Redressal) Act, 2013 and the Rules framed there under. It has constituted an internal Complaint Committee in compliance with the above mentioned Act and Rules. During the Financial Year 2019-20, no complaint has been received.

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

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

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

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

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

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

- (i) in the preparation of Annual Accounts, the applicable Accounting Standards as specified by the Institute of Chartered Accountants of India have been followed and that there has been no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or loss of the Company for that period.

## SURAJ PRODUCTS LIMITED

- (iii) the Directors have taken proper and sufficient care, to the best of their for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Annual Accounts have been prepared on going concern basis.

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

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

### **NUMBER OF BOARD MEETINGS DURING F.Y. 2019-20:**

During the FY 2019-20 the number of meeting of Board of Directors of the Company comes to 5 (Five). The details of the number of meetings of the Board held during the financial year forms part of the Corporate Governance Report.

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

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

### **DECLARATION OF INDEPENDENCE:**

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

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

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The detail of the policy is explained in the Corporate Governance Report for the Year 2019-20.

### **RELATED PARTY TRASACTIONS:**

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

### **VIGIL MECHANISM POLICY:**

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

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

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

## SURAJ PRODUCTS LIMITED

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

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

### **WHISTLE BLOWER POLICY:**

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

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

Your Company's shares are listed with Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited. We have paid the annual listing fees and there are no arrears.

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

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

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

### **MANAGERIAL REMUNERATION:**

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

### **REGARDING KEY MANAGERIAL PERSONNEL:**

During the year the Company has the following as the Key Managerial Personnel of the Company:

Mr. Y. K. Dalmia, Managing Director

Mr. Gagan Goyal, Executive Director

Mr. M. K. Hati, Chief Financial Officer

Mr. A. N. Khatua, Company Secretary & Compliance Officer

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

The details forming part of the extract of the Annual Return for the year ended on 31st March, 2020, in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as Annexure- II and forms an integral part of this Report.

### **CORPORATE GOVERNANCE:**

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

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



## SURAJ PRODUCTS LIMITED

The Managing Director and the Chief Financial Officer (CFO) of the Company have certified to the Board on financial statements and other matters in accordance with Regulation 17(8) of SEBI (LODR) Regulations, 2015 pertaining to MD/ CFO certification for the Financial Year ended 31st March, 2020.

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

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

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

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

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:**

Details of loans, guarantees or investments are given in the notes to financial statements.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORY BODIES/ COURTS:**

During the financial year under review, no significant or material orders were passed by the Regulatory/ Statutory Authorities or the Courts which would impact the going concern status of the Company and its future operations.

### **ACKNOWLEDGEMENT AND APPRECIATION:**

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

On behalf of the Board of Directors

Place: Barpali  
Date: the 1st day of August, 2020

Sd/-  
C. K. Bhartia  
Chairman  
(DIN-00192694)

# SURAJ PRODUCTS LIMITED

Annexure 'A'

## ANNEXURE TO THE DIRECTORS' REPORT:

Statement pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the year ended 31st March, 2020.

### 1. CONSERVATION OF ENERGY:

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

ELECTRICITY		For the Year 2019-2020	For the Year 2018-2019
(a) Purchased Units	KWH	59,68,290	24,89,745
Amount	`	403,64,339	172,09,674
Cost per Unit	`	6.76	6.91
(b) Through Diesel Generator	KWH	1,25,678	1,13,076
Unit per Ltr. of Diesel		2.42	3.37
Cost per Unit *	`	23.20	20.57
(C) 36129 MW power (net) generated from CPP was consumed during the Year as compared to previous year figure of 21426 MW.			

### POWER CONSUMPTION:

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

### 2. TECHNOLOGY ABSORPTION:

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

### 3. INDUSTRIAL RELATIONS:

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

### 4. FOREIGN EXCHANGE OUTGO:

	Current Year (`)	Previous Year (`)
Travelling Expenses:	25,312	47,005
Purchase of Material	42,19,378	-

On behalf of the Board of Directors

Place: Barpali  
Date: the 1st day of August, 2020

Sd/-  
C. K. Bhartia  
Chairman  
(DIN-00192694)

**Form No. MR3**

**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended On 31st March, 2020**

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

To

The Members

Suraj Products Limited (CIN- L26942OR1991PLC002865)

At- Barpali, Po- Kesramal, Rajgangpur

Dist. Sundargarh, Odisha- 770017

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

Based on my verification of the Suraj Products Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I/We have examined the books, papers, minute books, forms and returns filed and other records maintained by Suraj Products Limited ("the company") for the financial year ended on 31st March, 2020 according to the provisions of-

- i. The Companies Act, 2013(the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act,1956(SCRA) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act,1992(SEBI ACT)
  - a. The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulation,2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulation, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of debt securities) Regulation, 2008;

## SURAJ PRODUCTS LIMITED

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents ) Regulation,1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998;
- vii. a. Income Tax Act, 1962
- b. Excise Act, 1944
- c. Service Tax Act,
- d. The Air (Prevention & Control of Pollution) Act, 1981
- e. The Water (Prevention & Control of Pollution) Act, 1974
- f. Environmental (Protection) Act, 1986
- g. Orissa Value Added Tax Act, 2004
- h. Central Sales Tax
- i. Orissa State Tax on Professions, Trades, Callings and Employments Act, 2000
- j. Orissa Entry Tax Act, 1999
- k. Factories Act, 1948
- l. Industrial Dispute Act, 1947
- m. Minimum Wages Act, 1948
- n. Industrial Employment (Standing Orders) Act, 1946
- o. Contract Labour (Regulation & Abolition) Act, 1970
- p. Payment of Wages Act, 1936
- q. Payment of Bonus Act, 1965
- r. Payment of Gratuity Act, 1972
- s. Apprentice Act, 1961
- t. Standards of Weight & Measurement Act, 1976
- u. Orissa Motor Vehicle Act, 1988
- v. The Petroleum Act, 1934
- w. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

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

1. The website of the Company is under maintenance. No relevant and required information were available as required under the Regulation 46 of SEBI (LODR) Regulation 2015.

## SURAJ PRODUCTS LIMITED

2. Relevant related party disclosure from the day of effect not complied under Regulation 23(9) of SEBI (LODR) Regulation 2015.
3. Clause 4 of Schedule B of SEBI (Prohibition of Insider Trading) Regulation, 2015) was not complied regarding "Closure of Trading Window".
4. Regulation 31 of The SEBI (Substantial Acquisition of shares and Takeovers) Regulation, 2011 was not complied.
5. The Company has filed details of Statement of amounts credited to Investor Education and Protection Fund) Pursuant to rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 by the respective form vide SRN G17943259 which is pending for approval as clarified by Company. And the Company has clarified us they have raised complain before respective grievance redressal body for resolution of same SR1383269.

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

Place: Rourkela  
Date: 30/07/2020

LAKSHMI NARAYANA PANDA  
L N PANDA & ASSOCIATES  
ACS 23051  
CP NO.8310  
UDIN- A023051B000533165

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

## SURAJ PRODUCTS LIMITED

'ANNEXURE A'

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
  2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
  3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
  4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
  5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
  6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
- The COVID-19 outbreak was declared as a global pandemic by the WHO. On 24th March 2020 the Indian government announced a strict 21 day lockdown which was further extended across the country to contain the spread of the virus. Due to this impact the documents were obtained electronic mode wherever necessary. Due to this pandemic situation relaxations were allowed by regulators and complied within the extended time.

Place: Rourkela  
Date: 30/07/2020

LAKSHMI NARAYANA PANDA  
L N PANDA & ASSOCIATES  
ACS 23051  
CP NO.8310  
UDIN- A023051B000533165

# SURAJ PRODUCTS LIMITED

Annexure -II

## Form No. MGT-9 EXTRACT OF ANNUAL RETURN As on March 31, 2020

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

### I. REGISTRATION AND OTHER DETAILS:

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

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

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

SI. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	PIG IRON	3304	22
2	MS INGOT/ BILLET	24103	42
3	TMT BAR	2410	25

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

Company has no Holding, Subsidiary and Associate Companies.

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

#### i) Category-wise Share Holding

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

## SURAJ PRODUCTS LIMITED

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>84,01,800</b>	<b>-</b>	<b>84,01,800</b>	<b>73.70</b>	<b>84,01,800</b>	<b>-</b>	<b>84,01,800</b>	<b>73.70</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/Financial Institute	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	83,917	63,300	1,47,217	1.29	77,945	61,500	1,39,445	1.22	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	2350	0	2350	0.02	-
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	4,27,201	15,91,500	20,18,701	17.71	4,51,219	15,48,200	19,99,419	17.54	-
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	8,05,682	26,600	8,32,282	7.30	8,56,986	-	8,56,986	7.52	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>13,16,800</b>	<b>16,81,400</b>	<b>29,97,700</b>	<b>26.30</b>	<b>13,16,800</b>	<b>16,81,400</b>	<b>29,98,200</b>	<b>26.30</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>97,18,600</b>	<b>16,81,400</b>	<b>1,14,00,000</b>	<b>100.00</b>	<b>97,18,600</b>	<b>16,81,400</b>	<b>1,14,00,000</b>	<b>100.00</b>	<b>-</b>



## SURAJ PRODUCTS LIMITED

### (ii) Shareholding of Promoters:

SI No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Nip Power Pvt. Ltd.	28,27,000	24.8	-	28,27,000	24.8	-	-
2	Molisati Vinimay Pvt. Ltd.	25,50,000	22.36	-	25,50,000	22.36	-	-
3	Y.K.Dalmia	14,91,500	13.08	-	14,91,500	13.08	-	-
4	Sunita Dalmia	7,72,400	6.78	-	7,72,400	6.78	-	-
5	Balbhadra Inftratech Pvt. Ltd.	5,40,000	4.74	-	5,40,000	4.74	-	-
6	Nivedita Dalmia	1,10,900	0.97	-	1,10,900	0.97	-	-
7	Nandita Dalmia	1,10,000	0.96	-	1,10,000	0.96	-	-
	<b>Total</b>	<b>84,01,800</b>	<b>73.69</b>	<b>-</b>	<b>84,01,800</b>	<b>73.69</b>	<b>-</b>	<b>-</b>

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

There has been no changes in the promoters' shareholding during the financial year ended March 31, 2020.

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

SI. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Nand Lal Bhartiya HUF	5,00,000	4.38	5,00,000	4.38
2	Meena Bhartiya	1,92,000	1.68	1,92,000	1.68
3	Nand Lal Bhartiya	1,08,506	0.95	1,08,506	0.95
4	Sanjay Kumar Sarawagi	45,449	0.39	49,697	0.44
5	Elan Capital Advisors Pvt. Ltd.	28,200	0.25	28,200	0.25
6	Rabindra Kumar Bachhawat	26,600	0.23	26,600	0.23
7	Pritty Devi Sarawagi	16,517	0.14	18,072	0.15
8	Deepak Das	14,000	.12	14,000	.12
9	Shikha Halder	12,400	0.10	12,400	0.10
10	Sagar Chandulal Jain	11,676	0.10	11,676	0.10

### V. Shareholding of Directors and KMP:

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

## SURAJ PRODUCTS LIMITED

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

### VI. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	24,45,15,893	19,48,29,063	-	43,93,44,956
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,66,66,974	-	1,66,66,974
<b>Total (i+ii+iii)</b>	<b>24,45,15,893</b>	<b>21,14,96,037</b>	<b>-</b>	<b>45,60,11,930</b>
<b>Change in Indebtness during the financial year</b>				
· Addition	14,36,34,524	17,40,31,830	-	31,76,66,354
· Reduction	7,79,97,339	9,26,53,185	-	17,06,50,524
<b>Net Change Indebtness</b>	<b>6,56,37,185</b>	<b>8,13,78,645</b>	<b>-</b>	<b>14,70,15,830</b>
<b>At the end of the financial year</b>				
i Principal Amount	31,01,53,078	27,07,96,037	-	58,09,49,115
ii) Interest due but not paid	-	-	-	-
iii Interest accrued but not due	-	2,20,78,645	-	2,20,78,645
<b>Total (i+ii+iii)</b>	<b>31,01,53,078</b>	<b>29,28,74,682</b>	<b>-</b>	<b>60,30,27,760</b>

## SURAJ PRODUCTS LIMITED

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

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

Sl. No.	Particulars of Remuneration	Name of Chairman/WTD/ Manager		Total
		Y. K. Dalmia Managing Director	Gagan Goyal Executive Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	63,50,000	8,80,000	72,30,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	48,040	48,040
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>63,50,000</b>	<b>9,28,040</b>	<b>72,78,040</b>

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

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

(Amount in `)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		A. N. Khatua Company Secretary	M. K. Hati Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,72,000	8,40,000	15,12,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	48,040	48,040	96,080
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Others, please specify	-	-	-
	<b>Total</b>	<b>7,20,040</b>	<b>8,88,040</b>	<b>16,08,080</b>

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

During the Financial year, Bombay Stock Exchange (BSE) has imposed penalty of Rs 7,48,120/- (including GST) on the Company for non-compliance of Regulation 17(1) & Regulation 19(1) & 19(2) of SEBI (LODR), Regulations, 2015 regarding composition of Board of Directors and composition of Nomination & Remuneration Committee. Subsequently the composition of the Board and Nomination & Remuneration Committee was corrected and requisite fine imposed had been paid by the Company.

## SURAJ PRODUCTS LIMITED

### REPORT ON CORPORATE GOVERNANCE 2019-20:

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

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

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

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

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

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

#### 1. BOARD OF DIRECTORS:

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

##### A. Board Composition:

As on 31st of March, 2020, the Board of Directors of Suraj Products comprises of five Directors. The Board consists of the Chairman, who is a non-executive Independent Director, Managing Director who is Promoter & Executive Director, one Executive Director and two Non-Executive Directors, of which one is an Independent Director. Details of composition of Board of Directors are given below:

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

##### B. Board Meetings:

During the year 2019-20, the Board of the Company met five times on: 02/04/2019, 18/05/2019, 27/07/2019, 09/11/2019 and on 14/02/2020.

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

Name of the Directors	Attendance Particulars		Number of other Directorship and Committee Chairmanship / Membership		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Sri C. K. Bhartia	5	Yes	3	4	2
Sri Y. K. Dalmia	5	Yes	12	1	-
Smt. Sunita Dalmia	4	Yes	11	2	-
Smt. Neha Singhania	4	Yes	-	4	1
Sri Gagan Goyal	5	Yes	-	1	-

## SURAJ PRODUCTS LIMITED

### 2. AUDIT COMMITTEE:

The Audit Committee consists of, Sri C.K.Bhartia, Smt. Neha Singhania and Sri Gagan Goyal. Sri C.K.Bhartia acts as Chairman of the Committee. During the period under review five Audit Committee meetings were held on 02/04/2019, 18/05/2019, 27/07/2019, 09/11/2019 and on 14/02/2020.

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

Name of the Directors	No. of Audit Committee Meeting Attendance
Sri C. K. Bhartia	5
Smt. Neha Singhania	4
Sri Gagan Goyal	5

Term of reference of the Audit Committee:

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

### 3. REMUNERATION AND NOMINATION COMMITTEE:

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

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

### 4. MANAGERIAL REMUNERATION:

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

#### (a) REMUNERATION TO DIRECTORS:

Following remuneration was paid to Directors during the Financial Year 2019-20:

Mr. Y.K.Dalmia, Chairman - ₹ 63,50,000 (51,25,000)

Mr. Gagan Goyal, Executive Director - ₹ 9,28,040 (8,08,040)

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

Sitting fees of Rs. 25,000/- each paid to Non-Executive Directors for attending each meeting of Board of Directors of the Company. The same was revised w.e.f. 30.06.2019 to Rs. 50,000/-.

Sl.No	Particulars of Remuneration	Name of Directors			Total Amount in ₹
		Mr.C.K.Bhartia	Mrs. Neha Singhania	Mrs. Sunita Dalmia	
1.	Non-Executive Directors				
	Fees for attending Board Meeting	2,00,000	1,75,000	1,00,000	4,75,000
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>Total (1)</b>	<b>2,00,000</b>	<b>1,75,000</b>	<b>1,00,000</b>	<b>4,75,000</b>
2.	Other Non-Executive Director				
	Fees for attending Board Meeting	-	-	-	-
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (1+2)</b>	<b>2,00,000</b>	<b>1,75,000</b>	<b>1,00,000</b>	<b>4,75,000</b>

## SURAJ PRODUCTS LIMITED

### 5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE:

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

During the financial year 2019-20 the Committee held five meetings as on 02/04/2019, 18/05/2019, 27/07/2019, 09/11/2019 and on 14/02/2020.

The Committee received 3 complaints from investors during the year and all of have been resolved. There is no complaint outstanding at the end of the year.

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

### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has a Stakeholders Relationship Committee consisting of, Sri C.K.Bhartia, Smt. Neha Singhania and Smt. Sunita Dalmia. Sri C.K.Bhartia acts as Chairman of the Committee. The Stakeholders Relationship Committee meets as and when required and is entrusted with transfer / transmission of shares, issue of duplicate share certificates, changes of name / status, transposition of names, sub-division / consolidation of share certificates, dematerialization / rematerialization of shares etc.

### 7. MD/ CFO CERTIFICATION:

A certificate from the Managing Director & CFO on the Financial Statements of the Company was placed before the Board at its meeting held on 29.06.2020.

### 8. RISK ASSESSMENT & MINIMIZATION PROCEDURE:

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

### 9. GENERAL BODY MEETING:

#### a). ANNUAL GENERAL MEETING

Date	Venue	Time	No. of Special Resolution
28th Sept. 2015	Registered Office of the Company at Barpali	11:30 AM	--
28th Sept. 2016	Registered Office of the Company at Barpali	11:30 AM	--
29th Sept. 2017	Registered Office of the Company at Barpali	11:30 AM	--
28th Sept. 2018	Registered Office of the Company at Barpali	11:30 AM	--
30th Sept. 2019	Registered Office of the Company at Barpali	11:30 AM	--

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

### 10. DISCLOSURES:

a) RELATED PARTY DISCLOSURE: There are no materially significant related party transactions with its Promoters, the Directors or the Management and their Subsidiaries or relatives etc. which may have potential conflict with the interest of the Company at large.

b) NON-COMPLIANCE PENALTIES: During the Financial year, Bombay Stock Exchange (BSE) has imposed penalty on the Company for non-compliance of Regulation 17(1) and Regulation 19(1) & 19(2) of SEBI (LODR), 2015 regarding composition of Board of Directors and composition of Nomination & Remuneration Committee. Subsequently the composition of the Board as well as Nomination & Remuneration Committee was corrected and requisite fine imposed under Regulation 17(1) of SEBI (LODR), 2015 had been paid by the Company.

## SURAJ PRODUCTS LIMITED

- c) **CODE OF CONDUCT:** The Board formulated a code of conduct for the Board Members and the Senior Management of the Company. All Board Members and senior management personnel have affirmed their compliance with the code.
- d) During the financial year 2019-20, there is no audit qualification in the Company's Financial Statements.

### 11. MEANS OF COMMUNICATION:

- a) The quarterly and annual financial results are normally published in Business Standard (English and Hindi edition) and the Utkal Mail (Oriya daily) and also posted on the website of the Company ([www.surajproducts.com](http://www.surajproducts.com)).
- b) The financial results are displayed on the Company's Website viz: [www.surajproducts.com](http://www.surajproducts.com)
- c) The Management Discussion and Analysis Report is attached with Director's Report in this 29th Annual Report of the Company posted to the Share holders.

### 12. GENERAL INFORMATION FOR SHARE HOLDERS:

- a. 29th Annual General Meeting:

Day	Date	Time	Venue
Monday	21st September, 2020	12:30 PM	Regd. Office: Vill: Barpali, P. O.: Kesramal (Rajgangpur), Dist.: Sundargarh, Odisha
Date of Book Closure		The Company's Register of members & share books will remain closed from 14th Sept. to 21st Sept. 2020	

- b. Financial Calendar: Approval of quarterly results: May, August, November and February. Annual General Meeting in September each Year.
- c. Listing at Stock Exchange: (i) Bombay Stock Exchange Ltd. (ii) Calcutta Stock Exchange Ltd.
- d. Stock Code: 518075 at BSE and 13054 at CSE
- e. Dematerialization of shares and liquidity:

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

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

No. of Shares held in dematerialized and physical mode as on 31st March, 2020 is as under:

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in CDSL	94,66,963	83.04
Held in dematerialized form in NSDL	3,75,837	3.30
Physical	15,57,200	13.66
<b>TOTAL</b>	<b>1,14,00,000</b>	<b>100.00</b>

- f. Market price data: Monthly High/ Low price per share during 2019-20:

Months	BSE Limited	
	High (Rs.)	Low (Rs.)
April, 2019	22.80	19.00
May, 2019	23.60	18.05
June, 2019	24.75	14.25
July, 2019	15.75	13.75
August, 2019	14.90	13.00

## SURAJ PRODUCTS LIMITED

September, 2019	14.71	13.30
October, 2019	14.10	11.45
November, 2019	11.70	10.12
December, 2019	16.80	12.00
January, 2020	15.90	13.30
February, 2020	12.64	10.84
March, 2020	10.30	9.31

**g. Public Deposit:**

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

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

M/s MCS Share Transfer Agent Limited,  
383, Lake Gardens, 1st Floor, Kolkata - 700029 Telephone: 033-40724052  
E-mail: mcssta@rediffmail.com  
Contact Person: Mr. Partho Mukherjee

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

**j. Share Transfer System:**

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

**13. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2020:**

**a. Details of shareholding as on 31st March, 2020**

Category	No. of Shares	% of Share Holding
Promoters Group	84,01,800	73.70
Private Corporate Bodies	1,39,445	1.22
Indian Public	28,58,755	25.08
<b>Total</b>	<b>1,14,000,00</b>	<b>100.00</b>

**b. Distribution of shareholding as on 31st March, 2020:**

Category	No. of Shares	No. of Shareholder	Percent Shares	Percent Holders
1 - 500	12,31,184	7966	10.7999	94.0053
501 - 1000	2,62,553	295	2.3031	3.4812
1001 - 5000	3,57,244	172	3.1337	2.0297
5001 - 10000	1,86,068	24	1.6322	.2832
10001 - 50000	1,60,645	7	1.4092	.0826
50001 - 100000	108506	1	.9518	.0118
and Above	90,93,800	9	79.7701	.1062
<b>Total</b>	<b>11400000</b>	<b>8474</b>	<b>100.0000</b>	<b>100.0000</b>



## SURAJ PRODUCTS LIMITED

### c. Shareholding pattern as on March 31, 2020:

Category	No of shareholders	Total Share	% of Equity
Promoter & Promoter Group	7	84,01,800	73.70
Resident Individuals	8420	28,68,114	25.16
Body Corporate	46	1,29,736	1.14
NRI	1	350	.0031
<b>Total</b>	<b>8474</b>	<b>114,00,000</b>	<b>100%</b>

#### 14. SECRETARIAL AUDIT:

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

#### 15. CORPORATE ETHICS:

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

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

#### 16. COMPLIANCE CERTIFICATE OF AUDITORS:

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

#### 17. PLANT - LOCATION:

Village - Barpali, Post - Kesramal (Rajgangpur)

Dist - Sundargarh, Odisha, PIN - 770 017

#### 18. ADDRESS FOR CORRESPONDENCE:

SURAJ PRODUCTS LIMITED

Village- Barpali, Post - Kesramal (Rajgangpur)

Dist - Sundargarh, Odisha. PIN - 770 017

EPBxNo:-9437049074, E-mail:suproduct@gmail.com,

Web Site: www.surajproducts.com

## SURAJ PRODUCTS LIMITED

**Annexure to the Corporate Governance Report:  
AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE  
UNDER CORPORATE GOVERNANCE CLAUSE OF THE LISTING AGREEMENT(S)**

To  
The members of  
SURAJ PRODUCTS LIMITED

We have reviewed the implementation of Corporate Governance procedures by M/s. Suraj Products Limited during the year ended 31st March, 2020 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

As per Schedule of implementation stipulated in clause 49 of the Listing Agreements with Stock Exchanges, the Company is supposed to comply with all the conditions by March, 2020. During the year, initiated steps to set up various Committees and comply with the other requirements during the course of the year in stages.

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

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

32A, C.R. Avenue, Trust House  
Kolkata - 700012  
Dated: the 29th day of June, 2020

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

### **DECLARATION UNDER CLAUSE 49(1)(D)**

As required under Clause 49 of the Listing Agreement(s) with Stock Exchanges relating to Corporate Governance I hereby declare that all the members of the Board of Directors and the senior Management personnel have complied with the company's code of conduct, to the year ended 31st March, 2020.

Place: Barpali  
Date: the 29th day of June, 2020

For Suraj Products Limited  
Sd/-  
Y. K. Dalmia  
Managing Director  
(DIN-00605908)

## SURAJ PRODUCTS LIMITED

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

The Board of Directors  
Suraj Products Limited

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 which is fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant frauds of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/- Y.K.Dalmia	Sd/- M.K.Hati
Place: Barpali	Managing Director	Chief Financial Officer (CFO)
Date: the 29th day of June, 2020	(DIN-00605908)	

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

#### **GLOBAL ECONOMIC INSIGHT:**

Undoubtedly, FY 2019-20 was a challenging year not just for business in India, but for most business across the Globe. Almost all Countries faced a slowdown in economic growth amidst rising trade tensions and policy uncertainties. This had its bearing on the steel industry as well, in terms of weak demand and falling steel prices. Making matters worse, the COVID-19 outbreak in early 2020 brought global economic activities to a near standstill as nationwide lockdowns and social distancing norms were imposed to contain the spread in the affected Countries.

#### **INDIAN ECONOMIC REVIEW:**

In India, muted demand and oversupply is likely to result in suppressed steel prices and capacity utilization in the near term. Since India depends largely on migrant labour, restarting construction and infrastructure projects will be a challenge. The demand from infrastructure, construction and real estate sectors is likely to be subdued in the first half of the financial year 2020-21 due to the lockdown followed by the monsoons during the second quarter. Further, the demand from automobile and

## SURAJ PRODUCTS LIMITED

capital goods sectors is likely to reduce significantly with consumers deferring discretionary spends in the near term. Effective Government stimulus and return of consumer confidence is likely to be the key driver for a gradual recovery over the second half of the financial year 2020-21.

### **UPLIFTING RURAL DEMAND:**

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

### **CHANGING RURAL DEMAND:**

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

The GST is being seen as a crucial reform, as it is anticipated to bring greater transparency in the country's indirect tax structure.

### **INDUSTRY STRUCTURE & DEVELOPMENT:**

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

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

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

Gross Turnover	:	1,182,461,169
Profit before Taxation	:	38,171,149
Profit after Taxation	:	5,40,45,013

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

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

The renewed importance given by Government on affordable housing, roads, sagarmala projects and other infrastructure projects are expected to create steel demand, this will augur well for sponge iron and pig iron industry.

As per the National steel policy crafted during FY 2019-20, the crude steel production target for India is set at 300 MT by 2030. Share of sponge iron & pig iron in making steel will be 80 MT, which will create huge opportunity for sponge iron industry.

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

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

## SURAJ PRODUCTS LIMITED

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

### **c) OUTLOOK:**

The COVID-19 pandemic has severely affected economies and industries globally and the steel industry is no exception. Therefore, outlook for steel industry includes scenarios regarding the pandemic's speed of propagation, possible recurrence, near-term impact of measures being taken to contain the outbreak and the effectiveness of the stimulus announced by the Governments of various Nations.

After slower than expected growth in 2019, steel demand is estimated to contract significantly in the Financial Year 2020-21. According to the World Steel Association (WSA), it is possible that the impact on steel demand in relation to the expected contraction in GDP may turn out to be less severe than that seen during the erstwhile global financial crisis. In comparison with other sectors, the manufacturing sector is expected to rebound quicker through supply chain disruptions are likely to continue.

Most of the steel producing regions are expected to witness a decline in crude steel output due to production cuts amidst ongoing lockdowns. However, it is expected that compared to other Countries, China will move faster towards normalization of economic activity as it was the first Country to come out of the COVID-19 crisis. Governments of different Nations have announced sizeable stimulus packages which are expected to favour steel consumption through investment in infrastructure and other incentives for the steel industry.

### **RISK AND CONCERN:**

Steel demand is dependent on economic growth. Slowdown in the economy coupled with excess capacity can adversely affect steel demand and pricing. It is also affected by trade barriers and protectionist policies. These can lead to steel price variability and impact operating performance. The Company is exposed to competition from other materials or alternative steelmaking technologies. These factors can impact steel prices, demand for steel and operating performance. COVID-19 is expected to have a significant impact on the economy in terms of contraction in underlying demand, disruption in manufacturing and supply chain operations across the Country, labour issues, liquidity issues etc. adversely affecting steel prices and cash flows.

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

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

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

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

## SURAJ PRODUCTS LIMITED

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

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

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

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

### **SAFETY MEASURES:**

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

### **SAFETY TRAINING:**

Training of various Safety Standards is imparted to all employees.

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

About 29 Medical Camps with qualified and experience medical practitioners were conducted in nearby villages and about 2,650 patients availed the service.

### **CAUTIONARY STATEMENT:**

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

## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

We have audited the accompanying IndAS Financial Statements of "M/S. SURAJ PRODUCTS LIMITED" (the "Company"), which comprise of the Balance Sheet as at 31st March, 2020, the related Statement of Profit and Loss (including Other Comprehensive Income), and the Cash Flow Statement for the year ended and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

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

## SURAJ PRODUCTS LIMITED

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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



## SURAJ PRODUCTS LIMITED

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## SURAJ PRODUCTS LIMITED

### Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 we give in the Annexure-A, a statement on the matters specified in Paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Companies Act, 2013 we report that:
  - a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of written representations received from the directors, as on 31st March, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
  - g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197(16) of the Act
  - h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and information and according to the explanation given to us:-
    - i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements - Refer Note 33 to the Ind AS Financial Statements;
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For B D S & Co.  
(Formerly Bharat D Sarawgee & Co.)  
Chartered Accountants  
Firm Registration No. 326264E  
(Bharat D Sarawgee)  
Partner  
Membership No.: 061505

Place: Kolkata  
Date: 29th day of June, 2020

## Annexure - A to the Auditors' Report

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

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

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

## SURAJ PRODUCTS LIMITED

and other material statutory dues were in arrears, as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable.

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

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

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

## SURAJ PRODUCTS LIMITED

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

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

(Bharat D Sarawgee)  
Partner  
Membership No.: 061505

Place : Kolkata  
Date : 29th day of June, 2020.

### Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s. Suraj Products Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

## SURAJ PRODUCTS LIMITED

over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Bharat D Sarawgee)  
Partner  
Membership No.: 061505

Place: Kolkata  
Date : 29th day of June, 2020.

## SURAJ PRODUCTS LIMITED

### BALANCE SHEET AS AT 31.03.2020

Particulars	Note No.	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
<b>I. ASSETS</b>			
<b>Non- Current Assets</b>			
a) Property, Plant & Equipment	3	822,653,858	574,462,111
b) Capital Work in Progress		-	134,430,512
c) Other Non-Current Assets	4	6,527,669	23,408,828
d) Deferred Tax Assets (Net)	5	35,664,871	13,271,456
<b>Current Assets</b>			
a) Inventories	6	472,514,310	258,995,312
b) Financial Assets			
i) Trade Receivables	7	61,586,393	27,013,200
ii) Cash & Cash Equivalents	8	2,895,350	2,565,316
iii) Other Bank Balances	9	14,128,550	17,173,568
c) Current Tax Assets (Net)	10	1,338,384	-
d) Other Current Assets	11	75,612,863	59,600,282
<b>TOTAL</b>		<b><u>1,492,922,248</u></b>	<b><u>1,110,920,585</u></b>
<b>II. EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	12	114,000,000	114,000,000
b) Other Equity	13	341,262,560	287,217,547
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	14	559,445,899	410,837,193
ii) Other Non Current Liabilities	15	6,737,188	17,283,698
<b>Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	16	254,340,323	174,901,942
ii) Trade Payables	17	131,064,504	36,086,064
iii) Other Financial Liabilities	18	53,183,541	55,106,828
b) Provisions	19	1,169,000	309,054
c) Current Tax Liabilities (Net)	20	-	1,382,977
d) Other Current Liabilities	21	31,719,233	13,795,282
<b>TOTAL</b>		<b><u>1,492,922,248</u></b>	<b><u>1,110,920,585</u></b>

Significant Accounting Policies 2

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

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

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

(Bharat D Sarawgee)  
Partner

Membership No. 061505

Place : Barpali

Date : 29th Day of June,2020

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

C. K Bhartia Chairman DIN-00192694	Y. K. Dalmia Managing Director DIN-00605908
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G. Goyal Executive Director DIN-06678938	S. Dalmia Director DIN-00605973
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M. K. Hati Chief Financial Officer	A. N. Khatua Company Secretary
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## SURAJ PRODUCTS LIMITED

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2020

Particulars	Note No	For Year ended March 31, 2020 (₹)	For Year ended March 31, 2019 (₹)
<b>Revenue</b>			
I Revenue From Operations*	22	1,179,924,635	1,163,552,725
II Other Income	23	2,536,534	4,722,214
III <b>Total Revenue (I+II)</b>		<b>1,182,461,169</b>	<b>1,168,274,939</b>
<b>Expenses</b>			
IV Cost of Materials Consumed	24	864,733,017	830,149,772
Change in Inventories of Finished Goods	25	(82,797,230)	(228,305)
Manufacturing & Operating Costs	26	153,553,597	120,035,194
Employee Benefits Expense	27	57,261,297	45,110,898
Finance Costs	28	62,664,447	44,322,729
Depreciation and Amortisation Expenses	3	67,400,829	40,111,675
Other Expenses	29	21,474,063	25,059,451
<b>Total Expenses</b>		<b>1,144,290,020</b>	<b>1,104,561,414</b>
V <b>Profit Before Tax</b>		38,171,149	63,713,525
VI Less: Tax Expenses			
(a) Current Tax		6,371,528	12,579,669
(b) Deferred Tax		(16,021,887)	630,425
(c) Income Tax Earlier Year		148,023	-
(d) Mat Credit		(6,371,528)	(12,455,428)
VII <b>Profit For The Year</b>		<b>54,045,013</b>	<b>62,958,859</b>
VIII Other Comprehensive Income			
A(i) Items that will not be classified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B(i) Items that will be classified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
IX <b>Total Comprehensive Income for the Period</b>		54,045,013	62,958,859
X Earnings per share (of ₹ 10/- each) (for discontinued and continuing operations)			
(a) Basic		4.74	5.52
(b) Diluted		4.74	5.52

Significant Accounting Policies 2

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

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

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

(Bharat D Sarawgee)  
Partner  
Membership No. 061505

Place : Barpali  
Date : 29th Day of June, 2020

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

C. K Bhartia  
Chairman  
DIN-00192694

Y. K. Dalmia  
Managing Director  
DIN-00605908

G. Goyal  
Executive Director  
DIN-06678938

S. Dalmia  
Director  
DIN-00605973

M. K. Hati  
Chief Financial Officer

A. N. Khatua  
Company Secretary



**SURAJ PRODUCTS LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2020**

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

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH, 2019**

<b>Particulars</b>	<b>Equity Share Capital</b>	<b>Securities Premium Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as of April 1, 2018</b>	<b>114,000,000</b>	<b>54,700,000</b>	<b>169,558,688</b>	<b>338,258,688</b>
Changes in equity for the year ended March 31, 2019	-	-	-	-
Profit for the year	-	-	62,958,859	62,958,859
<b>Balance as of March 31, 2019</b>	<b>114,000,000</b>	<b>54,700,000</b>	<b>232,517,547</b>	<b>401,217,547</b>

# SURAJ PRODUCTS LIMITED

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2020

		<u>Year Ended March 31, 2020</u>	<u>Year Ended March 31, 2019</u>
		( ` )	( ` )
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit before Tax and extra ordinary items	38,171,149	63,713,525
	<b>Add/(Deduct)</b>		
	Depreciation and Amortisation	67,400,829	40,111,675
	Financial Charges	62,664,447	130,065,276
		<u>130,065,276</u>	<u>44,322,729</u>
	<b>Operating Cash Profit before Working Capital</b>	168,236,425	148,147,929
	<b>Add/Deduct</b>		
	Increase/(Decrease) in Trade Payable	94,978,440	38,581,185
	(Increase)/Decrease in Trade & Other receivable	(50,585,773)	33,445,204
	(Increase)/Decrease in Inventories	(213,518,998)	(4,355,814)
	Increase/(Decrease) in Other Current Liabilities	8,237,387	(1,789,332)
	(Increase)/Decrease in Advances	115,701	654,360
		<u>(160,773,243)</u>	<u>654,360</u>
	<b>Cash flow from Operation</b>	7,463,182	214,683,532
	Direct Tax Paid	(9,240,913)	(14,835,478)
		<u>(1,777,731)</u>	<u>199,848,054</u>
	<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<u>(1,777,731)</u>	<u>199,848,054</u>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets	(181,979,464)	(274,939,454)
	Sale of Fixed Assets	817,400	3,639,258
	Capital Advances	16,765,458	(10,455,636)
		<u>(164,396,606)</u>	<u>(281,755,832)</u>
	<b>Net Cash Outflow from Investing Activities</b>	<u>(164,396,606)</u>	<u>(281,755,832)</u>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	(Repayment)/Proceeds from Long -Term Borrowing(Net)	147,529,138	127,618,661
	Proceeds from Short -Term Borrowing	79,438,381	(30,999)
	Dividend paid	(843,719)	(689,162)
	Financial charges paid	(62,664,447)	(44,322,729)
		<u>163,459,353</u>	<u>(44,322,729)</u>
	<b>Net Cash Flow from Financing Activities</b>	163,459,353	82,575,771
		<u>163,459,353</u>	<u>82,575,771</u>
	<b>Net Cash Flow during the Year (A+B+C)</b>	<b><u>(2,714,984)</u></b>	<b><u>667,993</u></b>
	Cash and Cash Equivalent (Opening Balance)	19,738,884	19,070,891
	Cash and Cash Equivalent (Closing Balance)	17,023,900	19,738,884
		<u>(2,714,984)</u>	<u>667,993</u>
	<b>Cash and its Components</b>		
	Cash on hand	18,64,597	19,92,853
	Bank Balances	10,30,753	5,72,463
		<u>28,95,350</u>	<u>25,65,316</u>
	Cash & Bank Balance as per Note 8	28,95,350	25,65,316
	Add: Other Bank Balances as per Note 9	<u>1,41,28,550</u>	<u>1,71,73,568</u>
		<b><u>1,70,23,900</u></b>	<b><u>1,97,38,884</u></b>

**Note :-**

Other Bank Balance include unclaimed dividend of ` 19,01,487/- (Previous Year ` 27,45,206/-) which is not available for use by the company as they represent corresponding unpaid dividend liability.

Significant Accounting Policies

2

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

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

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

(Bharat D Sarawgee)  
Partner  
Membership No. 061505  
Place : Barpali  
Date : 29th Day of June,2020

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

C. K Bhartia  
Chairman  
DIN-00192694

Y. K. Dalmia  
Managing Director  
DIN-00605908

G. Goyal  
Executive Director  
DIN-06678938

M. K. Hati  
Chief Financial Officer

S. Dalmia  
Director  
DIN-00605973

A. N. Khatua  
Company Secretary

**NOTES TO FINANCIAL STATEMENTS****1. CORPORATE INFORMATION**

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

**2. BASIS OF PREPARATION & PRESENTATION****A. Statement of Compliance with Ind AS:**

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

The Financial statements for the year ended 31st March, 2020 were approved by the Board of Directors and authorized for issue on 29th day of June, 2020.

**B. Accounting Convention:**

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

**D. Revenue Recognition:**

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

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

**E. Leases:****Group as a Lessee****Finance Leases**

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and

## SURAJ PRODUCTS LIMITED

present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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

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

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

### **G. Intangible Assets**

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

### **H. Inventories:**

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

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

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

Short Term

Short term employee benefits are recognized as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

#### **Defined-contribution plans**

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. The Company's payments to the defined-contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

### **(i) Leave Encashment**

#### **Retirement and other employee benefits**

- a) Earned leave which cannot be carried forward to future periods are "short term" benefit only if the employees are entitled to either encash or utilize the benefits during the period of twelve months following the end of the accounting period (when they became entitled to the leave). In other cases the benefit is required to be treated as "long term". According to the policy of the company, no leave can be carried forward beyond the end of the financial year. Accordingly all leave granted has been accounted for in the current financial year.
- b) Contribution to Provident Fund, employee state insurance and other funds are determined under the relevant statute and charged to revenue Account.
- c) Present liability for future payment of gratuity is covered through Group Gratuity Scheme of Life Insurance Company of India and contribution thereon is charged to revenue account and the assets are funded by the LIC based on actuarial valuation done internally by LIC and the company has no obligation except to the extent of the premium determined by Life Insurance Corporation.

### **J. Accounting For Taxation:**

#### **Current Tax:**

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

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

#### **Deferred Tax:**

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

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

### **K. Borrowing Cost:**

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

### **L. Impairment of Assets:**

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

### **M. Earnings Per Share:**

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

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

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

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

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

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

### **P. Financial instruments**

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

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

#### **Financial assets**

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

### **Classification of financial assets**

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

### **Effective interest method**

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

### **Impairment of financial assets**

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

### **Derecognition of financial assets**

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

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

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

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

#### **Equity instruments**

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

### **Financial liabilities**

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

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

### **Derecognition of financial liabilities**

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



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

**NOTE 3 : PROPERTY, PLANT & EQUIPMENT**

Gross Block	Land (Leasehold)	Land (Freehold)	Factory Building	Plant & Equipment	Pollution Control Equipment	Electric Installation	Motor Vehicles	Furniture & Fixtures	Others	Power Plant	Total
<b>Balance as at 1st April, 2018</b>	61,800,917	5,685,530	78,694,861	148,837,180	85,000,534	62,821,468	27,461,117	2,200,944	110,313,217	195,471,479	778,287,247
Additions during the year	626,400	142,674	7,819,472	29,384,422	717,000	8,870,704	869,542		23,044,152	129,904,514	201,378,880
Sales during the year	-	139,103	-	-	-	-	2,343,756	-	-	-	2,482,859
<b>Balance as at 31st March, 2019</b>	62,427,317	5,689,101	86,514,333	178,221,602	85,717,534	71,692,172	25,986,903	2,200,944	133,357,369	325,375,993	977,183,268
Additions during the year	176,400	-	16,358,027	133,455,679	1,267,500	59,952,231	10,082,734		94,334,705		315,627,276
Sales during the year	-	34,700	-	-	-	-					34,700
<b>Balance as at 31st March, 2020</b>	62,603,717	5,654,401	102,872,360	311,677,281	86,985,034	131,644,403	36,069,637	2,200,944	227,692,074	325,375,993	1,292,775,844
<b>Accumulated Depreciation</b>											
<b>Balance as at 1st April, 2018</b>	1,401,753	-	50,228,049	99,465,547	53,492,969	49,126,591	22,748,017	1,902,290	71,746,899	14,679,916	364,792,031
Charge for the year	709,719	-	2,285,274	5,627,997	3,373,634	3,668,416	1,314,063	70,258	6,348,368	16,713,946	40,111,675
Reversal on sales during the year	-	-	-	-	-	-	2,182,549	-	-	-	2,182,549
<b>Balance as at 31st March, 2019</b>	2,111,472	-	52,513,323	105,093,544	56,866,603	52,795,007	21,879,531	1,972,548	78,095,267	31,393,862	402,721,157
Charge for the year	711,819	-	3,423,125	13,385,519	3,188,036	9,294,469	2,029,366	50,445	12,535,309	22,782,741	67,400,829
Reversal on sales during the year	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2020</b>	2,823,291	-	55,936,448	118,479,063	60,054,639	62,089,476	23,908,897	2,022,993	90,630,576	54,176,603	470,121,986
<b>Net Block</b>											
<b>Balance as at 1st April, 2018</b>	60,399,164	5,685,530	28,466,812	49,371,633	31,507,565	13,694,877	4,713,100	298,654	38,566,318	180,791,563	413,495,216
<b>Balance as at 31st March, 2019</b>	60,315,845	5,689,101	34,001,010	73,128,058	28,850,931	18,897,165	4,107,372	228,396	55,262,102	293,982,131	574,462,111
<b>Balance as at 31st March, 2020</b>	59,780,426	5,654,401	46,935,912	193,198,218	26,930,395	69,554,927	12,160,740	177,951	137,061,498	271,199,390	822,653,858

## SURAJ PRODUCTS LIMITED

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

	As at 31st March-20 ( <sup>₹</sup> )	As at 31st March-19 ( <sup>₹</sup> )
<b>4 <u>Other Non-current assets</u></b> (Unsecured, considered good and otherwise stated)		
Capital Advances (Capital Advances have been given for the purpose of purchase of fixed assets)	-	16,765,458
<b>Advances other than Capital Advances:</b>		
Balance with Revenue Authorities	5,154,935	5,154,935
Deposits with Other	1,372,734	1,488,435
	<b>6,527,669</b>	<b>23,408,828</b>
<b>5 <u>Deferred Tax Assets (Net)</u></b>		
Deferred Tax Assets (Net) (Refer Note No. 39)	35,664,871	13,271,456
	<b>35,664,871</b>	<b>13,271,456</b>
<b>6 <u>Inventories</u></b> (At lower of cost or net realisable value)		
Raw Materials	279,507,537	153,686,283
Finished Goods	159,152,612	76,355,382
Stores & Spares	33,854,161	28,953,647
	<b>472,514,310</b>	<b>258,995,312</b>
<b>7 <u>Trade Receivables</u></b>		
Unsecured, Considered Good	61,586,393	27,013,200
	<b>61,586,393</b>	<b>27,013,200</b>
<p>The company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS-109 "Financial Instruments" requires expected credit losses to be measured through a loss allowance. The company has used a practical expedient &amp; adjusted for forward looking information to compute expected credit losses. Based on historical credit loss experienced for the company &amp; considering forward looking information, there is no expected credit loss allowance on trade receivables.</p>		
<b>8 <u>Cash and Cash Equivalents</u></b>		
(a) Cash on Hand	1,864,597	1,992,853
(b) Balance with Banks		
Current Accounts	1,030,753	572,463
	<b>2,895,350</b>	<b>2,565,316</b>
<b>9 <u>Other Bank Balances</u></b>		
Unpaid Dividend Account-Earmarked Balances	1,901,487	2,745,206
Balances with Bank to the extent of Margin Money	1,766,871	4,680,720
Fixed Deposits	10,460,192	9,747,642
	<b>14,128,550</b>	<b>17,173,568</b>

## SURAJ PRODUCTS LIMITED

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

	As at 31st March-20 (`)	As at 31st March-19 (`)
<b>10 <u>Current Tax Assets (Net)</u></b>		
Income tax (net of provisions)	1,338,384	-
	<b>1,338,384</b>	-
<b>11 <u>Other Current Assets</u></b>		
(Unsecured, Considered Good)		
Balance with Revenue Authorities	142,217	377,200
Advances to suppliers	44,909,681	47,015,588
Other Advances Recoverable in cash or in kind or for value to be received	5,160,384	3,539,622
Deposit Others	25,400,581	8,667,872
	<b>75,612,863</b>	<b>59,600,282</b>
<b>12 <u>Equity Share Capital</u></b>		
<b>Authorised :</b>		
120,00,000 Equity shares of ` 10 each	120,000,000	120,000,000
<b>Issued, Subscribed &amp; Fully Paid up Capital</b>		
114,00,000 Equity shares of ` 10 each	114,000,000	114,000,000
<b>Total</b>	<b>114,000,000</b>	<b>114,000,000</b>
<b>(a) Reconciliation of Number of Shares</b>		
Shares outstanding as at 1st April 2019/1st April 2018	11,400,000	11,400,000
Add. Number of shares issued during the year	-	-
Shares outstanding as at 31st March 2020/31st March 2019	<b>11,400,000</b>	<b>11,400,000</b>

**(b) List of shareholders holding more than 5% of the total number of shares issued by the Company :**

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

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

## SURAJ PRODUCTS LIMITED

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

	As at 31st March-20 ( <sup>₹</sup> )	As at 31st March-19 ( <sup>₹</sup> )
<b>13 Other Equity</b>		
<b>(a) Securities Premium Reserve</b>		
As per last account	54,700,000	54,700,000
	<b>54,700,000</b>	<b>54,700,000</b>
<b>(b) Retained Earnings</b>		
Opening balance	232,517,547	169,558,688
Add: Profit for the year	54,045,013	62,958,859
Closing Balance	286,562,560	232,517,547
<b>Total</b>	<b>341,262,560</b>	<b>287,217,547</b>
<b>14 Borrowings</b>		
<b>Secured Loan</b>		
i) Term Loan From Canara Bank	254,718,875	194,599,619
ii) Vehicle Loan From Bank	7,232,849	121,902
	<u>261,951,724</u>	<u>194,721,521</u>
<b>Unsecured Loan</b>		
i) From Related Parties	292,874,682	211,496,037
ii) Finance Lease	4,619,493	4,619,635
	<u>297,494,175</u>	<u>216,115,672</u>
<b>Total</b>	<b>559,445,899</b>	<b>410,837,193</b>

These have been recorded at amortised cost.

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

<b>Nature of Security</b>	<b>Terms of Repayment</b>
<p>a) Term loan amounting to ` 10.66 Crores (P.Y. ` 13.33 Crores) is secured by EMT of 3MW Waste heat recover boiler based power plant and induction furnace built out of the term loan and collaterally secured against all fixed assets of the company and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ` 54 lacs.</p>	<p>Repayable in 24 quarterly instalment commencing from May 2018, Last installment due in August, 2024, Rate of interest 9.90% (P.Y.10.00%)</p>
<p>b) Term loan amounting to ` 8.79 Crores (P.Y. 11.00 Crores) is secured by EMT of 3MW AFBC based power plant and Steel Melting Shop built out of the term loan and collaterally secured against all fixed assets of the company and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ` 54 lacs.</p>	<p>Repayable in 20 quarterly instalment commencing from April 2019, Last installment due in April, 2024, Rate of interest 10.65% (P.Y.12.85%)</p>

## SURAJ PRODUCTS LIMITED

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

	As at 31st March-20 ( <sup>₹</sup> )	As at 31st March-19 ( <sup>₹</sup> )
<b>Nature of Security</b>	<b>Terms of Repayment</b>	
c) Term loan amounting to ₹ 10.37 Crores (P.Y. NIL) is secured by EMT of Rolling Mill and Induction Furnace built out of the term loan and collaterally secured against all fixed assets of the company and further secured by personal guarantee of two directors and Fixed Deposit Receipts of ₹ 54 lacs.	Repayable in 24 quarterly instalment commencing from June 2020, Last installment due in June 2026, Rate of interest 11.00 % (P.Y.NIL)	
d) Vehicle loans from HDFC Bank is secured by hypothecation of the vehicle financed.	Repayable in 36 monthly instalment commencing from the date of sanction of loan.	
e) Vehicle loans from Canara Bank is secured by hypothecation of the vehicle financed.	Repayable in 36 monthly instalment commencing from the date of sanction of loan.	
f) Finance lease obligations represent the present value of minimum lease payments payable over the lease term of leasehold land.		

Instalments falling due in respect of all the loans & lease upto 31.03.2021 have been grouped under "Other Current Liabilities".

#### **15 Other Non Current Liabilities**

Creditors for Capital Goods	6,737,188	17,283,698
	<u>6,737,188</u>	<u>17,283,698</u>

#### **16 Borrowings**

##### **Secured**

Working Capital Loan	254,340,323	174,901,942
	<u>254,340,323</u>	<u>174,901,942</u>

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

#### **17 Trade Payables**

Trade Payables to micro small and medium enterprises	505,956	320,740
Trade Payables to others	130,558,548	35,765,324
	<u>131,064,504</u>	<u>36,086,064</u>

Refer Note No. 33 for amount due to suppliers under the Micro, Small And Medium Enterprise Development Act 2006, as at March, 2020

## SURAJ PRODUCTS LIMITED

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

	As at 31st March-20 (`)	As at 31st March-19 (`)
<b>18 <u>Other Financial Liabilities</u></b>		
Current Maturities of Long Term Debts	43,620,764	48,649,908
Current Maturities of Vehicle loan	4,580,590	1,144,464
Current Maturities of Finance Lease	3,080,700	2,567,250
Unpaid Dividend	1,901,487	2,745,206
	<b>53,183,541</b>	<b>55,106,828</b>
<b>19 <u>Current Liabilities- Provisions</u></b>		
Provision For Employee Benefits	1,169,000	309,054
	<b>1,169,000</b>	<b>309,054</b>
<b>20 <u>Current Tax Liabilities (Net)</u></b>		
Provision For Taxation (Net of Advance Tax)	-	1,382,977
	-	<b>1,382,977</b>
<b>21 <u>Other Current Liabilities</u></b>		
Statutory Dues Payable	26,747,826	13,168,713
Advances From Customers	4,971,407	626,569
	<b>31,719,233</b>	<b>13,795,282</b>
<b>22 <u>Revenue From Operations</u></b>		
Sale of Manufactured Products		
Sponge Iron	74,810,632	362,859,900
Pig Iron	261,033,955	174,590,929
Ms Billet/Ingot	490,961,207	558,866,375
TMT Bar	291,661,848	-
Others	61,456,993	67,235,521
	<b>1,179,924,635</b>	<b>1,163,552,725</b>
<b>23 <u>Other Income</u></b>		
Interest Received	1,302,907	1,522,366
Profit on sale of Fixed Assets	782,700	3,199,848
Foreign Exchange Fluctuation Account	450,927	-
	<b>2,536,534</b>	<b>4,722,214</b>
<b>24 <u>Cost of Materials Consumed (Indegenous)</u></b>		
<b><u>Materials Consumed Comprises of:</u></b>		
Iron ore	292,882,647	229,881,091
Coal	195,406,477	226,266,486
Coke	221,722,731	180,688,209
Others	154,721,162	193,313,986
	<b>864,733,017</b>	<b>830,149,772</b>

## SURAJ PRODUCTS LIMITED

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

	As at 31st March-20 ( <sup>₹</sup> )	As at 31st March-19 ( <sup>₹</sup> )
<b>25 <u>Change in Inventories of Finished Goods</u></b>		
Opening Stock	76,355,382	76,127,077
Closing Stock	159,152,612	76,355,382
	<b>(82,797,230)</b>	<b>(228,305)</b>
<b>26 <u>Manufacturing &amp; Operating Costs</u></b>		
Consumption of Stores, Spares & Consumables	81,535,040	76,199,937
Power & Fuel	65,959,677	37,182,760
Repairs to Plant & Machinery	2,996,527	3,255,355
Repairs to Others	942,395	1,487,640
Insurance Charges	1,378,839	1,357,702
Others Manufacturing & Operating Expenses	741,119	551,799
	<b>153,553,597</b>	<b>120,035,194</b>
Entire Stores & Spares Consumed is Indigenous.		
<b>27 <u>Employee Benefits expense</u></b>		
Salaries, Wages & Bonus	52,327,077	39,662,670
Contribution to Provident and Other Funds	3,077,331	2,351,598
Contribution to Gratuity Fund	365,167	1,657,785
Staff Welfare Expenses	1,491,722	1,438,845
	<b>57,261,297</b>	<b>45,110,898</b>
<b>28 <u>Finance Costs</u></b>		
Interest -Bank	44,063,894	30,469,703
Interest - Others	17,334,245	13,274,080
Lease Finance Charges	513,308	513,321
Other Borrowing Costs	753,000	65,625
	<b>62,664,447</b>	<b>44,322,729</b>
<b>29 <u>Other Expenses</u></b>		
Rates & Taxes	3,758,852	3,277,827
Impairment of Financial Assets	-	4,703,836
Bad Debts written off	-	3,211,514
Allowance / (Reversal) of Provision for Bad debts	-	(3,211,514)
Auditor's Remuneration		
- Statutory Audit	100,000	100,000
- Tax Audit	40,000	40,000
Periphery Development	2,288,088	1,373,839
Security Service Charges	3,164,172	3,087,744
Outward Freight	2,631,438	1,578,331
Other Expenses	9,491,513	10,897,874
	<b>21,474,063</b>	<b>25,059,451</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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

List of Related parties and description of relationship

- (i) Enterprises in which KMP or their relatives can exercise significant influence  
M/s. Kedarnath Mining Pvt. Ltd.  
M/s. NIP Power Pvt. Ltd.  
M/s. Tirupati Vincom Pvt. Ltd.  
M/s. Excel Infra Projects Pvt. Ltd.
- (ii) Key Management Personnel & Relatives:  
Shri Yogesh Kumar Dalmia, Managing Director  
Shri Gagan Goyal, Executive Director  
Smt. Sunita Dalmia, Non-Executive Director  
Shri M. K. Hati, CFO  
Shri A. N. Khatua, CS
- (b) Transactions with related parties:

Parties with significant influence (Direct and Indirect)		Nature of Transaction			Rent (For Employees)	Outstanding
		Loans & Advances Accepted	Loans & Advances Repaid	Interest		
I	Kedarnath Mining Pvt. Ltd.	12,00,00,000 (2,10,00,000)	887,50,000 (10,00,000)	1,86,98,094 (1,34,66,534)	- (-)	21,43,84,049 (16,63,05,765)
II	NIP Power Pvt. Ltd.	- -	- (25,00,000)	15,41,942 (17,37,425)	- (-)	1,84,73,621 (1,70,85,874)
III	Tirupati Vincom Pvt. Ltd.	2,95,00,000 (1,25,00,000)	14,50,000 -	42,91,794 (14,63,015)	- -	6,00,17,012 (2,81,04,398)
IV	Excel Infra Projects Pvt. Ltd.	- (-)	- (-)	- (-)	2,43,600 (2,40,000)	39,600 (-)
<b>Key Managerial Personnel &amp; Relatives</b>		<b>Yogesh Kumar Dalmia</b>	<b>Gagan Goyal</b>	<b>M. K. Hati</b>	<b>A. N. Khatua</b>	
Remuneration		63,50,000 (51,25,000)	9,28,040 (8,08,040)	8,88,040 (9,08,040)	7,20,040 (7,20,540)	

**Figures in the bracket indicate previous year figures.**



## SURAJ PRODUCTS LIMITED

31. In compliance with Ind AS- 33 the company has calculated EPS. There are no diluted elements involved, hence basic EPS and diluted EPS are same:-

Particulars			As at March 31 <sup>st</sup> ,2020	As at March 31 <sup>st</sup> ,2019
A	(i)	No. of Shares at the Beginning of the Year	1,14,00,000	1,14,00,000
	(ii)	No. of Shares Issued During the Year	-	-
B		Weighted Average Number of Equity Shares Outstanding during the Year	1,14,00,000	1,14,00,000
C		Net Profit After Tax Available for Equity Share Holders in ( ` )	5,40,45,013	6,29,58,859
D		Basic Earnings Per Share ( C / B) in ( ` )	4.74	5.52

32. **Expenditure in Foreign Currency**

Particulars	Current Year ( ` )	Previous Year ( ` )
Travelling Expenses	25,312	47,005
Purchase of Materials	42,19,378	-

33. **Micro, Small and Medium Enterprises Development Act, 2006**

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

Particulars	Financial Year ended 31 <sup>st</sup> March, 2020	Financial Year ended 31 <sup>st</sup> March, 2019
Principal amount remaining unpaid to any supplier as at the end of the year	5,05,956	3,20,740
Interest due on the above amount	-	-
Amount of interest paid in terms of Section 16 of the MSMED Act, 2006	-	-
Amount of payments made to the suppliers beyond the appointed day during the year	-	-
Amount of interest due and payable for the delay in making the payment but without adding the interest specified under Act	-	-
Amount of interest accrued and remaining unpaid at the end of the year.	-	-

34. **Segment Reporting:**

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

## SURAJ PRODUCTS LIMITED

### 35. Contingent liabilities and Commitments

#### a) Contingent Liabilities

i) No provision is made in respect of the following :-

Sl. No.	Particulars	As at March 31 <sup>st</sup> , 2020 (₹)	As at March 31 <sup>st</sup> , 2019 (₹)
(i)	Disputed Demand of Orissa Sales Tax	9,08,152	11,77,868
(ii)	Disputed Demand of Central Sales Tax	4,90,542	31,68,933
(iii)	Disputed Demand of Orissa Entry Tax	22,44,967	23,31,967
(iv)	Disputed Demand of Income Tax	17,01,300	5,51,157

ii) Demand had been raised by M/s WESCO Ltd. in respect of arrear electricity charges amounting to Rs. 16,58,143/-. The company had filed suit against the claim before the pertinent Appellate Authorities and favorable verdict had been ruled in favour of the company. The company had paid 50% of the amount against the same which is shown under Deposit Others under Short Term Loans and Advances as the company is claiming refund of the same. However M/s WESCO Ltd. had filed petition before Hon. High Court of Odisha. The company does not foresee any liability in this respect and hence no provision has been made for the same.

#### b) Commitments

There is no estimated amount of contracts remaining to be executed on capital account (P.Y Rs 5,00,00,000/-).

### 36. Capital Management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	As at 31.03.2020	As at 31.03.2019
i) Equity Share capital	11,40,00,000	11,40,00,000
ii) Other Equity	34,12,62,560	28,72,17,547
<b>Total equity (a)</b>	<b>45,52,62,560</b>	<b>40,12,17,547</b>
i) Long-term borrowings	55,94,45,899	41,08,37,193
ii) Current Maturity of long term debt	5,12,82,054	5,23,61,622
<b>Total debt (b)</b>	<b>61,07,27,953</b>	<b>46,31,98,815</b>
(i) Cash and cash equivalents	28,95,350	25,65,316
<b>Total cash (c)</b>	<b>28,95,350</b>	<b>25,65,316</b>
<b>Net debt {d=(b-c)}</b>	<b>60,78,32,603</b>	<b>46,06,33,499</b>
<b>Total capital (equity + net debt)</b>	<b>1,06,30,95,163</b>	<b>86,18,51,046</b>
<b>Net debt to equity ratio</b>	<b>0.57</b>	<b>0.53</b>

## SURAJ PRODUCTS LIMITED

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

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

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

**38. Income Taxes**

Income tax expenses recognized in the Statement of Profit or Loss are analyses as follows:

Particulars	2019-20 (`)	2018-19 (`)
Current Taxes	63,71,528	1,25,79,669
Deferred Tax Liabilities/ (Assets)	(2,23,93,415)	(1,18,25,003)
Income Tax for Earlier Years	1,48,023	-
<b>Total</b>	<b>(1,58,73,864)</b>	<b>(7,54,666)</b>

Reconciliation of estimated Income taxes to Income Tax expense as follows:

Particulars	2019-20 (`)	2018-19 (`)
Profit before Income and Taxes	3,81,71,149	6,37,13,525
Enacted income Tax rate in India	27.82%	27.82%
Current Tax Provision on Profit before Income Tax at enacted Income Tax rate in India	1,06,19,213	1,77,25,103
<b>Adjustments:</b>		
Tax on Allowances under Income Tax Act	(3,97,22,904)	(2,26,66,930)
Non Deductible expenses for Tax purposes	1,93,18,942	1,16,41,818
Income Taxable under other Head	2,02,712	7,66,575
Deferred Tax Recognised	(1,60,21,887)	6,30,425
Other Adjustments	1,48,023	1,24,241
Incurred/ (Utilisation) of Unabsorbed Depreciation, Business Loss	95,82,037	(74,66,566)
<b>Total</b>	<b>(1,58,73,864)</b>	<b>(7,54,666)</b>

The tax rate used for the Year 2019-20 and 2018-19 reconciliations above is the applicable corporate tax rate of 27.82% and 27.82% respectively payable by the entity on taxable profit under Income Tax Act, 1961. However as the Company has significant Unabsorbed Depreciation the Company has accrued for tax under the 'Minimum Alternate Tax' requirement under the Income Tax Act, 1961

## SURAJ PRODUCTS LIMITED

### 39. Deferred Tax

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

Deferred Tax Liabilities/ (Assets) in relation to	Opening Balance	Recognized in Profit or Loss	Closing Balance
<b>2019-20</b>			
Property, Plant & Equipment	1,07,30,557	(87,07,413)	20,23,144
Unabsorbed Depreciation	(22,67,563)	(73,14,474)	(95,82,037)
MAT Credit Entitlement	(2,17,34,450)	(63,71,528)	(2,81,05,978)
<b>Total</b>	<b>(1,32,71,456)</b>	<b>(2,23,93,415)</b>	<b>(3,56,64,871)</b>
<b>Deferred Tax Liabilities/ (Assets) in relation to</b>	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Closing Balance</b>
<b>2018-19</b>			
Property, Plant & Equipment	88,24,927	19,05,630	1,07,30,557
Unabsorbed Depreciation	-	(22,67,563)	(22,67,563)
Provision For Bad Debt	(9,92,358)	9,92,358	-
MAT Credit Entitlement	(92,79,022)	(1,24,55,428)	(2,17,34,450)
<b>Total</b>	<b>(14,46,453)</b>	<b>(1,18,25,003)</b>	<b>(1,32,71,456)</b>

### 40. Financial Leases

The Company has finance lease agreements for land. These leases have term of 90 years and are eligible for renewal at the end of lease term. Future minimum lease payments (MLP) and its present value under finance leases are as follows:

Disclosure under Financial Lease as Lessee:

Particulars	2019-20	2018-19
<b>Minimum Lease Payments</b>	( ` )	( ` )
- Within One Year	30,80,700	2,567,250
- After One Year but not more than 5 Years	2,567,250	2,567,250
- More than 5 Years	40,562,550	41,076,000
<b>Total</b>	<b>46,210,500</b>	<b>46,210,500</b>
<b>Present Value of Minimum Lease Payments</b>	( ` )	( ` )
- Within One Year	2,236,209	1,946,379
- After One Year but not more than 5 Years	1,098,680	1,208,548
- More than 5 Years	1,798,645	1,978,607
Add: Future Finance Charges	41,076,966	41,076,966
<b>Total</b>	<b>46,210,500</b>	<b>46,210,500</b>

### 41. Financial Assets & Liabilities

a) **Fair Market Value Disclosure:** The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

b) **Financial Risk Management Objectives:**

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

## SURAJ PRODUCTS LIMITED

### (i) **Market Risk**

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

#### **Foreign Currency Risk**

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

#### **Interest Rate Risk**

The company has investments mainly in fixed interest bearing investments. Hence the company is not significantly exposed to interest rate risks. The interest rate on borrowings ranged from 9.50% to 12.85% in the previous year & 9.90% to 11.00% in the current year.

### (ii) **Credit Risk**

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to credit risk is on account of trade receivables amounting to Rs.2.70 crores as at 31st March, 2019 and Rs. 6.16 crores as at 31st March, 2020. Trade receivables are typically unsecured and derived from revenue earned from customers. Credit risk is managed by establishing credit limits and reviewing the credit approvals provided to various customers. The company has no expected credit loss as at 31st March, 2020.

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

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

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

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

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

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

(Bharat D Sarawgee)  
Partner  
Membership No. 061505  
Place : Barpali  
Date : 29th Day of June,2020

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

C. K. Bhartia Chairman DIN-00192694	Y. K. Dalmia Managing Director DIN-00605908
G. Goyal Executive Director DIN-06678938	S. Dalmia Director DIN-00605973
M. K. Hati Chief Financial Officer	A. N. Khatua Company Secretary

*If undelivered please return to :*

**SURAJ PRODUCTS LIMITED**

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