



**SURAJ LIMITED**

*Mfg. & Exporters of :  
Stainless Steel Seamless Pipes, Tubes, 'U' Tubes,  
Flanges, Fittings & Electro Polished Finish*

**REGD. OFFICE :**

'Suraj House'  
Opp. Usmanpura Garden, Ashram Road,  
Ahmedabad - 380 014. Gujarat (INDIA)  
Tel. : 0091-79-27540720 / 27540721  
Fax : 0091-79-27540722  
Email : suraj@surajgroup.com  
Subject to Ahmedabad Jurisdiction  
CIN : L27100GJ1994PLC021088

**Date: 20/05/2022**

**TO,**  
**BSE LIMITED**  
Floor 25, P. J. Towers,  
Dalal Street,  
Mumbai - 400001

**Scrip Code: 531638**

**SUB.: Submission of Annual Report for the financial year 2021-2022 in  
accordance to the provisions of Regulation 34(1) of SEBI (Listing Obligations  
and Disclosure Requirements) Regulations, 2015**

Dear Sir,

Pursuant to Regulation 34 (I) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year ended 2021-2022 including Notice convening the 29<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, 14<sup>th</sup> June, 2022 at 10.30 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

Kindly take the above information on your record.

Thanking You,

Yours faithfully,  
**For, SURAJ LIMITED**

  
**Maunish Gandhi**  
**Company Secretary & Compliance Officer**



**Encl: As above**

**MUMBAI OFFICE :**

Kanji Mansion, Block No. 3,  
1st Floor, 311/317, S.V.P. Road,  
Mumbai - 400 004. (INDIA)  
Tel. : 0091-22-23891649, 23891758  
Fax : 0091-22-23854979  
Email : surajm@surajgroup.com

[www.surajgroup.com](http://www.surajgroup.com)

**WORKS :**

Survey No. 779/A, Thol,  
Kadi - Sanand Highway,  
Tal. - Kadi, Dist. Mehsana (INDIA)  
Tel. : (02764) 274216 / 274217  
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Email : surajt@surajgroup.com

# 29<sup>th</sup> ANNUAL REPORT

**2021-22**



# **SURAJ** LIMITED

*Progress is Life*



CIN: L27100GJ1994PLCO21088

**Manufacturers of Stainless Steel, Seamless Pipes,  
Tubes, 'U' Tubes, Flanges & Fittings with Electropolishing**

## **29<sup>th</sup> ANNUAL REPORT 2021-2022**

### **KEY MANAGERIAL PERSONNEL & BOARD OF DIRECTORS**

|                |                                     |
|----------------|-------------------------------------|
| ASHOK SHAH     | CHAIRMAN & CFO                      |
| GUNVANT SHAH   | VICE CHAIRMAN & WHOLE TIME DIRECTOR |
| KUNAL SHAH     | MANAGING DIRECTOR & CEO             |
| SHILPA PATEL   | WHOLE TIME DIRECTOR                 |
| DIPAK SHAH     | INDEPENDENT DIRECTOR                |
| KETAN SHAH     | INDEPENDENT DIRECTOR                |
| ANIL GIDWANI   | INDEPENDENT DIRECTOR                |
| RAJESH KHARADI | INDEPENDENT DIRECTOR                |

**COMPANY SECRETARY** : MAUNISH GANDHI

**STATUTORY AUDITORS** : RINKESH SHAH & CO. (CHARTERED ACCOUNTANTS)

**BANKERS** : PUNJAB NATIONAL BANK  
IDBI BANK LIMITED

**REGISTRAR & SHARE** : MCS SHARE TRANSFER AGENT LIMITED

**TRANSFER AGENT** 201, SHATDAL COMPLEX, 2<sup>ND</sup> FLOOR, OPP. BATA SHOW ROOM,  
ASHRAM ROAD, AHMEDABAD - 380009.

**PLANT LOCATION** : SURVEY NO. 779/A, VILLAGE-THOL, KADI-SANAND HIGHWAY,  
TAL. -KADI, DIST, MEHSANA. (GUJARAT)

**REGISTERED OFFICE** : "SURAJ HOUSE", OPP. USMANPURA GARDEN.  
ASHRAM ROAD, AHMEDABAD - 380 014. PH. : 0091-79-27540720 / 21  
E-MAIL : suraj@surajgroup.com

### **29<sup>th</sup> ANNUAL GENERAL MEETING**

**Date** : Tuesday, 14<sup>th</sup> June, 2022

**Time** : 10:30 A.M.

**AGM through Video Conferencing ("VC") / Other Audio Visual Means**

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## **Chairman's Speech to Shareholders**

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**Respected Shareholders,**

Respected Shareholders,

On my behalf and on behalf of the Board of Directors, I welcome you all to this 29<sup>th</sup> Annual General Meeting of Company.

I feel honoured and privileged once again to present you with the Annual Report for the F.Y. 2021-22. It gives me an opportunity to share my thoughts and the Company's progress during the year as well as the way forward. The financial year 2021-22 also was full of challenges and crucial commitments.

Discarding the global challenges, your company continued to carry on business cautiously which resulted in to turnover of ₹ 34,372.38 Lakh. On the mark of report that your Company sustained its profitability due to controlling expenses and finance cost and posted a total Comprehensive Income of ₹ 302.56 Lakh.

I would like to take this opportunity on behalf of the Board of Directors and its leadership team to thank each shareholder, Banks for their continued co-operation, support and commitment to the Company.

Success is working together and not a destination, It is with this hope and faith I look forward to your continuous confidence in your Company embarking on the next phase of its growth journey

**With best wishes,  
Sincerely**

**Ashok Shah  
Chairman & CFO**

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## NOTICE

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Notice is hereby given that the **29<sup>th</sup> (Twenty-Ninth)** Annual General Meeting of **SURAJ LIMITED** will be held on **Tuesday, 14<sup>th</sup> June, 2022** at 10:30 a.m. IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the reports of the Board of Directors and Auditors thereon and
2. To appoint a Director in place of Mr. Kunal Shah (DIN:00254205) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Ms. Shilpa Patel (DIN:07014883) who retires by rotation and being eligible offers herself for re-appointment.
4. To re-appoint M/s Rinkesh Shah & Co., Chartered Accountants, Ahmedabad (FRN: 129690W) as Statutory Auditors of the Company.

To consider and if thought fit, to pass with or without any modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any of Companies Act, 2013 and the companies (audit and auditors) Rules, 2014 as amended from time to time, the company hereby re-appoints M/s Rinkesh Shah & Co., Chartered Accountants, Ahmedabad (FRN:129690W) as Statutory Auditors of the Company to hold office from this Annual General Meeting till the conclusion of the 34<sup>th</sup> Annual General Meeting for the Second term to examine and audit the accounts of the company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### **SPECIAL BUSINESS:**

5. **TO APPROVE THE REMUNERATION TO M/S. KIRAN J. MEHTA & CO., COST ACCOUNTANT, AHMEDABAD (FRN:000025), THE COST AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR 2022-23:**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution;

**"RESOLVED THAT** pursuant to the provision of section 148 and all other applicable provisions of the Companies Act, 2013 and the companies (audit and auditors) rules, 2014 (including any statutory modification (s) or re-enactment thereof, for the time being in force), M/s Kiran J. Mehta & Co., Cost Accountant, Ahmedabad (FRN:000025) appointed as a Cost Auditor by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year 2022-23 be paid the remuneration of ₹ 1,30,000/-(Rupees One Lakh thirty thousand only) plus GST for the year F.Y. 2022-23 the Board has also approved the same.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."



**6. TO RE APPOINTMENT OF MR. KUNAL SHAH (DIN:00254205) AS A MANAGING DIRECTOR & CEO OF THE COMPANY WHO SHALL BE LIABLE TO RETIRE BY ROTATION:**

To consider and, if thought fit, to pass the following Resolution as an Special Resolution;

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 all others Provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V and all other applicable provisions of the Companies Act, 2013 and pursuant to Articles of Association of the Company, the consent of the members be and is hereby accorded to re-appoint of Mr. Kunal Shah (DIN:00254205) as Managing Director & CEO of the company, for a period of 5 (Five) years w.e.f. 28<sup>th</sup> September, 2022, on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be applicable to Mr. Kunal Shah to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013 and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**7. TO RE APPOINTMENT OF MS. SHILPA PATEL (DIN:07014883) AS A WHOLE TIME DIRECTOR OF THE COMPANY WHO SHALL BE LIABLE TO RETIRE BY ROTATION:**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution;

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 all others Provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V and all other applicable provisions of the Companies Act, 2013 and pursuant to Articles of Association of the Company, approval of the Company be and is hereby accorded to re-appoint of Ms. Shilpa Patel (DIN:07014883) as whole time Director of the company, for a period of 5 (Five) years w.e.f. 12<sup>th</sup> November, 2022, on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to alter the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be applicable to Ms. Shilpa Patel to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013 and to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**8. TO REVISE REMUNERATION OF MR. ASHOK SHAH, CHAIRMAN & CFO (DIN:00254255) OF THE COMPANY:**

To consider, and if thought fit, to pass with or without modification(s), the following as a Special Resolution:

“**RESOLVED THAT** in modification of resolution passed in this regard by the members of the Company at Annual General Meeting held on 27<sup>th</sup> June, 2019 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the consent of the members be and is hereby accorded for revision in remuneration of Mr. Ashok Shah (DIN: 00254255), Chairman & CFO of the company and the remuneration payable to Mr. Ashok Shah, Chairman & CFO w.e.f 01<sup>st</sup> April, 2022 shall be as under:

Salary up to ₹ 20,00,000/- p.m. w.e.f. 01<sup>st</sup> April, 2022 inclusive of all perquisite.

**RESOLVED FURTHER THAT** the consent and ratification of the Members of the Company be and is hereby accorded that Mr. Ashok Shah, Chairman & CFO of the Company be paid remuneration by way of Salary, Perquisites and allowances upto a maximum of ₹ 20,00,000/- (Rupees Twenty lacs only) for a period of 3 years w.e.f 01<sup>st</sup> April, 2022 in case the Company has no profits or its profit are inadequate.

**RESOLVED FURTHER THAT** the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

**9. TO REVISE REMUNERATION OF MR. KUNAL SHAH (DIN:00254205), MANAGING DIRECTOR & CEO OF THE COMPANY:**

To consider, and if thought fit, to pass with or without modification(s), the following as a Special Resolution:

“**RESOLVED THAT** in modification of resolution passed in this regard by the members of the Company at Annual General Meeting held on 27<sup>th</sup> June, 2019 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the consent of the members be and is hereby accorded for revision in remuneration of Mr. Kunal Shah (DIN:00254205), Managing Director & CEO of the company and the remuneration payable to Mr. Kunal Shah, Managing Director & CEO w.e.f 01<sup>st</sup> April, 2022 shall be as under:



Salary up to ₹ 15,00,000/- p.m. w.e.f. 01<sup>st</sup> April, 2022 inclusive of all perquisite.

**RESOLVED FURTHER THAT** the consent and ratification of the Members of the Company be and is hereby accorded that Mr. Kunal Shah, Managing Director & CEO of the Company be paid remuneration by way of salary, perquisites and allowances upto a maximum of ₹ 15,00,000/- (Rupees Fifteen lacs only) for a period of 3 years w.e.f 01<sup>st</sup> April, 2022 in case the Company has no profits or its profit are inadequate.

**RESOLVED FURTHER THAT** the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

**10. TO REVISE REMUNERATION OF MR. GUNVANT SHAH, WHOLE TIME DIRECTOR & VICE CHAIRMAN (DIN:00254292) OF THE COMPANY:**

To consider, and if thought fit, to pass with or without modification(s), the following as a Special Resolution:

**"RESOLVED THAT** in modification of resolution passed in this regard by the members of the Company at Annual General Meeting held on 27<sup>th</sup> June, 2019 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the consent of the members be and is hereby accorded for revision in remuneration of Mr. Gunvant Shah (DIN:00254292), Whole Time Director & Vice Chairman of the company and the remuneration payable to Mr. Gunvant Shah, Whole Time Director & Vice Chairman w.e.f 01<sup>st</sup> April, 2022 shall be as under:

Salary up to ₹ 12,00,000/- p.m. w.e.f. 01<sup>st</sup> April, 2022 inclusive of all perquisite.

**RESOLVED FURTHER THAT** the consent and ratification of the Members of the Company be and is hereby accorded that Mr. Gunvant Shah, Whole Time Director & Vice Chairman of the Company be paid remuneration by way of salary, perquisites and allowances upto a maximum of ₹ 12,00,000/- (Rupees Twelve lacs only) for a period of 3 years w.e.f 01<sup>st</sup> April, 2022 in case the Company has no profits or its profit are inadequate.

**RESOLVED FURTHER THAT** the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

**11. TO REVISE REMUNERATION OF MS. SHILPA PATEL (DIN:07014883) AS WHOLE TIME DIRECTOR OF THE COMPANY:**

To consider, and if thought fit, to pass with or without modification(s), the following as a Special Resolution:

**"RESOLVED THAT** in modification of resolution passed in this regard by the members of the Company at Annual General Meeting held on 27<sup>th</sup> June, 2019 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the consent of the members be and is hereby accorded for revision in remuneration of Ms. Shilpa Patel (DIN: 07014883), Whole Time Director of the company and the remuneration payable to Ms. Shilpa Patel, Whole Time Director w.e.f 01<sup>st</sup> April, 2022 shall be as under:

Salary up to ₹ 3,00,000/- p.m. w.e.f. 01<sup>st</sup> April, 2022 inclusive of all perquisite.

**RESOLVED FURTHER THAT** the consent and ratification of the Members of the Company be and is hereby accorded that Ms. Shilpa Patel, Whole Time Director of the Company be paid remuneration by way of salary, perquisites and allowances upto a maximum of ₹ 3,00,000/- (Rupees Three lacs only) for a period of 3 years w.e.f 01<sup>st</sup> April, 2022 in case the Company has no profits or its profit are inadequate.

**RESOLVED FURTHER THAT** the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

**Date: 03/05/2022**

**Place: Ahmedabad**

**By the order of the Board**

**SURAJ LIMITED**

**Registered Office:-**

'Suraj House',  
Opp. Usmanpura Garden,  
Ashram Road,  
Ahmedabad-380014

**Maunish Gandhi**  
**Company Secretary**

**CIN NO: L27100GJ1994PLC021088**

## NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, Circular No. 20/2021 dated December 08, 2021, General Circular No. 3/2022 dated May 05, 2022 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 29<sup>th</sup> Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 21 and available at the Company's website [www.surajgroup.com](http://www.surajgroup.com).
2. 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 & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars 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/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/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 EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. 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 and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
6. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Member may note that Notice and Annual Report 2021-22 has been uploaded on the website of the Company at [www.surajgroup.com](http://www.surajgroup.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM 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 8, 2020 and MCA

Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020, Circular No. 20/2021 dated December 08, 2021, General Circular No. 3/2022 dated May 05, 2022.

8. In continuation of this Ministry's General Circular No. 20/2020, dated 05<sup>th</sup> May, 2020, Circular No. 20/2021 dated December 08, 2021, General Circular No. 3/2022 dated May 05, 2022 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2021, or become due in the year 2022, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.
9. Brief profile of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report.
10. The helpline number regarding any query / assistance for participation in the AGM through VC/OAVM is 079-27540720.
11. Information regarding appointment/re-appointment of Director(s) and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.
12. The Register of members and share transfer books of the Company will remain closed from Saturday, 04<sup>th</sup> June, 2022 to Tuesday, 14<sup>th</sup> June, 2022 (both days inclusive) for the purpose of Annual General Meeting.
13. Members seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so as to enable the management to keep the information ready.
14. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares are held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
15. In terms of Section 72 of the Act, nomination facility is available to individual Members holding shares in the physical mode. The Members who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.
16. The balance lying in the unpaid dividend account of the Company in respect of dividend declared for the financial year 2014-15 are requested to claim their dividend on or before 29<sup>th</sup> October, 2022 and will be transferred to the Investor Education and Protection Fund of the Central Government by 30<sup>th</sup> October, 2022. The details of unclaimed dividends are available on the Company's website at [www.surajgroup.com](http://www.surajgroup.com).
17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode.
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
19. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**
  1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [secretary@surajgroup.com](mailto:secretary@surajgroup.com).

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository

**20. THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins on 11<sup>th</sup> June, 2022 at 10.00 a.m. and ends on 13<sup>th</sup> June, 2022 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 03<sup>rd</sup> June, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi/Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select new system My easi.</li> <li>2) After successful login the Easi/Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer/ Company. Additionally, we are providing links to e-Voting service providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> </ol> |



|   |  |
|---|--|
|   | 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.  |
| Individual Shareholders holding securities in demat mode with <b>NSDL</b>                                     | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.   |

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

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

| Login type  | Helpdesk details   |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43. |



|   |  |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
|---|--|

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders

**Step 1:** The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

**Step 2:** Click on Shareholders.

**Step 3:** Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

**Step 4:** Next enter the Image Verification as displayed and Click on Login.

**Step 5:** If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

**Step 6:** If you are a first time user follow the steps given below:

|   | <b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>  |
|---|---|
| PAN   | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>   |
| Dividend Bank Details <b>OR</b> Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul> |

**Step 7:** After entering these details appropriately, click on "SUBMIT" tab.

**Step 8:** Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

**Step 9:** For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

**Step 10:** Click on the EVSN of the Company.

**Step 11:** On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

**Step 12:** Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

**Step 13:** After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

**Step 14:** Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- Step 15:** You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- Step 16:** If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Step 17:** Shareholders can also cast their vote using CDSL’s mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting through your mobile.

**Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**The instructions for shareholders voting on the day of the AGM on e-voting system are as under: -**

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
- c. If any Votes are casted by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes casted by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
- d. 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.

**21. INSTRUCTION FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER: -**

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Members are encouraged to join the Meeting through Laptops for better experience.
5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request in advance at least 7 days before AGM mentioning their name, demat account number/folio number, email id, mobile number at [secretary@surajgroup.com](mailto:secretary@surajgroup.com).
8. Shareholders who would like to express their views/have questions may send their questions in advance at least 7 days before AGM mentioning their name demat account number/folio number, email id, mobile number at [secretary@surajgroup.com](mailto:secretary@surajgroup.com). The same will be replied by the company suitably.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**Process and manner for members opting for voting through Electronic means:**

1. The Members whose names appear in the Register of Members / List of Beneficial Owners as on 03<sup>rd</sup> June, 2022 (cut – off date) are entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
2. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. 03<sup>rd</sup> June, 2022, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through the Poll Paper at the AGM by following the procedure mentioned in this part.
3. The remote e-voting will commence on 11<sup>th</sup> June, 2022 at 10.00 a.m. and ends on 13<sup>th</sup> June, 2022 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 03<sup>rd</sup> June, 2022, may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter. The e-voting module shall be disabled by CDSL for voting thereafter.
4. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
5. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Friday, 03<sup>rd</sup> June, 2022.

The Company has appointed Mr. Bhavin B. Ratangayra, Partner of RTBR & Associates, Practicing Company Secretary (Membership No. FCS: 8491; CP No: 9399), to act as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

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

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to Special Business mentioned in the accompanying Notice:

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

#### Item No. 4:

The Statement for this item is provided, though strictly not required, as per Section 102 of the Act.

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 ('the Act'), **M/s. Rinkesh Shah & Co.**, Chartered Accountants were appointed as the Statutory Auditors in Annual General Meeting of the Company for a term of 5 (Five) years.

**M/s. Rinkesh Shah & Co.**, would be completing their first term as the Statutory Auditors of the Company at this AGM. In accordance with Section 139(2) of the Act and the transitional provisions provided under the Companies (Audit and Auditors) Rules, 2014, **M/s Rinkesh Shah & Co.**, are eligible for re-appointment for another term of 5 years.

Term of Appointment – 5 years from conclusion of the ensuing Annual General Meeting till conclusion of the 34<sup>th</sup> Annual General Meeting. Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for re-appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for re-appointment of M/s. Rinkesh Shah & Co., Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration.

#### Item No. 5:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of **M/s. Kiran J. Mehta & Co.**, (FRN:000025) Cost Accountants, Ahmedabad as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of Steel-SS Seamless/Welded pipes/Tube, Fittings, Flanges, Coil for the financial year 2022-23 be paid the remuneration of ₹ 1,30,000/- (Rupees One Lakh thirty thousand only) plus GST for the year 2022-23 the Board has also approved the same.

In accordance with the provisions of Section 148 (3) of the Act read with the Companies (audit and auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

The Board accordingly recommends the resolution at Item No. 5 of this Notice for the approval of Members.

None of the Directors, Key Managerial Personnel and relatives thereof, are in any way concerned or interested, financially or otherwise, in the resolution at Item No. 5 of this Notice.

#### Item No.6:

The Board of Directors in their meeting held on 03<sup>rd</sup> May, 2022 and also on the basis of recommendation of the Remuneration Committee of the Company in their meeting held on 03<sup>rd</sup> May, 2022 it has been proposed to appoint Mr. Kunal Shah (DIN:00254205) as Managing Director of the

Company for a period of 5 years w.e.f. 28<sup>th</sup> September, 2022. The term of directorship of Mr. Kunal Shah will be under the category of liable to retire by rotation.

Mr. Kunal Shah, is having very wide experience in relation to the Steel products. It would be in the interest of the Company to appoint him as a Managing Director of the Company.

The major terms and conditions of his appointment as recommended by the Remuneration Committee are as under:

- a. Term of appointment: -Five(5) years w.e.f. 28<sup>th</sup> September, 2022
- b. Salary: Refer Item No.9 of Explanatory statement.
- c. Perquisites:
  1. Leave travel allowance for self and family once in a year as per rules of the Company.
  2. Medical expenses actually incurred by him and his family subject to maximum of one month salary
  3. Club fees
  4. Provision for use of car for official business personal use of the car will be billed to him.
  5. Provision for telephone at residence-personal long distance calls will be billed to him.
  6. Medical & personal accident insurance.
- d. The Company will make suitable contribution towards Provident Fund, Superannuation Fund and Annuity Fund.
- e. Gratuity will be payable as per Rules of the Company.
- f. Leave as per Rules of the Company including encashment of unavailed leave at the end of the tenure.

The Board accordingly recommends the resolution at Item No. 6 of this Notice for the approval of Members.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the Item No. 6 of this Notice.

**Item No. 7:**

The Board of Directors in their meeting held on 03<sup>rd</sup> May, 2022 and also on the basis of recommendation of the Remuneration Committee of the Company in their meeting held on 03<sup>rd</sup> May, 2022 it has been proposed to appoint Ms. Shilpa Patel (DIN:07014883) as Whole Time Director of the Company for a period of 5 years w.e.f. 12<sup>th</sup> November, 2022. The term of directorship of Ms. Shilpa Patel will be under the category of liable to retire by rotation.

Ms. Shilpa Patel, is having very wide experience in relation to the Steel products. It would be in the interest of the Company to appoint her as a Whole time Director of the Company.

The major terms and conditions of his appointment as recommended by the Remuneration Committee are as under:

- a. Term of appointment: - Five(5) years w.e.f. 12<sup>th</sup> November, 2022
- b. Salary: Refer Item No.11 of Explanatory statement
- c. Perquisites:



1. Leave travel allowance for self and family once in a year as per rules of the Company.
2. Medical expenses actually incurred by him and his family subject to maximum of one month salary
3. Club fees
4. Provision for use of car for official business personal use of the car will be billed to her.
5. Provision for telephone at residence-personal long distance calls will be billed to her.
6. Medical & personal accident insurance.
- d. The Company will make suitable contribution towards Provident Fund, Superannuation Fund and Annuity Fund.
- e. Gratuity will be payable as per Rules of the Company.
- f. Leave as per Rules of the Company including encashment of unavailed leave at the end of the tenure.

The Board accordingly recommends the resolution at Item No. 7 of this Notice for the approval of Members.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the Item No. 7 of this Notice.

**Item No. 8:**

Mr. Ashok Shah was appointed as Chairman & CFO of the Company. Considering the contribution of Mr. Ashok Shah and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting also approved the revision in the remuneration of Mr. Ashok Shah for a period of 3 years w.e.f. 01<sup>st</sup> April, 2022.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Ashok Shah as decided by the Board is required to be approved by the members at their meeting.

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits Specified in Sec. 197 of the Companies Act, 2013 & shall not be paid sitting fees for attending the Board meetings and meetings of the Committee in which he may be nominated as a member. The Members are requested to consider the revision in remuneration of Mr. Ashok Shah, Chairman & CFO of the Company.

The Board accordingly recommends the resolution at Item No. 8 of this Notice for the approval of Members.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the Item No. 8 of this Notice.



Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following Statement is given:

|            |  |   |
|------------|--|---|
| <b>i.</b>  | <b>General information</b>   |   |
| 1.         | Nature of industry   | Manufacturer of Stainless Steel seamless Pipes, tubes, and "U" tubes, Flanges & fittings with Electro polishing.  |
| 2.         | Date or expected date of Commencement of commercial production:  | Not Applicable  |
| 3.         | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: | Not Applicable  |
| 4.         | Financial performance based on given indicators  | Performance for F.Y. 2021-2022:( ₹ in Lakhs)<br>1. Gross Revenue: ₹ 34,372.38/-<br>2. Profit after Tax : ₹ 302.56/-<br>3. EPS: 1.56   |
| 5.         | Foreign investments or collaborations, if any:   | Not Applicable  |
| <b>ii.</b> | <b>Information about the appointee</b>   |   |
| 1.         | Background details   | Mr. Ashok Shah is currently serving as a Chairman & CFO and is associated with the company as a director since 1994.  |
| 2.         | Past remuneration  | ₹ 4,85,000/-  |
| 3.         | Recognition or awards  | Not Applicable  |
| 4.         | Job profile and his suitability  | Mr. Ashok Shah who is man of steel and Promoter of the company. He is a visionary person who handle finance department of Company.  |
| 5.         | Remuneration proposed  | As mentioned in the Resolution stated above.  |
| 6.         | Comparative remuneration profile with respect to industry, size of the company   | Mr. Ashok Shah has vast knowledge of various aspects relating to the Company's affairs and long business experience.<br><br>Considering the general industry and the specific company profile the proposed remuneration is reasonable considering future growth of the company. |
| 7.         | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:                               | Mr. Ashok Shah has a relationship with the Company as a Chairman and CFO. He holds 10,77,662 Equity Shares in the Company.  |

|             |   |   |
|-------------|---|---|
| <b>iii.</b> | <b>Other information:</b>   |   |
| 1           | Reasons of loss or inadequate profits   | At present the Company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration.  |
| 2           | Steps taken or proposed to be taken for improvement   | The company management is continuously looking for the improvement in their product line by way of Research & Development.  |
| 3           | Expected increase in productivity and profits in measurable terms   | The company is expecting growth in the turnover and profits due to increasing the installed capacity. The same will reflect improvement in the company's overall financial performance. |
| <b>iv.</b>  | <b>Disclosures:</b>   |   |
|             | 1. The remuneration package of all the managerial persons is given in the respective resolutions.   |   |
|             | 2. Additional information is given in the Corporate Governance Report as required under Clause IV of Section II of Schedule V of Companies Act, 2013. |   |

**Item No. 09:**

Mr. Kunal Shah was appointed as Managing Director & CEO of the Company. Considering the contribution of Mr. Kunal Shah and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its meeting also approved the revision in the remuneration of Mr. Ashok Shah for a period of 3 years w.e.f. 01<sup>st</sup> April, 2022.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Kunal Shah as decided by the Board is required to be approved by the members at their meeting.

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits Specified in Sec. 197 of the Companies Act, 2013 & shall not be paid sitting fees for attending the Board meetings and meetings of the Committee in which he may be nominated as a member.. The Members are requested to consider the revision in remuneration of Mr. Kunal Shah, Managing Director & CEO of the Company.

The board accordingly recommends the resolution at Item No. 9 of this Notice for the approval of members.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the Item No. 9 of this notice.

Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following Statement is given:

|             |  |  |
|-------------|--|--|
| <b>i.</b>   | <b>General information</b>   |  |
| 1.          | Nature of industry   | Manufacturer of Stainless Steel seamless Pipes, tubes, and “U” tubes, Flanges & fittings with Electro polishing.   |
| 2.          | Date or expected date of Commencement of commercial production:  | Not Applicable   |
| 3.          | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: | Not Applicable   |
| 4.          | Financial performance based on given indicators  | Performance for F.Y. 2021-2022:( ₹ in Lakhs)<br>1. Gross Revenue: ₹ 34,372.38/-<br>2. Profit after Tax : ₹ 302.56/-<br>3. EPS: 1.56  |
| 5.          | Foreign investments or collaborations, if any:   | Not Applicable   |
| <b>ii.</b>  | <b>Information about the appointee</b>   |  |
| 1.          | Background details   | Mr. Kunal Shah is currently serving as a Chairman & CFO and is associated with the company as a director since 1994.   |
| 2.          | Past remuneration  | ₹ 4,25,000/-   |
| 3.          | Recognition or awards  | Not Applicable   |
| 4.          | Job profile and his suitability  | Mr. Kunal Shah who is Promoter of the company. He is actively involved in the business development activities related to Marketing and production Department.  |
| 5.          | Remuneration proposed  | As mentioned in the Resolution stated above.   |
| 6.          | Comparative remuneration profile with respect to industry, size of the company   | Mr. Kunal Shah has vast knowledge in making and implementation of the policies and strategies. Considering the general industry and the specific company profile the proposed remuneration is reasonable considering future growth of the company. |
| 7.          | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:                               | Mr. Kunal Shah has a relationship with the Company as a Managing Director & CEO. He holds 1030488 Equity Shares in the Company.  |
| <b>iii.</b> | <b>Other information:</b>  |  |
| 1           | Reasons of loss or inadequate profits  | At present the Company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration.   |

|                         |  |   |
|-------------------------|--|---|
| 2                       | Steps taken or proposed to be taken for improvement  | The company management is continuously looking for the improvement in their product line by way of Research & Development.  |
| 3                       | Expected increase in productivity and profits in measurable terms  | The company is expecting growth in the turnover and profits due to increasing the installed capacity. The same will reflect improvement in the company's overall financial performance. |
| <b>iv. Disclosures:</b> |  |   |
|                         | 1. The remuneration package of all the managerial persons is given in the respective resolutions.<br>2. Additional information is given in the Corporate Governance Report as required under Clause IV of Section II of Schedule V of Companies Act, 2013. |   |

**Item No. 10:**

Mr. Gunvant Shah was appointed as Whole Time Director & Vice Chairman of the Company. Considering the contribution of Mr. Gunvant Shah and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its meeting also approved the revision in the remuneration of Mr. Gunvant Shah for a period of 3 years w.e.f. 01<sup>st</sup> April, 2022.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Gunvant Shah as decided by the Board is required to be approved by the members at their meeting.

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits Specified in Sec. 197 of the Companies Act, 2013 & shall not be paid sitting fees for attending the Board meetings and meetings of the Committee in which he may be nominated as a member.. The Members are requested to consider the revision in remuneration of Mr. Gunvant Shah, Whole Time Director & Vice Chairman of the Company.

The Board accordingly recommends the resolution at Item No. 10 of this Notice for the approval of members.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the Item No. 10 of this Notice.

Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following Statement is given:

|           |   |  |
|-----------|---|--|
| <b>i.</b> | <b>General information</b>                                      |  |
| 1.        | Nature of industry  | Manufacturer of Stainless Steel seamless Pipes, tubes, and "U" tubes, Flanges & fittings with Electro polishing. |
| 2.        | Date or expected date of Commencement of commercial production: | Not Applicable   |

|  |  |  |
|--|--|--|
| 3.   | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: | Not Applicable   |
| 4.   | Financial performance based on given indicators  | Performance for F.Y. 2021-2022:( ₹ in Lakhs)<br>1. Gross Revenue: ₹ 34,372.38/-<br>2. Profit after Tax : ₹ 302.56/-<br>3. EPS: 1.56  |
| 5.   | Foreign investments or collaborations, if any:   | Not Applicable   |
| <b>ii. Information about the appointee</b> |  |  |
| 1.   | Background details   | Mr. Gunvant Shah is currently serving as a Whole Time Director & Vice Chairman and is associated with the company as a Director since 1994.  |
| 2.   | Past remuneration  | ₹ 3,60,000/-   |
| 3.   | Recognition or awards  | Not Applicable   |
| 4.   | Job profile and his suitability  | Mr. Gunvant Shah who is Promoter of the company. He is actively involved in the business development activities and he plays a vital role in Marketing Department.   |
| 5.   | Remuneration proposed  | As mentioned in the Resolution stated above.   |
| 6.   | Comparative remuneration profile with respect to industry, size of the company   | Mr. Gunvant Shah has vast knowledge in making and implementation of the policies and strategies. Considering the general industry and the specific company profile the proposed remuneration is reasonable considering future growth of the company. |
| 7.   | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:                               | Mr. Gunvant Shah has a relationship with the Company as a Whole Time Director & Vice Chairman. He holds 991600 Equity Shares in the Company.   |
| <b>iii. Other information:</b>             |  |  |
| 1  | Reasons of loss or inadequate profits  | At present the Company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration.   |
| 2  | Steps taken or proposed to be taken for improvement  | The company management is continuously looking for the improvement in their product line by way of Research & Development.   |
| 3  | Expected increase in productivity and profits in measurable terms  | The company is expecting growth in the turnover and profits due to increasing the installed capacity. The same will reflect improvement in the company's overall financial performance.  |

|            |  |
|------------|--|
| <b>iv.</b> | <b>Disclosures:</b>  |
|            | <ol style="list-style-type: none"> <li>1. The remuneration package of all the managerial persons is given in the respective resolutions.</li> <li>2. Additional information is given in the Corporate Governance Report as required under Clause IV of Section II of Schedule V of Companies Act, 2013.</li> </ol> |

**Item No. 11:**

Ms. Shilpa Patel was appointed as Whole Time Director of the Company. Considering the contribution of Ms. Shilpa Patel and the progress made by the Company under her leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its meeting also approved the revision in the remuneration of Ms. Shilpa Patel for a period of 3 years w.e.f. 01<sup>st</sup> April, 2022.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Ms. Shilpa Patel as decided by the Board is required to be approved by the members at their meeting.

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits Specified in Sec. 197 of the Companies Act, 2013 & shall not be paid sitting fees for attending the Board meetings and meetings of the Committee in which she may be nominated as a member.. The Members are requested to consider the revision in remuneration of Ms. Shilpa Patel, Whole Time Director of the Company.

The Board accordingly recommends the resolution at Item No. 11 of this Notice for the approval of Members.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the Item No. 11 of this Notice.

Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following Statement is given:

| <b>I.</b> | <b>General information</b>   |   |
|-----------|--|---|
| 1.        | Nature of industry   | Manufacturer of Stainless Steel seamless Pipes, tubes, and "U" tubes, Flanges & fittings with Electro polishing.                    |
| 2.        | Date or expected date of Commencement of commercial production:  | Not Applicable  |
| 3.        | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: | Not Applicable  |
| 4.        | Financial performance based on given indicators  | Performance for F.Y. 2021-2022:( ₹ in Lakhs)<br>1. Gross Revenue: ₹ 34,372.38/-<br>2. Profit after Tax : ₹ 302.56/-<br>3. EPS: 1.56 |
| 5.        | Foreign investments or collaborations, if any:   | Not Applicable  |



|  |  |   |
|--|--|---|
| <b>ii. Information about the appointee</b>   |  |   |
| 1.   | Background details   | Ms. Shilpa Patel is currently serving as a Whole Time Director and is associated with the company as a Director since 2014.   |
| 2.   | Past remuneration  | ₹ 1,31,250/-  |
| 3.   | Recognition or awards  | Not Applicable  |
| 4.   | Job profile and her suitability  | Ms. Shilpa Patel who is Whole Time Director & Commercial Director of the company, She plays a vital role in the areas of finance and commercial, add value to our growth activities by identifying new commercial opportunities, conduct market research and analysis to create detailed business plans.                |
| 5.   | Remuneration proposed  | As mentioned in the Resolution stated above.  |
| 6.   | Comparative remuneration profile with respect to industry, size of the company   | Ms. Shilpa Patel has vast knowledge in developing relationship with institutional buyers and to assist set financial targets and budget development and monitoring. Considering the general industry and the specific company profile the proposed remuneration is reasonable considering future growth of the company. |
| 7.   | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: | Ms. Shilpa Patel has a relationship with the Company as a Whole Time Director. He holds 940 Equity Shares in the Company.   |
| <b>iii. Other information:</b>   |  |   |
| 1  | Reasons of loss or inadequate profits  | At present the Company is earning profits which may be deemed inadequate for the purpose of limits of managerial remuneration.  |
| 2  | Steps taken or proposed to be taken for improvement  | The company management is continuously looking for the improvement in their product line by way of Research & Development.  |
| 3  | Expected increase in productivity and profits in measurable terms  | The company is expecting growth in the turnover and profits due to increasing the installed capacity. The same will reflect improvement in the company's overall financial performance.   |
| <b>iv. Disclosures:</b>  |  |   |
| 1. The remuneration package of all the managerial persons is given in the respective resolutions.<br>2. Additional information is given in the Corporate Governance Report as required under Clause IV of Section II of Schedule V of Companies Act, 2013. |  |   |

**Date: 03/05/2022**  
**Place: Ahmedabad**

**By the order of the Board**  
**SURAJ LIMITED**

**Registered Office:-**  
'Suraj House',  
Opp. Usmanpura Garden,  
Ashram Road,  
Ahmedabad-380014

**Maunish Gandhi**  
**Company Secretary**

**CIN NO: L27100GJ1994PLC021088**

## DIRECTORS REPORT

**To,  
THE MEMBERS**

Your Directors have pleasure in submitting their 29<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts of the Company for the year ended on 31<sup>st</sup> March, 2022.

### 1. FINANCIAL RESULTS:

During the year under review, the Company has achieved total comprehensive income of ₹ 302.56 lakhs. However, your Directors look forward to improve the financial position of the Company and are optimistic about the future growth and performance of the Company.

The summarized financial results of the Company for the period ended 31<sup>st</sup> March, 2022 are as follows:

| Particulars                                      | (₹ In Lakhs)  |               |
|--|---------------|---------------|
|  | 2021-22       | 2020-21       |
| Revenue from Operation                           | 34,372.38     | 18,838.01     |
| Other Income                                     | 503.97        | 400.22        |
| Total Income                                     | 34,876.35     | 19,238.23     |
| Less: Expenditure                                | 33,128.46     | 17,473.30     |
| Profit/(loss) before Interest, Depreciation, Tax | 1,908.17      | 1,819.88      |
| Less: Interest                                   | 561.10        | 879.78        |
| Less: Depreciation & Amortization Cost           | 726.28        | 692.92        |
| Less: Extraordinary items                        | -             | -             |
| <b>Profit/(loss) Before Tax</b>                  | <b>460.51</b> | <b>192.24</b> |
| Less: Tax Expenses                               | 160.28        | 54.94         |
| <b>Profit/(loss) after Tax</b>                   | <b>300.23</b> | <b>137.29</b> |
| Other Comprehensive Income                       | 3.22          | 0.35          |
| Income Tax Relating to above Item                | (0.90)        | (0.10)        |
| Total Comprehensive Income for the period        | 302.56        | 137.54        |

### 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is enclosed as a part of this report.

### 3. COVID-19:

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19. It is well appreciated that the situation as well as its assessment is continuously evolving and the way ahead is to avoid living in denial leading to acceptance & pro-active measures. The Company's management currently believes that the impact is likely to be short term in nature. Given the severity of impact, this financial year is likely to get affected, but also given the measures from Government and inherent resilience in Indian Economy, next year onwards are expected to show normal growth scenarios. Accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

**4. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Your company is committed to good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Regulation 27 of SEBI (LODR) Regulations, 2015 are complied with. The details are given in Annexure - "A".

**5. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2022-23 to BSE where the Company's Shares are listed.

**6. DEMATERIALISATION OF SHARES:**

99.79% of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2022 and balance 0.21 % is in physical form. The Company's Registrars is M/s MCS Share Transfer Agent Limited, having their office at, 201, Shatdal Complex, 2nd floor, Opp. Bata Show room, Ashram Road, Ahmedabad, Gujarat - 380009.

**7. Number of Board Meetings held:**

The Board of Directors met 4 (four) times during the year under review. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this report.

**8. DIRECTORS:****DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls with reference to financial statements in the company were operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

**9. AUDIT OBSERVATIONS:**

There are no qualifications, reservations or adverse remarks made by M/s. Rinkesh Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, in their report. The observations made by the Statutory Auditors in their report for the financial period ended 31<sup>st</sup> March 2022 read with the explanatory notes therein are self explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**AUDITORS:****i) Statutory Auditors:**

M/s. Rinkesh Shah & Co., Chartered Accountants completing their first term as the Statutory Auditors of the Company at this AGM. In accordance with Section 139(2) of the Act and the transitional provisions provided under the Companies (Audit and Auditors) Rules, 2014, M/s

Rinkesh Shah & Co., are eligible for re-appointment for another term of 5 years.

M/s. Rinkesh Shah & Co., Chartered Accountants, was appointed as Statutory Auditors for a period of 5 year(s) in the Annual General Meeting held on 03<sup>rd</sup> May, 2022 to hold the office till the conclusion of 34<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027. Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014,

The consent of M/s. Rinkesh Shah & Co., Chartered Accountants, Ahmedabad along with certificate under Section 139 of the Act has been obtained to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company.

**ii) Cost Auditors:**

M/s. Kiran J. Mehta & Co., Cost Accountants (FRN: 000025) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2022-23 be paid at such remuneration as shall be fixed by the Board of Directors of the Company.

**iii) Secretarial Audit:**

As per the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, our Company needs to obtain Secretarial Audit Report from Practicing Company Secretary and therefore, M/s RTBR & Associates, Company Secretaries, Ahmedabad had been appointed to issue Secretarial Audit Report for the period ended on 31<sup>st</sup> March 2022.

Secretarial Audit Report issued by M/s. RTBR & Associates, Company Secretaries in Form MR-3, attached and marked as "Annexure B", for the period under review forms part of this report. The said report does not contain observation or qualification.

**10. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee. The Committee comprises with two Independent Directors one Whole Time Director and one is Executive Director (Chairman & CFO).

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

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the "Annexure-C" to this report.

The Company has commissioned windmills at various sites in Gujarat for "Green Energy Generation", thus continuing to contribute, in a small way, towards a greener and cleaner earth.

**12. VIGIL MECHANISM:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

**13. RISK MANAGEMENT:**

The Company has formulated the Risk Management Policy which indicates Company's standards for risk taking while conducting business and to provide an easy-to-access guide any time you have a question. The Risk Management Committee will currently cover Market Risk, Credit Risk, Process Risk and other risks as detailed in these documents. Each risk is covered within this Policy. This Policy will apply across all products, throughout the firm.

**14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

During the period under review, the company had entered into any material transaction with its related party. None of the transactions with any of the related party were in conflict of companies' interest. Attention of members is drawn to the disclosure of transactions with related parties set out in note number 26 of financial statements forming part of this report.

**15. RETIREMENT BY ROTATION AND SUBSEQUENT RE-APPOINTMENT:**

In accordance with the provisions of section 152[6] of the Act and in terms of Articles of Association of the Company, Mr. Kunal Shah (DIN:00254205) and Ms. Shilpa Patel (DIN:07014883) being liable to retire by rotation, shall retire at the ensuing Annual General Meeting and being eligible, offer himself for reappointment. The Board recommends his reappointment.

**16. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Kunal Shah (DIN:00254205) is the existing Managing Director & CEO of the Company. The Board of Directors subject to approval of the shareholders proposes his re-appointment as a Managing Director & CEO under Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, for a further period of five (5) years w.e.f. 28<sup>th</sup> September, 2022.

Ms. Shilpa Patel (DIN:07014883) is the existing Whole Time Director of the Company. The Board of Directors subject to approval of the shareholders proposes her re-appointment as a Whole Time Director under Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, for a further period of five (5) years w.e.f. 12<sup>th</sup> November, 2022.

As on the date of this report, the following persons are the Key Managerial Personnel(s) of the Company:

1. Mr. Ashok Shah, Chairman & CFO
2. Mr. Kunal Shah, Managing Director & CEO
3. Mr. Gunvant Shah, Vice Chairman & Whole Time Director
4. Ms. Shilpa Patel, Whole Time Director
5. Mr. Maunish Gandhi, Company Secretary & Compliance Officer

The brief resume of the Directors and other related information has been detailed in Corporate Governance Report of Company.

**17. EXTRACT OF ANNUAL RETURN:**

The extracts of Annual Return in form MGT 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in "Annexure D" and is attached to this Report.

**18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements for the year ended on 31<sup>st</sup> March, 2022.

**19. REMUNERATION RATIO OF THE DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP)/ EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

| Sr. No. | Name               | Designation              | Remuneration paid FY 2021-22<br>₹ in lakhs | Remuneration paid FY 2020-21<br>₹ in lakhs | Increase in remuneration from previous year<br>₹ in lakhs |
|---------|--------------------|--------------------------|--|--|---|
| 1       | Mr. Ashok Shah     | Chairman & CFO (ED)      | 58.20                                      | 58.20                                      | -   |
| 2       | Mr. Gunvant Shah   | WTD & Vice Chairman (ED) | 43.20                                      | 43.20                                      | -   |
| 3       | Mr. Kunal Shah     | Managing Director        | 51.00                                      | 51.00                                      | -   |
| 4       | Ms. Shilpa Patel   | Whole time Director      | 15.18                                      | 15.00                                      | 0.18  |
| 5       | Mr. Maunish Gandhi | Company Secretary        | 5.85                                       | 5.36                                       | 0.49  |



## 20. DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided below:

| Key Risk   | Impact to Suraj Ltd   | Mitigation Plans   |
|--|---|--|
| Foreign Exchange Risk                                | Company exports all the products to various countries. Any volatility in the currency market can impact the overall profitability.  | The Company commands excellent business relationship with the buyers. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways.   |
| Human Resource Risk                                  | Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Non-availability of the required talent resource can affect the overall performance of the Company. | By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. By putting in place production incentives on time bound basis and evaluating the performance at each stage of work helps to mitigate this risk. |
| Competition Risk                                     | Company is always exposed to competition Risk from various Countries. The increase in competition can create pressure on margins, market share etc.   | By continuous efforts to enhance the brand image of the Company by focusing on quality, Cost, timely delivery and customer service to mitigate the risks so involved.  |
| Compliance Risk – Increasing regulatory requirements | Any default can attract penal provisions.   | By regularly monitoring and review of changes in regulatory framework and by monitoring of compliance through legal compliance Management tools and regular internal audit.  |
| Industrial Safety                                    | The industry is labour intensive and are exposed to accidents, health and injury risk due to machinery breakdown, human negligence etc.   | By development and implementation of critical safety standards across the various departments of the factory, establishing training need identification at each level of employee helps to mitigate the risk so involved.  |

## 21. ACKNOWLEDGEMENT:

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Bankers, Material Suppliers, Customers and Shareholders for their continued support and guidance. The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

**Date: 03/05/2022**  
**Place: Ahmedabad**

**By the order of the Board**  
**SURAJ LIMITED**

**Registered Office:**  
**'Suraj House',**  
**Opp. Usmanpura Garden,**  
**Ashram Road,**  
**Ahmedabad-380014**  
**CIN NO: L27100GJ1994PLC021088**

**ASHOK SHAH**  
**Chairman cum Chief Financial officer**  
**(DIN: 00254255)**



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## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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### Industry Structure and Development:

Suraj Limited ("the Company") is India's leading Manufacturer of Stainless Steel seamless Pipes, tubes, "U" tubes, Flanges & fittings with Electro polishing having a plant at Survey no. 779/A, Thol, Tal:- Kadi, Dist: - Mehsana. Our products find application in important industry segments like Pharmaceuticals, Dyes & Pigments, Oil, Gas, Refinery, etc. The day to day management of the Company is looked by the Executive Director assisted by a team of competent technical & commercial professionals.

### Financial Performance:

The company's overall operational performance has been average during the financial year 2021-22; it achieved sale and other income of ₹ 34,876.35 Lakhs as against last year's ₹ 19,238.23 Lakhs. Profit before tax increase from ₹ 192.23 Lakhs to ₹ 460.51 Lakhs. Net Profit is ₹ 302.56 Lakhs, Reserve and Surplus stood at ₹ 7290.62 Lakhs.

### Opportunities, Threats, Risks and Concerns:

As is normal and prevalent for any business, the Company is likely to face competition from large scale imports. There can be risks inherent in meeting unforeseen situation, not uncommon in the industry. Company is fully aware of these challenges and is geared to meet them. Company also recognizes the risks associated with business and would take adequate measures to address the associated risks and concerns. Some of these factors include competition from multinational Companies, duty free imports by customers against export obligations, our pricing strategy being mainly dependent on import affairs and dependence on imported raw material.

### Internal Control Systems and their Adequacy:

Management has put in place effective Internal Control Systems to provide reasonable assurance for:

- Safeguarding Assets and their usage.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations.

Key elements of the Internal Control Systems are as follows:

- (i) Existence of Authority Manuals and periodical updating of the same for all Functions.
- (ii) Existence of clearly defined organizational structure and authority.
- (iii) Existence of corporate policies for Financial Reporting and Accounting.
- (iv) Existence of Management information system updated from time to time as may be required.
- (v) Existence of Annual Budgets and Long Term Business Plans.
- (vi) Existence of Internal Audit System.
- (vii) Periodical review of opportunities and risk factors depending on the Global / Domestic Scenario and to undertake measures as may be necessary.

The Company has appointed an Independent Auditor to ensure compliance and effectiveness of the Internal Control Systems in place.

The Audit Committee is regularly reviewing the Internal Audit Reports for the auditing carried out in all the key areas of the operations. Additionally the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required.

**Human Resource/Industrial Relations:**

Human Resources Development, in all its aspects like training in safety and social values is under constant focus of the management. Relations between the management & the employees at all levels remained healthy & cordial throughout the year. The Management and the employees are dedicated to achieve the corporate objectives and the targets set before the company.

**Business outlook:**

India's steel demand expected to rebound by 19.8% in 2021. Steel demand is expected to decline significantly in 2020-21 in line with a projected contraction in the global economy due to the impact of corona virus pandemic. Releasing its short-range outlook for 2021 and 2022, the WSA forecasted that demand growth for India in 2022, however, will be lower at 5.9%. In 2020, India's steel consumption was 88.5 million tonne (MT). After declining 13.7% in 2020, India's steel demand is expected to rebound by 19.8% in 2021, the highest rate among the top-10 consuming nations (Source: World Steel Association). The global steel industry is being impacted as our customers are hit by shutdowns, disrupted supply chains, collapsing confidence and delayed investment and construction projects, as well as a decline in consumption activity. The global economic growth is expected to see a contraction of over 3% in 2020. According to the association, whose members represent 85% of the global steel production, globally steel demand will grow by 5.8% in 2021 to reach 1,874 MT, after declining by 0.2% in 2020. In 2022, global steel demand will see further growth of 2.7% to reach 1,924.60 MT. China, which recorded 9.1% growth in consumption in 2020, is expected to see 3% and 1% growth respectively in 2021 and 2022.

**Cautionary Statement:**

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

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## ANNEXURE - A

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### REPORT ON CORPORATE GOVERNANCE

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In accordance with Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and some of the best practices followed internationally on Corporate Governance, the report containing the details of governance system and process at SURAJ LIMITED is as under:

**1. Company's Philosophy on Corporate Governance:**

As a policy SURAJ LIMITED (SURAJ) gives utmost importance of achieving high standards of Corporate Governance and is committed to achieve the highest level of Corporate Governance in order to enhance long-term shareholder value by integration of systems and actions for enhancement of corporate performance. The Company places due emphasis on regulatory compliance and the Company gives equal importance for maintaining as well as improving the quality of its products and to achieve this, the Company carries out continuous product developments and quality controls. The Company gives utmost importance for developing a team of competitive professional managers. Overall, policy is set by the Board of Directors and implemented by a team of professional managers in their respective field. The Company gives fair amount of freedom to the employees to get their best contribution to the Company and rewards and incentives are given in recognition thereof.

**2. Board of Directors:** Composition & size of the Board. The present strength of the Board is eight Directors, The Board of Directors of the Company comprises of optimum mix of both Executive and Non-executive Directors with independent Directors. The Board members consist of persons with professional expertise and experience in various fields of Finance, Accounts, Management, Law, Labor Welfare etc. Number of Board Meeting held during the year along with the dates of Meeting. Four Board Meetings were held during the year 2021-22 the dates on which the said meetings were held are as follows:

- |                                    |                                   |
|------------------------------------|-----------------------------------|
| 1) 17 <sup>th</sup> May, 2021      | 2) 22 <sup>nd</sup> July, 2021    |
| 3) 02 <sup>nd</sup> November, 2021 | 4) 27 <sup>th</sup> January, 2022 |

All major decisions regarding resource mobilization, capital expenditure, etc. are considered by the Board, in addition to day-to-day matters, which are statutorily required to be placed before the Board of Directors for its approval. Following information is regularly put up before the Board for its consideration and approval:

- Review of operational results
- Quarterly financial results
- Minutes of the meeting of Audit Committee and Shareholder's/Investors' Grievance Committee of the Board.
- Compliance with various statutory requirements.

The Board is informed of all material, financial and commercial decision from time to time.

**Attendance of each Director at Board Meeting and the last Annual General Meeting (AGM) and the number of Companies and Committees where he/she is Director/Member are as under.**

| Name Of Director   | PD/<br>NPD | Ed/NED/<br>ID/WT | No. Of<br>Board<br>Meeting<br>attended | Attendance<br>at the last<br>AGM | No. of<br>Director-<br>ship in<br>other co.<br>(Excluding<br>private<br>company) | No. of<br>Committees<br>(Other than<br>Suraj Ltd.) |        |
|--------------------|------------|------------------|--|----------------------------------|--|--|--------|
|                    |            |                  |  |                                  |  | Chairman   | Member |
| Mr. Ashok Shah     | PD         | ED               | 4                                      | YES                              | -  | -  | -      |
| Mr. Kunal Shah     | PD         | ED               | 4                                      | YES                              | -  | -  | -      |
| Mr. Gunvant Shah   | PD         | ED/WT            | 4                                      | YES                              | -  | -  | -      |
| Ms. Shilpa Patel   | NPD        | ED/WT            | 4                                      | YES                              | -  | -  | -      |
| Mr. Ketan Shah     | NPD        | NED/ID           | 4                                      | YES                              | -  | -  | -      |
| Mr. Dipak Shah     | NPD        | NED/ID           | 4                                      | YES                              | -  | -  | -      |
| Mr. Anil Gidwani   | NPD        | NED/ID           | 4                                      | YES                              | -  | -  | -      |
| Mr. Rajesh Kharadi | NPD        | NED/ID           | 4                                      | YES                              | -  | -  | -      |

\* PD - Promoter Director NPD - Non Promoter Director, ID - Independent Director, N.E.D - Non-Executive Director, E.D.-Executive Director., WTD – Whole Time Director

- The committees mentioned above include Audit Committee, Share holders (Investors) Grievance Committee, Remuneration Committee and CSR committee.
- None of the Directors of the Company was a member of more than ten Committees of Boards as stipulated under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 nor was a Chairman of more than five such committees across all companies in which he was a director.

The Chairman of the Board is an Executive Director. In the judgment of the Board of Directors of the Company, following Directors are independent Non-executive Directors:

- Mr. Dipak Shah
- Mr. Ketan Shah
- Mr. Anil Gidwani
- Mr. Rajesh Kharadi

**Information about Directors seeking appointment and re-appointment:**

**Details of Directors seeking appointment and reappointment at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

| Name of the Director  | Mr. Kunal Shah                     | Ms. Shilpa Patel |
|---|------------------------------------|------------------|
| Date of Birth   | 24/08/1973                         | 08/04/1972       |
| Date of Appointment   | 20/01/1994                         | 13/11/2014       |
| Qualifications  | Graduate                           | MA, B. P.ed      |
| Expertise in specific functional areas  | Marketing                          | Commercial       |
| Companies in which outside Directorship held as on 31.03.2022 (Excluding private & Foreign companies) | 1.Suraj Enterprise Private Limited | Nil              |
| Chairman/Member of the Committees of other Companies on which he/she is a Member as on 31.03.2022     | Nil                                | Nil              |
| Number of equity shares held in the Company   | 1030488                            | 940              |

**3. INFORMATION OF VARIOUS COMMITTEES**
**(i). Audit Committee:**

The Audit Committee of the Company comprises of following three Non-Executive Directors and all they are Independent Director.

| Name Of the Member | Designation | No. of meeting Held | No. of meeting attended |
|--------------------|-------------|---------------------|-------------------------|
| Mr. Dipak Shah     | Chairman    | 4                   | 4                       |
| Mr. Ketan Shah     | Member      | 4                   | 4                       |
| Mr. Anil Gidwani   | Member      | 4                   | 4                       |

The audit committee meetings were held on 17<sup>th</sup> May, 2021, 22<sup>nd</sup> July, 2021, 02<sup>nd</sup> November, 2021 and 27<sup>th</sup> January, 2022. The power and role of the Audit Committee are as per Guidelines set out in Regulation 27 of the Listing Agreement.

The Terms of the reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. The Audit Committee met prior to the finalization of Accounts for the year ended 31<sup>st</sup> March 2022.

The Chairman of the Audit Committee was present at 28<sup>th</sup> Annual General Meeting of the Company held on 24<sup>th</sup> June, 2021.

**(ii). Remuneration Committee:**

The Remuneration Committee of the Company comprises of following Non-Executive Directors and whole time Director.

| Name               | Designation |
|--------------------|-------------|
| Mr. Rajesh Kharadi | Chairman    |
| Mr. Ketan Shah     | Member      |
| Mr. Anil Gidwani   | Member      |

- i) The broad terms of reference of the remuneration Committee are as under;
  - a) To approve annual remuneration plan of the Company.
  - b) Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/ approve.
- ii) The Chairman of the Remuneration Committee was present at the Last 28<sup>th</sup> Annual General Meeting of the Company held on 24<sup>th</sup> June, 2021.
- iii) The Company does not have any ESOP Scheme.  
The Committee duly met on 22<sup>nd</sup> July, 2021 & 27<sup>th</sup> January, 2022.
- iv) Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation program, the company endeavors to attract, retain, develop and motivate a high performance workforce. The company pays remuneration by way of salary, benefits, perquisites and allowances to its Chairman & CFO, Managing Director and other executive directors. Annual increments are decided by the Remuneration Committee within the salary scale permitted within the limits prescribed in the Act read with rules and schedules and as approved by the shareholders of the company.

The Company pays Sitting Fees of ₹ 5000/-w.e.f. 01/06/2013 per meeting to its Non-Executive Directors (NEDs) for attending only the meeting of the Board of directors of the Company. However, the Company does not pay any sitting fees to the members for attending any other committee meetings except as mentioned above.

The details of the remuneration paid to the directors for the year 2021-22 are as follows:

(₹ In lakhs)

| Name Of Director       | Mr. Ashok Shah | Mr. Kunal Shah    | Mr. Gunvant Shah    | Ms. Shilpa Patel    |
|------------------------|----------------|-------------------|---------------------|---------------------|
| Designation            | Chairman (CFO) | Managing Director | Vice Chairman / WTD | Whole time director |
| Salary                 | 58.20          | 51.00             | 43.20               | 15.18               |
| Perquisites            | -              | -                 | -                   | -                   |
| Special Allowance      | -              | -                 | -                   | -                   |
| Variable component     | -              | -                 | -                   | -                   |
| Contribution to PF And |                |                   |                     |                     |
| super annotation fund  | -              | -                 | -                   | -                   |
| <b>Total</b>           | <b>58.20</b>   | <b>51.00</b>      | <b>43.20</b>        | <b>15.18</b>        |

**Requirement under Clause IV of Section II of Schedule V of Companies Act, 2013, the following Disclosures are given:**

During the year, the remuneration of Mr. Ashok Shah - Chairman & CFO, Mr. Kunal Shah- Managing Director & CEO, Mr. Gunvant Shah - Whole Time Director & Vice Chairman and Ms. Shilpa Patel - Whole Time Director was revised and restructured as per Part II of Schedule V of the Companies Act, 2013 w.e.f. 01<sup>st</sup> April, 2022 for a period of 3 years. The disclosures of the said revised remunerations are as follows:



**All elements of remuneration package such as salary, benefits, bonuses, etc, of all Directors Per Month is as follows :**

| Name Of Director                             | Mr. Ashok Shah | Mr. Kunal Shah          | Mr. Gunvant Shah   | Ms. Shilpa Patel    |
|--|----------------|-------------------------|--------------------|---------------------|
| Designation                                  | Chairman & CFO | Managing Director & CEO | Vice Chairman /WTD | Whole time director |
| Salary                                       | ₹ 20,00,000/-  | ₹ 15,00,000/-           | ₹ 12,00,000/-      | ₹ 3,00,000/-        |
| Perquisites                                  | -              | -                       | -                  | -                   |
| Special Allowance                            | -              | -                       | -                  | -                   |
| Variable component                           | -              | -                       | -                  | -                   |
| Contribution to PF And super annotation fund | -              | -                       | -                  | -                   |
| <b>Total</b>                                 | ₹ 20,00,000/-  | ₹ 15,00,000/-           | ₹ 12,00,000/-      | ₹ 3,00,000/-        |

**However the remuneration package of the other directors remains unchanged:**

Company has not issued any convertible instrument. However, the details of the Shares held by Non-Executive Directors as at 31<sup>st</sup> March 2022 and sitting fees paid for various meetings attended during the F.Y. 2021-22 are as follows:

| Sr. No. | Name of non-executive director | No. of shares held | Sitting fees paid during the year |
|---------|--------------------------------|--------------------|-----------------------------------|
| 1       | Mr. Dipak Shah                 | 200                | ₹ 20,000/-                        |
| 2       | Mr. Ketan Shah                 | -                  | ₹ 20,000/-                        |
| 3       | Mr. Anil Gidwani               | -                  | ₹ 5,000/-                         |
| 4       | Mr. Rajesh Kharadi             | -                  | ₹ 5,000/-                         |

**(iii) Corporate Social Responsibility Committee (CSR):**

**i) Terms of reference:**

The Committee formulates and recommend to the Board, a CSR Policy and recommend the amount of expenditure to be incurred on CSR activities. Committee framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitors CSR policy from time to time.

**ii) Composition:**

The CSR Committee of the Company consists of 2 Non-Executive and Independent Directors. One Promoter Director and one Whole Time Director:

| Name of Member   | Designation |
|------------------|-------------|
| Mr. Ashok Shah   | Chairman    |
| Ms. Shilpa Patel | Member      |
| Mr. Dipak Shah   | Member      |
| Mr. Ketan Shah   | Member      |

**(iv). Shareholders/Investors' Grievance Committee:**

The Company has constituted a Shareholders/Investors' Grievance Committee and stock holders relationship committee to ensure timely services to the Member/Investors and to supervise the performance of the Registrar and Share Transfer Agent and to provide the best services to the Investors. It is also empowered to approve transfer, transmission and transposition of shares, issue duplicate share certificates, etc. from time to time.

The Committee consists of following three Non-Executive Directors, as under;

|   |                  |                   |
|---|------------------|-------------------|
| 1 | Mr. Ketan Shah   | Chairman/NED & ID |
| 2 | Mr. Dipak Shah   | Member/NED & ID   |
| 3 | Mr. Anil Gidwani | Member/NED & ID   |

Mr. Ketan Shah, who is a non-executive director and independent, is a Chairman of the Committee.

Meeting of the Company held on 22<sup>nd</sup> July, 2021 & 27<sup>th</sup> January, 2022.

The number of shareholder's complaints received through Stock Exchange or SEBI during the year 2021-22 and status of the same are as follows:

| Complaints Received from | No. of Complaints Received | No. of Complaints Disposed off Satisfactorily | No. of Complaints Outstanding As on 31.03.2022 |
|--------------------------|----------------------------|---|--|
| SEBI                     | None                       | None  | None   |
| Shareholders             | None                       | None  | None   |

All the complaints/queries are promptly attended and resolved to the satisfaction of shareholders. All shares received for transfer were registered and dispatched within the stipulated time, wherever documents were correct and valid in all respects.

**1. General Body Meetings:**

**(A) Annual General Meeting:**

Date and time of the Annual General Meeting held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

| Year    | Location  | Date & Time              | Special Resolution Passed  |
|---------|---|--------------------------|--|
| 2020-21 | Through Video Conferencing ("VC")/<br>Other Audio Visual Means ("OAVM") | 24/06/2021<br>10.30 A.M. | 1. To approve the remuneration to M/s Kiran J. Mehta & Co. Cost Accountant, Ahmedabad (FRN:000025), the Cost Auditors of the Company for the F.Y. 2021-22.<br>2. To Re Appointment of Mr. Guntant Shah (DIN:00254292) as a Whole Time Director & Vice Chairman of the Company who shall be liable to retire by rotation.<br>3. Appointment of Mr. Anil Gidwani (DIN: 09019265) as an Independent Director. |

| Year    | Location  | Date & Time              | Special Resolution Passed   |
|---------|---|--------------------------|---|
|         |   |                          | 4. Appointment of Mr. Rajesh Kharadi (DIN: 09019293) as an Independent Director<br>5. Approval for Related Party Transactions   |
| 2019-20 | Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")  | 23/07/2020<br>10.30 A.M. | 1. To approve the remuneration to M/s Kiran J. Mehta & Co. Cost Accountant, Ahmedabad (FRN:000025), the Cost Auditors of the Company for the Financial year 2020-21<br>2. To approve material related party transactions  |
| 2018-19 | Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009. | 27/06/2019<br>10.30 A.M. | 1. To approve the remuneration to M/s Kiran J. Mehta & Co. Cost Accountant, Ahmedabad (FRN:000025), the Cost Auditors of the Company for the Financial year 2019-2020<br>2. To approve managerial remuneration as prescribed under schedule V of the act.<br>3. To approve material related party transactions. |

**(B) Extra Ordinary General Meeting:**

Date and time of the Extra Ordinary General Meeting held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

| Year    | Location | Date & Time | Special Resolution Passed |
|---------|----------|-------------|---------------------------|
| 2020-21 | NONE     | NONE        | NONE                      |
| 2019-20 | NONE     | NONE        | NONE                      |
| 2018-19 | NONE     | NONE        | NONE                      |

The shareholders passed the resolutions set out in the respective notices. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

**7. Disclosure:**

- There are no materially significant related party transactions made by the Company with its promoters, Directors or Management, etc., that may have potential conflict with the interest of the Company at large. Transactions with related parties as per requirements of Accounting Standard (Ind AS-24) - 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Notes to the Accounts for the year 2021-22.
- In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Companies (Accounting Standard) Rules, 2006 as well as the Accounting Standard issued by the ICAI.

3. The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of Securities & Exchange Board of India, Consequently, there were no strictures or penalties imposed either by Securities & Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during last three years.

**8. SEBI Complaints Redressal System (SCORES):**

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressed of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

**9. Code of Conduct:**

The Company has laid down a Code of Conduct for all the Board members and key managerial personnel. The declaration by Chairman & CFO is forming part of this report.

**10. Means of Communication with Shareholders:**

- i) Quarterly Results: Quarterly results were taken on record by the Board of Directors and submitted to stock exchanges in terms of the requirements Regulation 33 of the listing agreement. Quarterly results are normally published in English and Gujarati newspapers.
- ii) Website : www.surajgroup.com
- iii) Whether it also Displays : Press release, if any made by the company are also displayed. Official News releases
- iv) The presentation made to : No such preparation has been made during the year.  
the institutional Investors  
or to the analysts
- v) Whether MD&A is part of : Yes  
Annual Report

**11. General Shareholders information**

- i) **Annual General Meeting** : Date: 14<sup>th</sup> June, 2022  
**Time** : 10.30 AM.  
**Venue** : Annual General Meeting of the company will be held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")
- ii) Financial Calendar (Tentative)  
The Company expects to announce the unaudited/audited quarterly results for the year 2022-2023 as per the following schedule:  
First quarter : 3<sup>rd</sup> week of July, 2022  
Half-yearly results : 3<sup>rd</sup> week of October, 2022  
Third quarter : 3<sup>rd</sup> Week of January, 2022  
Yearly Results : By end of April, 2023
- iii) Listing on Stock Exchanges : Company's shares are listed with the Bombay Stock Exchange, PhirozeJeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. The listing fee for the financial year 2021-22 has been paid.
- vi) Stock Code: BSE – 531638

## Vii) Market Price Data : As below

Month wise high/low prices during last year at BSE are as under:

| Period       | BSE High (₹ ) | BSE Low (₹ ) |
|--------------|---------------|--------------|
| April 21     | 39.90         | 28.05        |
| May 21       | 55.85         | 40.15        |
| June 21      | 74.65         | 56.00        |
| July 21      | 64.05         | 55.00        |
| August 21    | 76.00         | 58.70        |
| September 21 | 61.00         | 52.00        |
| October 21   | 64.50         | 54.00        |
| November 21  | 59.80         | 44.90        |
| December 21  | 133.50        | 48.50        |
| January 22   | 92.10         | 67.90        |
| February 22  | 74.80         | 64.00        |
| March 22     | 76.10         | 61.35        |

## (viii) Registrar &amp; Transfer : MCS Share Transfer Agents Limited

Agents Address 201, Shatdal Complex, 2nd Floor, Opp. Bata Showroom,  
Ashram Road, Ahmedabad- 380 009.  
(+91)(79) 2658 2878/ 2658 4027

## (ix) Share Transfer System :

1. The share transfer activities under physical mode are carried out by RTA. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time.
2. Physical shares received in dematerialization are processed and completed within a period of 15 days from the date of receipt. Bad deliveries are promptly returned to Depository Participants (DPs) under the advice to the shareholders.
3. As required under Regulation 40(9) of the Listing Agreement, a certificate on half yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchange within stipulated time.

## (x) Distribution of Shareholding:

A. Distribution of Shareholding as on 31<sup>st</sup> March 2022

| No of Equity Shares Held | No. of Share Holders | % of Share holders | No. of Shares held | % of shares holding |
|--------------------------|----------------------|--------------------|--------------------|---------------------|
| From To                  |                      |                    |                    |                     |
| 1 - 500                  | 2910                 | 86.4271            | 256770             | 1.3329              |
| 501 - 1000               | 181                  | 5.3757             | 139767             | 0.7255              |
| 1001 - 2000              | 125                  | 3.7125             | 183037             | 0.9501              |
| 2001 - 3000              | 38                   | 1.1286             | 95135              | 0.4938              |
| 3001 - 4000              | 13                   | 0.3861             | 47820              | 0.2482              |
| 4001 - 5000              | 15                   | 0.4455             | 69627              | 0.3614              |
| 5001 - 10000             | 24                   | 0.7128             | 176016             | 0.9137              |
| 10001 - 50000            | 26                   | 0.7722             | 539960             | 2.8029              |
| 50001 - 100000           | 13                   | 0.3861             | 884741             | 4.5927              |
| 100001 - Above           | 22                   | 0.6534             | 16871227           | 87.5786             |
| <b>Total</b>             | <b>3367</b>          | <b>100</b>         | <b>19264100</b>    | <b>100</b>          |

B. Shareholding pattern as on 31<sup>st</sup> March 2022:

| Sr. No. | Category                        | No. of Shares Held | % of total Shares |
|---------|---------------------------------|--------------------|-------------------|
| 1       | Promoters                       | 14390157           | 74.6993           |
| 2       | Mutual Funds/UTI                | NIL                | NIL               |
| 3       | Private Corporate Bodies        | 758425             | 3.9370            |
| 4       | Central Govt/State Govt(s)/ POI | 62280              | 0.3233            |
| 5       | Public including HUF            | 3908323            | 20.2881           |
| 6       | NRIs/Foreign Companies/OCBs     | 144915             | 0.7523            |
|         | <b>TOTAL</b>                    | <b>19264100</b>    | <b>100.00</b>     |

## (xi) Dematerialization of Shares and Liquidity:

Number of shares held in dematerialized and physical mode as on 31<sup>st</sup> March 2022:

| Particulars  | No. of Equity Shares | % of total Share Capital |
|--------------|----------------------|--------------------------|
| Physical     | 40833                | 0.21                     |
| NSDL         | 2272851              | 11.8                     |
| CDSL         | 16950416             | 87.99                    |
| <b>TOTAL</b> | <b>19264100</b>      | <b>100.00</b>            |

As per SEBI's Directive, effective from 27<sup>th</sup> November, 2000 trading in equity shares of the Company has been made compulsory in dematerialized form for all the categories of investors. The Company has already established connectivity with National Securities Depository Ltd. and Central Securities Depository Ltd. through MCS Share Transfer Agent Limited, Registrar & Share Transfer Agent, so as to facilitate the dematerialization of its shares.

- (xii) Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on Equity : The Company has not issued any of these instruments.
- (xiii) Plant Locations : Survey No. 779/A, Thol, Kadi - Sanand Highway, Tal. - Kadi, Dist. Mehsana, Gujarat, Pin Code: 382 729
- (xiv) Address for Correspondence : Share Transfer in Physical Form and other communication in that regard including share certificates, dividend and change of address etc., may be addressed to our Registrar & Share Transfer Agents at the address mentioned above. Sr.No. (viii)
2. Shareholders may also contact the Compliance Officer, Suraj Limited, Suraj House, Opp. Usmanpura Garden, Ashram Road, Ahmedabad-380014 for any assistance.
3. Shareholders holding shares in electric mode should address all their correspondence to their respective depository participants.



## DECLARATION

As provided under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with Suraj Limited code of Business conduct and Ethics for the year ended 31<sup>st</sup> March, 2022

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

**Date:** 03/05/2022

**Place:** Ahmedabad

**Ashok Shah**

**(Chairman & CFO)**

## CEO AND CFO CERTIFICATION

We, Mr. Ashok Shah Chairman & CFO and Mr. Kunal Shah, Managing Director & CEO of the company shall certify that, to the best of our knowledge and belief that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2022 and 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) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2022 are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies if any.
- d) We have indicated to auditors and audit committee
  - i) There has not been any significant change in internal control over financial reporting during the year under reference.
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**Ashok Shah**  
**Chairman & CFO**

**Kunal Shah**  
**Managing Director & CEO**

**Date:** 03/05/2022

**Place:** Ahmedabad

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## CORPORATE GOVERNANCE CERTIFICATE

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To,  
The Members,  
SURAJ LIMITED

We have examined the compliance of conditions of Corporate Governance by Suraj Limited ('the Company') for the year ended on 31<sup>st</sup> March, 2022, as per Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**RTBR & Associates**  
**Company Secretaries**

**Bhavin Ratanghayra**  
**FCS: 8491**  
**CP: 9399**  
**P.U-1979/2022**  
**UDIN-F008491D000258653**

Place: Ahmedabad  
Date: 03/05/2022

## ANNEXURE – B

Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2022**

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

**To,  
The Members,  
SURAJ LIMITED**

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

Based on our verification of the **SURAJ 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2022, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SURAJ LIMITED ("the Company") for the financial year ended on 31.03.2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under except the following:
  - a) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under: **As there was no reportable event during the financial year under review**
  - b) During the financial year under review, Company has entered into related party transactions and the management has provided explanation that all the transactions are at arm length basis.
- (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 are not applicable to the Company.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14<sup>th</sup> May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15<sup>th</sup> May, 2015).
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (Not Applicable as there was no reportable event during the financial year under review)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. (Not Applicable as there was no reportable event during the financial year under review)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not Applicable as there was no reportable event during the financial year under review)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not Applicable as there was no reportable event during the financial year under review)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not Applicable as there was no reportable event during the financial year under review)
- (vi) Looking to the nature of business of the company and also informed to us by the management, we hereby report that following laws specifically applicable to the company:
  - a) The Indian Boiler Act, 1923
  - b) The Hazardous Wastes (Management and Handling) Rules, 1989

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited:

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observation noted against each legislation.

In respect of laws specifically applicable to the Company, We have relied on information produced by the management of the Company during the course of our audit and the reporting is limited to that extent.

### **We 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 composition of Board of Directors that took place during the period under review were carried out in compliance with 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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the board were unanimous and the same was captured and recorded as part of the minutes.

We further report that there is scope to improve the systems and processes in the company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was no instance of:

- a) Buy-back of Securities.
- b) Merger/Amalgamation etc.
- c) Foreign Technical Collaboration.
- d) Public/Preferential issue of shares/debentures.

**RTBR & Associates**  
**Company Secretaries**

Place: Ahmedabad  
Date: 03/05/2022

**Bhavin Ratanghayra**  
**FCS: 8491**  
**CP: 9399**  
**P.U-1979/2022**  
**UDIN- F008491D000258675**

Note: This report is to be read with our letter of even date which is annexed as “Annexure” and forms an integral part of this report

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## ANNEXURE – A

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To,  
The Members,  
Suraj Limited

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

1. The Management of the company is responsible for maintenance of secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the company with respect to Secretarial Compliances.
3. We have followed the audit practices and process 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.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

6. 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.
7. The secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**RTBR & Associates  
Company Secretaries**

Place: Ahmedabad  
Date: 03/05/2022

**Bhavin Ratanghayra  
FCS: 8491  
CP: 9399  
P.U-1979/2022  
UDIN- F008491D000258675**



## **Secretarial Compliance Report of SURAJ LIMITED For the year ended 31<sup>st</sup> March, 2022**

We, **RTBR & Associates, Company Secretaries**, have examined:

- a) All the documents and records made available to us and explanation provided by **SURAJ LIMITED** ("the listed entity"),
- b) The filings/ submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31<sup>st</sup> March, 2022 ("Review Period") in respect of compliance with the provisions of:

- a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable as there was no reportable event during the financial year under review)
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable as there was no reportable event during the financial year under review)
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable as there was no reportable event during the financial year under review)
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable as there was no reportable event during the financial year under review)
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not Applicable as there was no reportable event during the financial year under review)
- h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14<sup>th</sup> May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15<sup>th</sup> May, 2015);

and based on the above examination, We hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:- NIL
- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from our examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under: **As there was no reportable event during the financial year under review**
- d) The listed entity has taken the following actions to comply with the observations made in previous reports: **As there was no reportable event during the financial year under review**

Place: Ahmedabad  
Date: 03/05/2022

**RTBR & Associates**

**Company Secretaries**

**Bhavin Ratanghayra**

**FCS: 8491**

**CP: 9399**

**P.U.-1979/2022**

**UDIN- F008491D000258686**

## ANNEXURE - C

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

#### (A) Conservation of Energy:

|   |   |
|---|---|
| (i) the steps taken or impact on conservation of energy:                      | Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimise use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques. |
| (ii) the steps taken by the company for utilising alternate sources of energy |   |
| (iii) the capital investment on energy conservation equipments                |   |

iv) Total energy consumption and energy consumption per unit of production as per Form – A of the Annexure to the rules in respect of industries specified in the schedule thereto:

| Particulars                                      | Year Ended<br>31.03.2022 | Year Ended<br>31.03.2021 |
|--|--------------------------|--------------------------|
| <b>A. Power and Fuel Consumption Electricity</b> |                          |                          |
| Purchase in Unit KWH                             | 2674085                  | 2093355                  |
| <b>Total Amt. ₹</b>                              | <b>2,14,67,838</b>       | <b>1,70,01,205</b>       |
| Rate KWH ₹                                       | 8.028                    | 8.122                    |
| <b>B. Consumption per unit of production</b>     |                          |                          |
| Production (M.T)                                 | 9456.448                 | 6354.88                  |
| Total Nos. of Unit (KWH)                         | 2674085                  | 2093355                  |
| Unit Per M.T.(KWH)                               | 282.78                   | 329.41                   |
| <b>Cost per M.T. ₹</b>                           | <b>2,270.16</b>          | <b>2,675.47</b>          |

#### (B) Technology absorption:

|  |   |
|--|---|
| (i) The efforts made towards technology absorption   | Updation of technology is a continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made to develop new products required in the Engineering Industry & in the Oil and Gas Industry. |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution | The Company has been able to successfully indigenize the tooling to a large extent and successfully developed new products by virtue of technology absorption, adaptation and innovation.   |
| (iv) The expenditure incurred on Research and Development.   | The Major achievement by the Company due to their continuous Research and development activities is indigenization of tooling, improvements in the manufacturing processes and operation procedures and development of new products.        |

## Expenditure on R & D

### 1. Specific area in which R & D carried out by the company

R & D activities have been carried out for new product development and process improvement.

### 2. Benefits derived as a result of the above R & D

The efforts made for R&D activities has helped the Company to introduce new product ranges, process improvement and remain cost effective in existing products thereby helping to improve the financial performance of the company.

### 3. Future plan of action

R&D activities by technological up gradation is one of the key objectives of the Company which is essential to maintain technological leadership.

### (C) Foreign exchange earnings and Outgo:

(₹ In Lakhs)

| Particulars                        | Amount    |
|------------------------------------|-----------|
| Foreign exchange Earning:          | 25,611.69 |
| Foreign Exchange outgo :           |           |
| - CIF value of Import:             | 18,165.09 |
| - Expenditure in foreign Currency: | 10.52     |

## ANNEXURE - D

### EXTRACT OF ANNUAL RETURN FORM MGT 9

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

**Financial Year ended on 31.03.2022**

#### I. REGISTRATION & OTHER DETAILS :

|     |   |   |  |
|-----|---|---|--|
| i   | CIN   | : | L27100GJ1994PLC021088  |
| ii  | Registration Date   | : | 20/01/1994   |
| iii | Name of the Company   | : | SURAJ LIMITED  |
| iv  | Category/Sub-category of the Company  | : | Company having Share Capital   |
| v   | Address of the Registered office & contact details                          | : | Suraj House, Opp. Usmanpura Garden,<br>Usmanpura, Ahmedabad , Gujarat – 380014<br>Ph: 0091-79-27540720,<br>Fax: 0091-79-27540722   |
| vi  | Whether listed company  | : | Yes (Listed in BSE)  |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | : | MCS SHARE TRANSFER AGENT LIMITED,<br>201, Shatdal Complex, 2 <sup>nd</sup> Floor, Opp. Bata<br>Showroom, Ashram Road, Ahmedabad - 380009<br>Phone: 079 - 26582878<br>Email: mcsstaahmd@gmail.com |

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

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

| Sr. No. | Name & Description of main products/services                  | NIC Code of the Product /servic | % to total turnover of the company |
|---------|---|---------------------------------|------------------------------------|
| 1       | Manufacture of tube and tube fittings of basic iron and steel | 24106                           | 100%                               |

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

| SI No. | Name & Address of the Company | CIN/GLN | HOLDING/<br>SUBSIDIARY/<br>ASSOCIATE | % OF<br>SHARES<br>HELD | APPLICABLE<br>SECTION |
|--------|-------------------------------|---------|--------------------------------------|------------------------|-----------------------|
| NIL    |                               |         |                                      |                        |                       |

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

| Category of Shareholders  | No. of Shares held at the beginning of the year |              |                 |                   | No. of Shares held at the end of the year |              |                 |                   | % change during the year |
|---|---|--------------|-----------------|-------------------|---|--------------|-----------------|-------------------|--------------------------|
|   | Demat   | Physical     | Total           | % of Total Shares | Demat                                     | Physical     | Total           | % of Total Shares |                          |
| <b>A. Promoters</b>   |   |              |                 |                   |   |              |                 |                   |                          |
| <b>(1) Indian</b>   |   |              |                 |                   |   |              |                 |                   |                          |
| a) Individual/HUF   | 14390157  | 0            | 14390157        | 74.6993           | 14390157                                  | 0            | 14390157        | 74.6993           | 0                        |
| b) Central Govt.or State Govt.  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| c) Bodies Corporates  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| d) Bank/FI  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| e) Any other  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| <b>SUB TOTAL:(A) (1)</b>  | <b>14390157</b>                                 | <b>0</b>     | <b>14390157</b> | <b>74.6993</b>    | <b>14390157</b>                           | <b>0</b>     | <b>14390157</b> | <b>74.6993</b>    | <b>0</b>                 |
| <b>(2) Foreign</b>  |   |              |                 |                   |   |              |                 |                   |                          |
| a) NRI- Individuals   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| b) Other Individuals  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| c) Bodies Corp.   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| d) Banks/FI   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| e) Any other...   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| <b>SUB TOTAL (A) (2)</b>  | <b>0</b>  | <b>0</b>     | <b>0</b>        | <b>0</b>          | <b>0</b>                                  | <b>0</b>     | <b>0</b>        | <b>0</b>          | <b>0</b>                 |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>                          | <b>14390157</b>                                 | <b>0</b>     | <b>14390157</b> | <b>74.6993</b>    | <b>14390157</b>                           | <b>0</b>     | <b>14390157</b> | <b>74.6993</b>    | <b>0</b>                 |
| <b>B. PUBLIC SHAREHOLDING</b>   |   |              |                 |                   |   |              |                 |                   |                          |
| <b>(1) Institutions</b>   |   |              |                 |                   |   |              |                 |                   |                          |
| a) Mutual Funds   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 00                       |
| b) Banks/FI   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 00                       |
| c) Central govt   | 66700   | 0            | 66700           | 0.3462            | 62280                                     | 0            | 62280           | 0.3233            | (0.0229)                 |
| d) State Govt.  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 00                       |
| e) Venture Capital Fund   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 00                       |
| f) Insurance Companies  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 00                       |
| g) FIIS   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 00                       |
| h) Foreign Venture Capital Funds  | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 00                       |
| i) Others (specify)   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 00                       |
| <b>SUB TOTAL (B)(1):</b>  | <b>66700</b>                                    | <b>0</b>     | <b>66700</b>    | <b>0.3462</b>     | <b>62280</b>                              | <b>0</b>     | <b>62280</b>    | <b>0.3233</b>     | <b>(0.0229)</b>          |
| <b>(2) Non Institutions</b>   |   |              |                 |                   |   |              |                 |                   |                          |
| a) Bodies corporates  | 717880  | 0            | 717880          | 3.7265            | 758425                                    | 0            | 758425          | 3.9370            | 0.2105                   |
| b) Individuals  |   |              |                 |                   |   |              |                 |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs           | 868091  | 47633        | 915724          | 4.7536            | 1032535                                   | 40833        | 1073368         | 5.5719            | 0.8183                   |
| ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs | 2782634   | 0            | 2782634         | 14.4447           | 2673528                                   | 0            | 2673528         | 13.8783           | (0.5664)                 |
| c) Any Other (specify) NRIs   |   |              |                 |                   |   |              |                 |                   |                          |
| HUF   | 201657  | 0            | 201657          | 1.0468            | 161427                                    | 0            | 161427          | 0.8380            | (0.2088)                 |
| NRI   | 189348  | 0            | 189348          | 0.9829            | 144915                                    | 0            | 144915          | 0.7523            | (0.2306)                 |
| d) Foreign Bodies Corporate   | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 |                          |
| <b>SUB TOTAL (B)(2):</b>  | <b>4759610</b>                                  | <b>47633</b> | <b>4807243</b>  | <b>24.9546</b>    | <b>4770830</b>                            | <b>40833</b> | <b>4811663</b>  | <b>24.9774</b>    | <b>0.0228</b>            |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                               | <b>4826310</b>                                  | <b>47633</b> | <b>4873943</b>  | <b>25.3008</b>    | <b>4833110</b>                            | <b>40833</b> | <b>4873943</b>  | <b>25.3008</b>    | <b>0</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                            | 0   | 0            | 0               | 0                 | 0   | 0            | 0               | 0                 | 0                        |
| <b>Grand Total (A+B+C)</b>  | <b>19216467</b>                                 | <b>47633</b> | <b>16264100</b> | <b>100</b>        | <b>19223267</b>                           | <b>40833</b> | <b>19264100</b> | <b>100</b>        | <b>0</b>                 |



**(ii) SHARE HOLDING OF PROMOTERS:**

| Sl No. | Shareholders Name           | Shareholding at the beginning of the year 01.04.2021 |                                  |   | Shareholding at the end of the year 31.03.2022 |                                  |   | % change in share holding during the year |
|--------|-----------------------------|--|----------------------------------|---|--|----------------------------------|---|---|
|        |                             | No of shares   | % of total shares of the company | % of shares pledged encumbered to total | No of shares                                   | % of total shares of the company | % of shares pledged encumbered to total |   |
| 1      | Anilaben Ashokkumar Shah    | 3808679  | 19.7709                          | 0                                       | 3808679  | 19.7709                          | 0                                       | 0   |
| 2      | Chandrika Kunal Shah        | 3103839  | 16.1120                          | 0                                       | 3103839  | 16.1120                          | 0                                       | 0   |
| 3      | Rekhaben Gunvantkumar Shah  | 2517889  | 13.0704                          | 0                                       | 2517889  | 13.0704                          | 0                                       | 0   |
| 4      | Ashokkumar Tarachand Shah   | 1077662  | 5.5941                           | 0                                       | 1077662  | 5.5941                           | 0                                       | 0   |
| 5      | Kunal Tarachand Shah        | 1030488  | 5.3493                           | 0                                       | 1030488  | 5.3493                           | 0                                       | 0   |
| 6      | Gunvantkumar Tarachand Shah | 991600   | 5.1474                           | 0                                       | 991600   | 5.1474                           | 0                                       | 0   |
| 7      | Dishant Kunalbhai Shah      | 555000   | 2.8810                           | 0                                       | 555000   | 2.8810                           | 0                                       | 0   |
| 8      | Dixit Ashokkumar Shah       | 292500   | 1.5184                           | 0                                       | 292500   | 1.5184                           | 0                                       | 0   |
| 9      | Chirag Ashokbhai Shah       | 292500   | 1.5184                           | 0                                       | 292500   | 1.5184                           | 0                                       | 0   |
| 10     | Kapil Gunvantkumar Shah     | 270000   | 1.4016                           | 0                                       | 270000   | 1.4016                           | 0                                       | 0   |
| 11     | Abhay Gunvantkumar Shah     | 270000   | 1.4016                           | 0                                       | 270000   | 1.4016                           | 0                                       | 0   |
| 12     | Nisha Maheshkumar Jain      | 180000   | 0.9344                           | 0                                       | 180000   | 0.9344                           | 0                                       | 0   |
|        | <b>Total</b>                | <b>14390157</b>                                      | <b>74.6994</b>                   | <b>0</b>                                | <b>14390157</b>                                | <b>74.6994</b>                   | <b>0</b>                                | <b>0</b>                                  |

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE):**

| Sl. No | Particulars   | Shareholding at the beginning of the Year 01.04.2021 |                                  | Cumulative Shareholding during the year 31.03.2022 |                                  |
|--------|---|--|----------------------------------|--|----------------------------------|
|        |   | No. of Shares  | % of total shares of the company | No. of Shares                                      | % of total shares of the company |
| 1      | At the beginning of the year  | 14390157   | 74.6994                          | 14390157   | 74.6994                          |
| 2      | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc.) | NIL  |                                  |  |                                  |
| 3      | At the end of the year  | 14390157   | 74.6994                          | 14390157   | 74.6994                          |

**(iv) Shareholding Pattern of top ten Shareholders  
(Other than Directors, Promoters & Holders of GDRs & ADRs):**

| Sl. No | For each of the Top 10 Shareholders | Shareholding at the end of the year |                                  |
|--------|-------------------------------------|-------------------------------------|----------------------------------|
|        |                                     | No. of Shares                       | % of total shares of the company |
| 1      | DINESH STAINLESS PRIVATE LTD        | 669409                              | 3.4749                           |
| 2      | PAWANDEV P. JAIN                    | 403000                              | 2.0920                           |
| 3      | MUKESH RAGHUNATHMALCHANDAN          | 311227                              | 1.6156                           |
| 4      | PADMAVATI RAMESH JAIN               | 248379                              | 1.2893                           |
| 5      | PARASMAL JAIN                       | 211324                              | 1.0970                           |
| 6      | RAMESH KUMAR JAIN                   | 150000                              | 0.7787                           |
| 7      | HITESH BHANWARLALSANGHVI            | 140700                              | 0.7304                           |
| 8      | SAVITA NARESH MUNOT                 | 120307                              | 0.6245                           |
| 9      | LALITHA BHANSALI                    | 120000                              | 0.6229                           |
| 10     | PAYAL P JAIN                        | 106951                              | 0.5552                           |

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No | For Each of the Directors & KMP                   | Shareholding at the end of the year |                                  |
|--------|---|-------------------------------------|----------------------------------|
|        |   | No. of Shares                       | % of total shares of the company |
|        | <b>Shareholding of Key Managerial Personnel :</b> |                                     |                                  |
| 1      | Ashok Shah  | 1077662                             | 5.5941                           |
| 2      | Kunal Shah  | 1030488                             | 5.3493                           |
| 3      | Gunvant Shah                                      | 991600                              | 5.1474                           |
| 4      | Dipak Shah  | 200                                 | 0.0010                           |
| 5      | Shilpa Patel                                      | 940                                 | 0.0049                           |
| 6      | Ketan Shah  | NIL                                 | NIL                              |
| 7      | Anil Gidwani                                      | NIL                                 | NIL                              |
| 8      | Rajesh Kharadi                                    | NIL                                 | NIL                              |
| 9      | Maunish S. Gandhi                                 | NIL                                 | NIL                              |

**VI. INDEBTEDNESS:** (₹ In Lakhs)  
Indebtedness of the Company including interest outstanding/accrued but not due for payment

| Particulars   | Secured Loans excluding deposits | Unsecured Loans | Deposits   | Total Indebtedness |
|---|----------------------------------|-----------------|------------|--------------------|
| Indebtedness at the beginning of the financial year |                                  |                 |            |                    |
| i) Principal Amount                                 | 5271.83                          | 310.00          | NIL        | 5581.83            |
| ii) Interest due but not paid                       | NIL                              | NIL             | NIL        | NIL                |
| iii) Interest accrued but not due                   | NIL                              | NIL             | NIL        | NIL                |
| <b>Total (i+ii+iii)</b>                             | <b>5271.83</b>                   | <b>310.10</b>   | <b>NIL</b> | <b>5581.83</b>     |
| Change in Indebtedness during the financial year    |                                  |                 |            |                    |
| • Addition  | NIL                              | 10.00           | NIL        | 10.00              |
| • Reduction   | (2043.58)                        | NIL             | NIL        | (2043.58)          |
| <b>Net Change</b>                                   | <b>(2043.58)</b>                 | <b>10.00</b>    | <b>NIL</b> | <b>(2033.58)</b>   |
| Indebtedness at the end of the financial year       |                                  |                 |            |                    |
| i) Principal Amount                                 | 3228.25                          | 320.00          | NIL        | 3548.25            |
| ii) Interest due but not paid                       | NIL                              | NIL             | NIL        | NIL                |
| iii) Interest accrued but not due                   | NIL                              | NIL             | NIL        | NIL                |
| <b>Total (i+ii+iii)</b>                             | <b>3228.25</b>                   | <b>320.00</b>   | <b>NIL</b> | <b>3548.25</b>     |

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A) Remuneration to Managing Director, Whole-time Directors and/or Manager:** (₹ In Lakhs)

| Sl. No. | Particulars of Remuneration   | Name of MD/MTD/ Manager |                  |                |                  | Total Amount  |
|---------|---|-------------------------|------------------|----------------|------------------|---------------|
|         |   | Mr. Ashok Shah          | Mr. Gunvant Shah | Mr. Kunal Shah | Ms. Shilpa Patel |               |
| 1.      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 58.20                   | 43.20            | 51.00          | 15.18            | 167.58        |
| 2.      | Stock Option  | -                       | -                | -              | -                | -             |
| 3.      | Sweat Equity  | -                       | -                | -              | -                | -             |
| 4.      | Commission<br>- as % of profit<br>- others, specify(PF)   | -                       | -                | -              | -                | -             |
| 5.      | Others, please specify(Bonus)   | -                       | -                | -              | -                | -             |
|         | <b>Total (A)</b>  | <b>58.20</b>            | <b>43.20</b>     | <b>51.00</b>   | <b>15.18</b>     | <b>167.58</b> |

**B) Remuneration to other directors:**

| Sl No. | Particulars of Remuneration   | Name of Directors |                |                  |                    | Total Amount |
|--------|---|-------------------|----------------|------------------|--------------------|--------------|
|        |   | Mr. Dipak Shah    | Mr. Ketan Shah | Mr. Anil Gidwani | Mr. Rajesh Kharadi |              |
| 1.     | Independent Directors<br>• Fee for attending board committee meetings<br>• Commission<br>• Others, please specify         | 20,000/-          | 20,000/-       | 20,000/-         | 20,000/-           | 80,000/-     |
|        | Total (1)   | 20,000/-          | 20,000/-       | 20,000/-         | 20,000/-           | 80,000/-     |
| 2.     | Other Non-Executive Directors<br>• Fee for attending board committee meetings<br>• Commission<br>• Others, please specify | -                 | -              | -                | -                  | -            |
|        | Total (2)   | -                 | -              | -                | -                  | -            |
|        | Total = (1 + 2)   | 20,000/-          | 20,000/-       | 20,000/-         | 20,000/-           | 80,000/-     |

**C) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: (₹ In Lakhs)**

| Sl. No. | Particulars of Remuneration  | Key Managerial Personnel |       |
|---------|--|--------------------------|-------|
|         |  | Company Secretary        | Total |
| 1.      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 5.85                     | 5.85  |
| 2.      | Stock Option-  |                          |       |
| 3.      | Sweat Equity-  |                          |       |
| 4.      | Commission<br>- as % of profit<br>- others, specify-   |                          |       |
| 5.      | Others, please specify-  |                          |       |
|         | Total  | 5.85                     | 5.85  |

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

| Type                                 | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/Compounding fees imposed | Authority (RD/ NCLT/Court) | Appeal made if any (give details) |
|--------------------------------------|------------------------------|-------------------|---|----------------------------|-----------------------------------|
| A. COMPANY                           |                              |                   |   |                            |                                   |
| Penalty<br>Punishment<br>Compounding | None                         |                   |   |                            |                                   |
| B. DIRECTORS                         |                              |                   |   |                            |                                   |
| Penalty<br>Punishment<br>Compounding | None                         |                   |   |                            |                                   |
| C. OTHER OFFICERS IN DEFAULT         |                              |                   |   |                            |                                   |
| Penalty<br>Punishment<br>Compounding | None                         |                   |   |                            |                                   |

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of,  
**SURAJ LIMITED**  
Ahmedabad

### Report on the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Suraj Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, the Statement of Profit and Loss, (including the statement of other Comprehensive Income), the Cash Flow Statement and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (here in after referred to as "the financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2022 its profits (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, 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 on the financial statements.

#### Key Audit Matters

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

| Key Audit Matter  | Auditor's Response   |
|---|--|
| <b>Revenue from Operations</b><br>The Company's revenue is primarily derived from the sale of stainless steel products. The Company recognises revenue when the control is transferred to the customer in accordance with Ind AS 115 "Revenue from contracts with customers". The terms set out in the Company's sales contracts are varied. Accordingly, the timing of the | Our audit procedures included the following: <ul style="list-style-type: none"> <li>- Evaluated the design, implementation and operating effectiveness of internal controls over the existence, accuracy and timing of revenue recognition;</li> <li>- Performed substantive test of details over revenue recognised during the period by</li> </ul> |

| Key Audit Matter   | Auditor's Response   |
|--|--|
| transfer of control of the goods will be different for each sales contract depending upon the terms and conditions and when its performance obligations are met. We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and is, therefore, subject to an inherent risk of misstatement and because errors in the recognition of revenue could have a material impact on the Company's financial statements. Refer note 18 to the financial statements. | <p>selecting a sample of transactions to ensure that the samples selected meet the revenue recognition criteria and are appropriately recorded;</p> <ul style="list-style-type: none"> <li>- Tested sample transactions around the period end to ensure they were recorded in the correct accounting period;</li> <li>- Tested journal entries posted to revenue accounts focusing on unusual or irregular items, if any.</li> </ul> |

#### Information other than the financial statements and Auditor's Report thereon

6. 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, Corporate Governance Report, 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 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 Financial Statements

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the 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 Act, we are also responsible for explaining 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.



13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

16. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from the examination of those books;
  - c. The balance sheet, the statement of profit and loss including the statement of other Comprehensive Income, cash flow statement and statement of changes in Equity dealt with in this Report are in agreement with the books of accounts;
  - d. In our opinion, the aforesaid financial statements comply with accounting Standards specified under section 133 of the Act.
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of sections 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over Financial reporting of the Company and operating effectiveness of such controls, refer to our separate Report in the "Annexure 1" to this report;
  - g. In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit And Auditors) Rules, 2014 in our opinion and to the best of our Information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations (Refer Note No.: 27) on its financial position in its financial statements;
    - ii. The Company did not have any material foreseeable losses in long term contract including derivative contracts during the year ended 31<sup>st</sup> March, 2022

- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid dividend during the year covered by our audit.
17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the central government of India in terms of sub-section (11) of section 143 of the Act & on the basis of such checks of books & records of the company as we consider appropriate and according to the information and explanation given to us, we give in the "Annexure 2" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

**Place: Ahmedabad**

**Date: 03/05/2022**

**For RINKESH SHAH & Co.**

**Chartered Accountants**

**ICAI FRN: 129690W**

**CA RINKESH SHAH**

**PARTNER**

**M. No.: 131783**

**UDIN: 22131783AIHYCE7912**

## **"Annexure 1" to Independent Auditor's Report**

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Suraj Limited on the financial statements for the year ended 31<sup>st</sup> March, 2022.

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

1. We have audited the internal financial controls over financial reporting of Suraj Limited ("the Company") as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

2. 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 Act, 2013.

#### **Auditors' Responsibility**

3. 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 deemed to be prescribed under section 143(10) of the Act, 2013 to the extent applicable to the audit of internal financial controls, and both issued by the ICAI. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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.
5. 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 with reference to these Financial Statements**

6. 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 with reference to these Financial Statements**

7. 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.
8. 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<sup>st</sup> March, 2022, 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.

**Place: Ahmedabad**  
**Date: 03/05/2022**

**For RINKESH SHAH & Co.**  
**Chartered Accountants**  
**ICAI FRN: 129690W**

**CA RINKESH SHAH**  
**PARTNER**  
**M. No.: 131783**  
**UDIN: 22131783AIHYCE7912**

## “ANNEXURE 2” TO INDEPENDENT AUDITOR’S REPORT

### **Annexure 2 referred to in Paragraph 17 of Report on Other Legal and Regulatory Requirements of our report of even date for the year ended 31<sup>st</sup> March, 2022**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

1. (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;  
(B) The company has maintained proper records showing full particulars of intangible assets;
- (b) The Property, Plant and Equipment, were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. No material discrepancies were noticed on such verification;
- (c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that the title deeds of Immovable properties included in property, plant and equipment are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) No such proceedings have been initiated during the year or are pending against the company as at 31<sup>st</sup> March, 2022 for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made there under
2. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
3. The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.
4. The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.
5. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable
6. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013, related to the manufacture of steel tubes and pipes. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete..
7. (a) The Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, goods and service tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, sales-tax, duty of custom, duty of excises, value added tax, cess and other statutory dues were outstanding, at the year end for a period of more than six months from date they became payable.
- (c) According to the records of the company, dues outstanding of income tax, value added tax, sales tax, excise duty and duty of custom on account of any dispute are as follows:

(₹ In Lakhs)

| Name of Statute                   | Nature of the Dues        | Forum before which the dispute is pending                                    | Period to which it relates           | Disputed Amount |
|-----------------------------------|---------------------------|--|--------------------------------------|-----------------|
| Central Excise Act, 1944          | Excise Duty               | DGCEI, Mumbai (Ineligible Cenvat Credit)                                     | OCT-2010 TO NOV-13                   | 1,197.41        |
| Custom Tariff Act                 | Customs Duty              | Central Excise Department-Ahmedabad-III<br>To be filed before CESTAT, Mumbai | FEB-2014 To NOV-2014<br>F.Y.-2012-13 | 397.36<br>86.20 |
|                                   |                           | <b>Disputed Excise &amp; Customs demand</b>                                  |                                      | <b>1,680.97</b> |
| Sales Tax Act                     | Sales Tax                 | Sales Tax Appellate Commissioner Ahmedabad                                   | F.Y.2003-04                          | 2.24            |
| Sales Tax Act                     | Sales Tax                 | Jt. Commissioner of Commercial Taxes Ahmedabad                               | F.Y.2004-05                          | 1.41            |
| Gujarat Value Added Tax Act, 2003 | VAT                       | Gujarat Value Added Tax Tribunal   | F.Y.2008-09                          | 102.99          |
| Central Sales Tax Act, 1965       | Central Sales Tax         | Gujarat Value Added Tax Tribunal   | F.Y.2008-09                          | 2.15            |
| Gujarat Value Added Tax Act, 2003 | VAT                       | Gujarat Value Added Tax Tribunal   | F.Y.2009-10                          | 160.09          |
| Central Sales Tax Act, 1965       | Central Sales Tax         | Gujarat Value Added Tax Tribunal   | F.Y.2009-10                          | 19.27           |
| Gujarat Value Added Tax Act, 2003 | VAT                       | Gujarat Value Added Tax Tribunal   | F.Y 2010-11                          | 186.81          |
| Central Sales Tax Act, 1965       | Central Sales Tax         | Gujarat Value Added Tax Tribunal   | F.Y.2010-11                          | 8.96            |
|                                   |                           | <b>Disputed Sales Tax demand</b>   |                                      | <b>483.92</b>   |
| Income Tax Act, 1961              | Under Section 250         | Before ITAT  | A.Y.2012-13                          | 110.40          |
| Income Tax Act, 1961              | Under Section 250         | Before ITAT  | A.Y.2013-14                          | 58.50           |
| Income Tax Act, 1961              | Under Section 250         | Before ITAT  | A.Y.2014-15                          | 15.33           |
| Income Tax Act, 1961              | Under Section 143(3)      | Before CIT(A)  | A.Y. 2018-19                         | 4.95            |
| Income Tax Act, 1961              | Under Section 271 (1) (C) | Before CIT(A)  | A.Y. 2012-13                         | 110.40          |
| Income Tax Act, 1961              | Under Section 271 (1) (C) | Before CIT(A)  | A.Y. 2013-14                         | 58.50           |
| Income Tax Act, 1961              | Under Section 271 AAB (1) | Before CIT(A)  | A.Y. 2014-15                         | 27.07           |
|                                   |                           | <b>Disputed Income Tax Demand</b>  |                                      | <b>385.15</b>   |



8. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the year.
9.
  - (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
  - (b) The company is not declared as wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) To the best of our knowledge and belief, in our opinion, there are no term loans availed by the Company, hence this clause is not applicable.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix) (e) of the Order is not applicable.
  - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
10.
  - (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
  - (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
11.
  - (a) To the best of our knowledge, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
  - (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
  - (c) As represented to us by the Management, there were no whistle blower complaints received by the company during the year and up to the date of this report
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable INDAS.
14.
  - (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - (b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 31, 2022.
15. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
17. The Company has not incurred any cash losses in the Financial Year and in the immediately preceding financial year.
18. There been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
21. The framework of the consolidated financial statements is not applicable to the company. Accordingly, Reporting under clause 21 of the order is not applicable to the company.

**Place: Ahmedabad**  
**Date: 03/05/2022**

**For RINKESH SHAH & Co.**  
**Chartered Accountants**  
**ICAI FRN: 129690W**

**CA RINKESH SHAH**  
**PARTNER**  
**M. No.: 131783**  
**UDIN: 22131783AIHYCE7912**

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2022

(₹ In Lakhs)

| Particulars                           | Note | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|---------------------------------------|------|---------------------------------------|---------------------------------------|
| <b>ASSETS</b>                         |      |                                       |                                       |
| <b>Non- Current Assets</b>            |      |                                       |                                       |
| a. Property, Plant and Equipment      | 5    | 4,874.96                              | 4,915.23                              |
| b. Intangible Assets                  | 5    | 0.39                                  | 0.41                                  |
| <b>Total Non- Current Assets</b>      |      | <b>4,875.35</b>                       | <b>4,915.64</b>                       |
| <b>Current Assets</b>                 |      |                                       |                                       |
| a. Inventories                        | 6    | 6,104.00                              | 7,712.54                              |
| b. Financial Assets                   |      |                                       |                                       |
| i. Trade Receivables                  | 7    | 2,817.11                              | 2,501.29                              |
| ii. Cash and Cash Equivalents         | 8    | 84.93                                 | 39.28                                 |
| iii. Other bank balance               | 8    | 1.39                                  | 3.05                                  |
| c. Other Current Assets               | 9    | 1,872.74                              | 1,679.27                              |
| <b>Total Current Assets</b>           |      | <b>10,880.17</b>                      | <b>11,935.43</b>                      |
| <b>Total Assets</b>                   |      | <b>15,755.52</b>                      | <b>16,851.07</b>                      |
| <b>EQUITY AND LIABILITIES</b>         |      |                                       |                                       |
| <b>EQUITY</b>                         |      |                                       |                                       |
| Equity Share Capital                  | 10   | 1,926.41                              | 1,926.41                              |
| Other Equity                          | 11   | 7,290.62                              | 6,988.07                              |
| <b>Total Equity</b>                   |      | <b>9,217.03</b>                       | <b>8,914.48</b>                       |
| <b>LIABILITIES</b>                    |      |                                       |                                       |
| <b>I. Non-Current Liabilities</b>     |      |                                       |                                       |
| a. Deferred Tax Liabilities (Net)     | 12   | 34.83                                 | 52.69                                 |
| <b>Total Non- Current Liabilities</b> |      | <b>34.83</b>                          | <b>52.69</b>                          |
| <b>II. Current Liabilities</b>        |      |                                       |                                       |
| a. Financial Liabilities              |      |                                       |                                       |
| i. Borrowings                         | 13   | 3,548.25                              | 5,581.83                              |
| ii. Trade Payables                    | 14   | 2,084.92                              | 1,571.33                              |
| b. Other Current Liabilities          | 15   | 483.12                                | 426.71                                |
| c. Provisions                         | 16   | 208.34                                | 196.08                                |
| d. Current Tax Liabilities            | 17   | 179.03                                | 107.95                                |
| <b>Total Current Liabilities</b>      |      | <b>6,503.66</b>                       | <b>7,883.90</b>                       |
| <b>Total Equity and Liabilities</b>   |      | <b>15,755.52</b>                      | <b>16,851.07</b>                      |

As per our report of even date  
For RINKESH SHAH & Co.  
Chartered Accountants  
FRN: 129690W

CA Rinkesh Shah  
Partner  
M.No.: 131783

Place : Ahmedabad  
Date : 03/05/2022

The accompanying Notes form an integral part of these  
Financial Statements.

For and on behalf of the Board

Ashok Shah  
Chairman & CFO  
DIN: 00254255

Kunal Shah  
Managing Director & CEO  
DIN: 00254205

Place : Ahmedabad  
Date : 03/05/2022

Gunvant Shah  
Vice Chairman & WTD  
DIN: 00254292

Maunish Gandhi  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**  
(₹ In Lakhs)

| Particulars   | Note No. | As at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2021 |
|---|----------|------------------------------------|------------------------------------|
| <b>INCOME</b>   |          |                                    |                                    |
| Revenue from operations   | 18       | 34,372.38                          | 18,838.01                          |
| Other Income  | 19       | 503.97                             | 400.22                             |
| <b>Total Income</b>   |          | <b>34,876.35</b>                   | <b>19,238.23</b>                   |
| <b>EXPENSES</b>   |          |                                    |                                    |
| Cost of Raw Materials consumed  | 20       | 26,908.15                          | 9,896.10                           |
| Changes in Inventories Finished Goods, Work -in-progress and stock-in-trade         | 21       | 1,104.84                           | 4,584.05                           |
| Employee Benefits expenses  | 22       | 1,354.88                           | 1,225.59                           |
| Finance Cost  | 23       | 561.10                             | 879.78                             |
| Depreciation, amortization, impairment and obsolescence                             | 5        | 726.28                             | 692.92                             |
| Other Expenses  | 24       | 3,760.59                           | 1,767.56                           |
| <b>Total expenses</b>   |          | <b>34,415.84</b>                   | <b>19,046.00</b>                   |
| <b>Profit /(loss) before exceptional items and tax</b>                              |          | <b>460.51</b>                      | <b>192.23</b>                      |
| Exceptional item  |          | -                                  | -                                  |
| <b>Profit / (loss) before tax</b>   |          | <b>460.51</b>                      | <b>192.23</b>                      |
| <b>Tax Expense</b>  |          |                                    |                                    |
| Current Tax   | 17       | 178.13                             | 107.85                             |
| Deferred Tax  | 12       | (17.86)                            | (52.91)                            |
| <b>Total Tax Expense</b>  |          | <b>160.27</b>                      | <b>54.94</b>                       |
| <b>Profit /(loss) for the period (PAT)</b>  |          | <b>300.24</b>                      | <b>137.29</b>                      |
| Other Comprehensive income/(loss)   |          |                                    |                                    |
| <b>Items that will not be reclassified to profit and loss in subsequent periods</b> |          |                                    |                                    |
| Re-measurement gain / (loss) on defined benefit plans                               |          | 3.22                               | 0.35                               |
| Tax on above  |          | (0.90)                             | (0.10)                             |
| <b>Total Comprehensive Income for the period</b>                                    |          | <b>302.56</b>                      | <b>137.54</b>                      |
| Paid - up equity share capital<br>(face value of share : ₹ 10 each)                 |          | 1,926.41                           | 1,926.41                           |
| <b>Earnings per share (EPS)</b>   |          |                                    |                                    |
| (a) Basic EPS (₹)   |          | 1.56                               | 0.71                               |
| (b) Diluted EPS (₹)   |          | 1.56                               | 0.71                               |

As per our report of even date  
For RINKESH SHAH & Co.  
Chartered Accountants  
FRN: 129690W

CA Rinkesh Shah  
Partner  
M.No.: 131783

Place : Ahmedabad  
Date : 03/05/2022

The accompanying Notes form an integral part of these  
Financial Statements.

For and on behalf of the Board

Ashok Shah  
Chairman & CFO  
DIN: 00254255

Kunal Shah  
Managing Director & CEO  
DIN: 00254205

Place : Ahmedabad  
Date : 03/05/2022

Gunvant Shah  
Vice Chairman & WTD  
DIN: 00254292

Maunish Gandhi  
Company Secretary

## STATEMENT OF CHANGE IN EQUITY AS AT 31<sup>ST</sup> MARCH, 2022

### A. Equity Share Capital (₹ in Lakhs)

| Balance                       | Note            |
|-------------------------------|-----------------|
| <b>As at April 1, 2020</b>    | 1,926.41        |
| Issue of Equity Share Capital | -               |
| <b>As at March 31, 2021</b>   | 1,926.41        |
| Issue of Equity Share Capital | -               |
| <b>As at March 31, 2022</b>   | <b>1,926.41</b> |

### B. Other Equity (₹ in Lakhs)

| Particulars   | Reserves and Surplus |                  |                    |                          |                 |
|---|----------------------|------------------|--------------------|--------------------------|-----------------|
|   | Security Premium     | General Reserves | Statutory Reserves | Surplus in Profit & Loss | Total           |
| <b>Balance as at April 1, 2020</b>                                | <b>2,189.56</b>      | <b>244.74</b>    | <b>328.83</b>      | <b>4,087.38</b>          | <b>6,850.52</b> |
| Profit for the year   | -                    | -                | -                  | 137.29                   | 137.29          |
| Other Comprehensive income for the year                           | -                    | -                | -                  | 0.35                     | 0.35            |
| Tax on above  |                      |                  |                    | (0.10)                   | (0.10)          |
| <b>Balance as at March 31, 2021</b>                               | <b>2,189.56</b>      | <b>244.74</b>    | <b>328.83</b>      | <b>4,224.93</b>          | <b>6,988.07</b> |
| <b>Balance as at April 1, 2021</b>                                | <b>2,189.56</b>      | <b>244.74</b>    | <b>328.83</b>      | <b>4,224.93</b>          | <b>6,988.07</b> |
| Changes in accounting policy or prior period errors               | -                    | -                | -                  | -                        | -               |
| Restated balance at the beginning of the current reporting period | 2,189.56             | 244.74           | 328.83             | 4,224.93                 | 6,988.07        |
| Profit for the year   | -                    | -                | -                  | 300.24                   | 300.24          |
| Other Comprehensive income for the year                           | -                    | -                | -                  | 3.22                     | 3.22            |
| Tax on above  |                      |                  |                    | (0.90)                   | (0.90)          |
| <b>Balance as at March 31, 2022</b>                               | <b>2,189.56</b>      | <b>244.74</b>    | <b>328.83</b>      | <b>4,527.49</b>          | <b>7,290.62</b> |

As per our report of even date  
For RINKESH SHAH & Co.  
Chartered Accountants  
FRN: 129690W

CA Rinkesh Shah  
Partner  
M.No.: 131783

Place : Ahmedabad  
Date : 03/05/2022

The accompanying Notes form an integral part of these  
Financial Statements.

For and on behalf of the Board

Ashok Shah  
Chairman & CFO  
DIN: 00254255

Kunal Shah  
Managing Director & CEO  
DIN: 00254205

Place : Ahmedabad  
Date : 03/05/2022

Gunvant Shah  
Vice Chairman & WTD  
DIN: 00254292

Maunish Gandhi  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

(₹ In lakhs)

| Particulars   | 2022-22           | 2020-21           |
|---|-------------------|-------------------|
| <b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>                 |                   |                   |
| Net Profit Before Tax   | 460.51            | 192.23            |
| Adjusted for:   |                   |                   |
| (Profit) / Loss on sale / Discard of Assets (Net)             | (0.44)            | (13.85)           |
| Depreciation / Amortisation and Depletion Expense             | 726.28            | 692.92            |
| Accounts Written off expense                                  | 13.26             | 35.52             |
| Unrealized Foreign Exchange Fluctuation Loss/(Gain)           | (44.96)           | (28.18)           |
| Interest Income   | (6.46)            | (20.79)           |
| Other Miscellaneous Income                                    | 3.22              | 0.35              |
| Finance Cost  | 561.10            | 879.78            |
| <b>Operating Profit before Working Capital Changes</b>        | <b>1,712.51</b>   | <b>1,737.98</b>   |
| Adjusted for:   |                   |                   |
| Trade and Other Receivables                                   | (328.87)          | (376.92)          |
| Inventories   | 1608.54           | 1568.18           |
| Other Current Assets  | (191.82)          | (25.41)           |
| Trade and Other Payables                                      | 513.59            | 349.75            |
| Other Current Liabilities                                     | 56.41             | 57.18             |
| Provisions – Current  | 83.34             | 6.66              |
| <b>Cash Generated from Operation</b>                          | <b>3,453.70</b>   | <b>3,317.42</b>   |
| Tax Paid (Net)  | (123.46)          | (66.73)           |
| <b>Net Cash Flow from Operating Activities</b>                | <b>3,330.24</b>   | <b>3,250.69</b>   |
| <b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>                 |                   |                   |
| Purchase of tangible and intangible assets                    | (686.01)          | (245.72)          |
| Proceeds from disposal of tangible and intangible assets      | 0.25              | 41.85             |
| Interest Income   | 6.46              | 20.79             |
| <b>Net Cash Flow (used in) Investing Activities</b>           | <b>(679.30)</b>   | <b>(183.08)</b>   |
| <b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>                 |                   |                   |
| Short term borrowings (net)                                   | (2,033.58)        | (2,489.11)        |
| Finance Cost paid   | (571.71)          | (880.43)          |
| <b>Net Cash Flow (used in) Financing Activities</b>           | <b>(2,605.29)</b> | <b>(3,369.54)</b> |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b> | <b>45.65</b>      | <b>(301.93)</b>   |
| <b>Opening Balance of Cash and Cash Equivalents</b>           | <b>39.28</b>      | <b>341.21</b>     |
| <b>Closing Balance of Cash and Cash Equivalents</b>           | <b>84.93</b>      | <b>39.28</b>      |



## Breakup of Cash & Cash Equivalent:

(₹ In lakhs)

| Particulars                                       | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|---|---------------------------------------|---------------------------------------|
| Cash on Hand                                      | 2.66                                  | 2.16                                  |
| <b>Balance with Bank</b>                          |                                       |                                       |
| Current Accounts                                  | 2.42                                  | 5.79                                  |
| Fixed Deposits (Maturity of three months or less) | 79.85                                 | 31.33                                 |
| <b>Total CASH &amp; CASH EQUIVALENT</b>           | <b>84.93</b>                          | <b>39.28</b>                          |

**Note:** The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

There are no financial activities comprising Non Cash flow changes

As per our report of even date  
For RINKESH SHAH & Co.  
Chartered Accountants  
FRN: 129690W

CA Rinkesh Shah  
Partner  
M.No.: 131783

Place : Ahmedabad  
Date : 03/05/2022

For and on behalf of the Board

Ashok Shah  
Chairman & CFO  
DIN: 00254255

Kunal Shah  
Managing Director & CEO  
DIN: 00254205  
Place : Ahmedabad  
Date : 03/05/2022

Gunvant Shah  
Vice Chairman & WTD  
DIN: 00254292

Maunish Gandhi  
Company Secretary

**Notes to Financial Statements For the year ended on 31<sup>st</sup> March, 2022****1 Corporate Information:**

Suraj Limited("The Company") is India's leading Manufacturer of Stainless Steel Seamless Pipes, Tubes and "U" Tubes, Flanges & Fittings with Electro polishing having a plant at Thol, Mehsana. Our products find application in important industry segments like Pharmaceuticals, Dyes & Pigments, Oil, Gas, Refinery, etc. The Company is a public company domiciled in India and is incorporated under the provisions of Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE). The registered office of the company is located at Usmanpura, Ahmedabad. The Company caters to both domestic and international markets.

**2 Basis of preparation of financial statement:**

The financial statements of company have been prepared in accordance with Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The Financial Statements have been prepared on the historical cost convention basis except for certain financial assets and liabilities which have been measured at fair value. Refer accounting policy regarding financial instruments (financial assets and financial liabilities).

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors at its meeting held on 03<sup>rd</sup> May, 2022.

The financial statements are presented in Rs. and all values are rounded to nearest Lakhs (Rs. 00,000), except where otherwise indicated.

**3 Summary of significant accounting policies****3.1 Current versus non-current classification:**

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is treated as current when it is:

- i. Expected to be realized or intended to sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period; or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current. A liability is treated as current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period; or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are considered as non-current assets and liabilities.

**Operating Cycle**

The operating cycle is the time between acquisition of assets for processing and their realization cash and cash equivalents. The Company has identified twelve month as its operating cycle.

**3.2 Use of Estimates:**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the

existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/ materialized.

The said estimates are based on the facts and events, that existed as at reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

### **3.3 Foreign Currencies:**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the Functional Currency") The Financial statements are presented in Indian Rupee (INR), which is the company's functional and presentation currency.

Transactions in foreign currencies are initially recorded in by the Company at spot rates at the functional currency spot rate (i.e. INR) at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non- monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

### **3.4 FAIR VALUE MEASUREMENT:**

The Company measures financial instruments, such as derivatives at fair value at each Balance Sheet date.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

### 3.5 Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significantly parts of Property, plant and equipment are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhauling is performed, its cost is recognized in the carrying amount of the Property, plant and equipment as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of parts replaced, are charged to the statement of Profit and Loss for the period during which such expenses are incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if applicable. The Company calculates depreciation on items of property, plant and equipment on a straight-line basis using the rates arrived at based on the useful lives defined under Schedule II of the Companies Act, 2013.

The estimated useful lives for main categories of property, plant and equipments are:

| Major Class of Assets | Estimated useful life (years) |
|-----------------------|-------------------------------|
| Factory Building      | 30 Years                      |
| Office Premises       | 60 Years                      |
| Plant & Machinery     | 15 Years                      |
| Furniture Fixture     | 10 Years                      |
| Computer              | 3 Years                       |
| Vehicle               | 8 Years                       |

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

There has been no Revaluation during the financial year in any class of assets of the company.

There has been no Capital Work in Progress as on balance sheet date for the financial year and company does not hold any benami property during the year.

Company does not hold any immovable property which is not held in the name of the company.

### 3.6 Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost, less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets in the form of software are amortized on a straight-line basis six years. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss.

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

### **3.7 Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

### **3.8 Financial Assets:**

Financial assets are recognized and measured in accordance with Ind AS - 109 Financial Instruments. Accordingly, the company recognizes financial asset only when it has contractual right to receive cash or other financial assets from another Company.

#### **i. Initial recognition and measurement**

All financial assets, except investment in subsidiary are measured initially at fair value plus, transaction costs that are attributable to the acquisition of the financial asset. The transaction cost incurred for the purchase of financial assets held at fair value through profit or losses are expended in the statement of Profit and Loss immediately.

#### **ii. Subsequent measurement:**

For the purpose of Subsequent measurement financial assets are classified in three categories:

- Measured at amortized cost
- Measured at fair value through other comprehensive income (FVTOCI)
- Measured at fair value through Profit and Loss (FVTPL)

#### **Equity investments:**

All equity investments, except in subsidiary are measured at cost in scope of Ind AS 109 are measured at fair value.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. During the reporting period there is no Equity investment by the company.

#### **I. De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

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

## ii. **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset
- Financial guarantee contracts which are not measured at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (statement of profit and loss). this amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.



For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

The company has not granted any loans or advances during the year to promoters, directors, KMPs and the related parties either severally or jointly with any other person during the year.

### **3.9 Financial liabilities:**

#### **Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowing, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks and derivative financial instruments

#### **Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below: Financial liabilities at fair value through Statement of Profit and loss.

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and loss. Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The company has not designated any financial liability at FVTPL.

#### **Loans and Borrowings:**

Company does not have any long term borrowings from any banks and financial institution, so measurement at amortized cost method is not applicable to the company. Company recognize all the working capital borrowings at the actual rate of borrowing. All expenditures relating to interest, charges and processing fees recorded as finance cost in statement of profit and loss. There has been no delay in reporting of charges with registrar of companies during the year.

#### **De-recognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of Profit and loss.

#### **Derivative financial instrument:**

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instrument is initially recognized at fair value through consolidated statement of Profit and loss (FVTPL) on the date on which a derivative contract is entered into and is subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument are classified in the consolidated statement of Profit and loss and reported with foreign exchange gains/(loss) not within results from operating activities. Changes in fair value and gains/(losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designed as hedge are recorded as finance cost. However, the company does not have any derivative transactions in reporting period of current year.

**Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to relate the assets and settle the liabilities simultaneously.

**3.10 Inventories:**

Finished goods and Work-in-process are stated at the lower of cost and estimated net realizable value. Cost of inventories constitutes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity.

Raw materials, components, stores and spares are valued at lower of cost and estimated net realizable value. Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Traded goods are valued at lower of cost and net realizable value. In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost is determined on a weighted average basis.

Provision is recognized for damaged, defective or obsolete stocks where necessary. Cost of all inventories is determined using weighted average method of valuation.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**3.11 Revenue recognition:****Revenue from contracts with customers**

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

There has been no transactions of undisclosed income not recorded in books of accounts.

Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

**i) Sale of Goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 180 days upon delivery, usually backed by financial arrangements in some cases. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of GST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.

**Variable Consideration**

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of liquidated damages. The liquidated damages give rise to variable consideration.

- i) The Company accounts for pro forma credits, refunds of duty of customs or refunds of sales tax in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognized on application. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same.
- ii) Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the Statement of Profit and Loss.
- iii) Revenue from windmills is recognised on unit generation basis, in accordance with the terms of power purchase agreements.

**Contract balances :****Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 3.8 – initial recognition and subsequent measurement.

**Contract liabilities (Advance from customers)**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities (advance from customers) are recognised as revenue when the Company performs under the contract.

**3.12 Taxes:**

Tax expense comprises of current income tax and deferred tax.

**Current income tax:**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside the statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

**Recognition of deferred tax assets and liabilities:**

Deferred tax assets and liabilities are recognized for deductible temporary differences and unused tax losses for which there is probability of utilization against the future taxable profit. The Company uses judgment to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits and business developments.

**3.13 Employee benefits:****i. Defined Contribution Plan****a. Provident Fund**

Contributions in respect of Employees who are not covered by Company's Employees Provident fund trust are made to the Fund administered by the Regional Provident Fund Commissioner as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and are charged to Statement of profit and Loss as and when services are rendered by employees. The Company has no obligation other than the contribution payable to the Regional provident fund.

**ii. Defined Benefit plan****a. Gratuity**

Every employee who has completed five years or more of service is entitled to Gratuity as per the provisions of The Payment of Gratuity Act, 1972. Retirement Gratuity for employees is funded through a scheme of Life Insurance Corporation of India. The costs of providing benefits under this plan are determined on the basis of actuarial valuation using the projected unit credit method at each year-end. Actuarial gains/ losses are immediately recognized in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. The excess/ shortfall in the fair value of the plan assets over the present value of the obligation calculated as per actuarial methods as at balance sheet dates is recognized as a gain/ loss in the Statement of Profit and loss. Any asset arising out of this calculation is limited to the past service cost plus the present value of available refunds and reduction in future contributions.

**b. Provident Fund**

In respect of the employees covered by the Company's Employee Provident Fund trust in Point (i) (a) above, contributions to the Company's Employee provident Fund trust (administered by the Company as per the provisions of Employees' Provident Fund and Miscellaneous Provisions Act, 1952) are made in accordance with the fund rules. The interest rate payable to the beneficiaries every year is being notified by the Government.

In the case of contribution to the Trust, the Company has an obligation to make good the shortfall, if any between the return from the investments of the Trust and the notified interest rate and recognizes such obligation, if any determined based on an actuarial valuation as at the balance sheet date, as an expense.

**iii. Long Term Compensated Absences**

The Company treats accumulated leave to the extent such leave are carried forward as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**3.14 Provisions:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain, the expense relating to a provision is presented in the consolidated Statement of Profit and loss net of any reimbursement.

**3.15 Export Incentive:**

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

**3.16 Earnings per share:**

Basic Earnings Per Share is calculated by dividing the net profit/ loss for the year attributable to ordinary equity holders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit/ loss for the period attributable to ordinary equity holders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

**3.17 Cash and cash equivalent:**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and in hand and short- term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**4. Significant accounting estimates and assumptions:**

The preparation of the company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumption and estimates could result in outcomes that require a material adjustments to the carrying amount of assets or liabilities affected in future periods.

**4.1 Estimates and assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are describes below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments however may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

**a) Defined benefit plans (gratuity benefits):**

The cost of the defined benefits gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rates, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rates for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publically available mortality tables for India. These mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Future details about gratuity obligations are given in Note - 29

**b) Fair value measurement for financial instruments.**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets

where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note - 30 for further disclosures.

#### 4.2 The following are analytical ratios for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021

| Ratio                            | Numerator                                | Denominator                              | Current Period | Previous Period | % Variance | Reason for Variance   |
|----------------------------------|--|--|----------------|-----------------|------------|---|
| Current Ratio                    | Current assets                           | Current liabilities                      | 1.67           | 1.51            | 10.50%     | -   |
| Debt – Equity Ratio              | Total Debt                               | Shareholder's Equity                     | 0.71           | 0.89            | -20.32%    | -   |
| Debt Service Coverage Ratio      | Earnings available for debt service      | Debt Service                             | 0.43           | 0.27            | 55.72%     | Due to increase the sales an profit, company has repaid the debts during FY 2021-22   |
| Return on Equity Ratio           | Net Profits after taxes                  | Average Shareholder's Equity             | 3.28%          | 1.54%           | 112.74%    | Return on equity has increased due to decrease in interest and other related expenses, increased in sales price of finished goods in FY 2021-22                         |
| Inventory Turnover Ratio         | Cost of Goods sold                       | Average Inventory                        | 10.38          | 2.64            | 293.70%    | Production hit due to Covid and consumption of inventory was low in March 2021. However in FY 2021-22, increased in sales resulted in to more consumption of inventory. |
| Trade Receivables Turnover Ratio | Revenue                                  | Average Trade Receivable                 | 12.93          | 8.09            | 59.86%     | Credit period decreased for debtors in FY 2021-22 in comparison with FY 2020-21   |
| Trade Payables Turnover Ratio    | Purchases of services and other expenses | Average Trade Payables                   | 14.44          | 9.23            | 56.47%     | Credit period for creditors reduced in FY 2021-22 in comparison with FY 2020-21   |
| Net Capital Turnover Ratio       | Revenue                                  | Working Capital                          | 7.85           | 4.65            | 68.91%     | Increase in sales and reduction in working capital in FY 2021-22  |
| Net Profit Ratio                 | Net Profit                               | Revenue                                  | 1.34%          | 1.02%           | 31.29%     | Reduction in debt interest and expenses as well as increment in sales resulted in to increment in net profit during FY 2021-22  |
| Return on Capital Employed       | Earning before interest and taxes        | Capital Employed + Non Current Liability | 11.04%         | 11.95%          | -7.63%     | -   |
| Return on Investment             | Profit after Tax                         | Capital Employed                         | 3.28%          | 1.54%           | 112.74%    | Return on investment has increased due to decrease in interest and other related expenses   |



## 5. PROPERTY, PLANT & EQUIPMENTS

(₹ in Lakhs)

| Description of Assets        | GROSS BLOCK         |           |           |                     |           | DE PRECIATION / AMORTISATION |                     |                     |   |           | NET BLOCK           |   |           |                     |                     |                     |
|------------------------------|---------------------|-----------|-----------|---------------------|-----------|------------------------------|---------------------|---------------------|---|-----------|---------------------|---|-----------|---------------------|---------------------|---------------------|
|                              | As at<br>01.04.2020 | Additions | Deduction | As at<br>31.03.2021 | Additions | Deduction                    | As at<br>31.03.2022 | As at<br>31.03.2020 | For the year<br>Ending March<br>31,2021 | Deduction | As at<br>31.03.2021 | For the year<br>Ending March<br>31,2022 | Deduction | As at<br>31.03.2022 | As at<br>31.03.2021 | As at<br>31.03.2020 |
| <b>(A) Tangible Assets</b>   |                     |           |           |                     |           |                              |                     |                     |   |           |                     |   |           |                     |                     |                     |
| Land & Site Development      | 2,011.74            | -         | -         | 2,011.74            | -         | -                            | 2,011.74            | -                   | -                                       | -         | -                   | -                                       | -         | 2011.74             | 2,011.74            |                     |
| Factory Building             | 3,575.49            | 14.05     | -         | 3,589.54            | 47.93     | -                            | 3,637.47            | 1,360.32            | 113.56                                  | -         | 1,473.88            | 114.08                                  | -         | 1587.96             | 2,049.51            | 2,115.66            |
| Office Premises              | 202.02              | -         | -         | 202.02              | -         | -                            | 202.02              | 49.53               | 3.19                                    | -         | 52.73               | 3.19                                    | -         | 55.92               | 146.10              | 149.29              |
| Plant & Machinery            | 9,274.75            | 201.16    | 36.60     | 9,439.31            | 519.08    | -                            | 9,958.39            | 8,437.86            | 554.05                                  | 8.66      | 8,983.26            | 579.75                                  | -         | 9,563.01            | 395.38              | 456.05              |
| Furniture Fixture            | 259.67              | 3.27      | -         | 262.94              | 83.20     | -                            | 346.14              | 205.36              | 11.06                                   | -         | 216.43              | 15.43                                   | -         | 231.86              | 114.29              | 46.52               |
| Computer                     | 111.21              | 5.83      | -         | 117.04              | 6.27      | -                            | 123.31              | 106.64              | 0.64                                    | -         | 107.28              | 2.30                                    | -         | 109.58              | 13.73               | 9.76                |
| Vehicle                      | 290.62              | 21.11     | 26.39     | 285.34              | 29.03     | 6.02                         | 308.35              | 205.20              | 10.00                                   | 26.33     | 188.87              | 11.00                                   | 6.00      | 193.87              | 114.47              | 96.46               |
| Wind Mill                    | 594.87              | -         | -         | 594.87              | -         | -                            | 594.87              | 565.12              | -                                       | -         | 565.12              | -                                       | -         | 565.12              | 29.74               | 29.74               |
| Sub-Total                    | 16,320.37           | 245.42    | 62.99     | 16,502.80           | 685.51    | 6.02                         | 17,182.29           | 10,930.05           | 692.51                                  | -         | 11,587.57           | 725.75                                  | 6.00      | 12,307.32           | 4,874.96            | 4,915.23            |
| Capital Work In Progress     | -                   | -         | -         | -                   | -         | -                            | -                   | -                   | -                                       | -         | -                   | -                                       | -         | -                   | -                   | -                   |
| Total (A)                    | 16,320.37           | 245.42    | 62.99     | 16,502.80           | 685.51    | 6.02                         | 17,182.29           | 10,930.05           | 692.51                                  | 34.99     | 11,587.57           | 725.75                                  | 6.00      | 12,307.32           | 4,874.96            | 4,915.23            |
|                              |                     |           |           |                     |           |                              |                     |                     |   |           |                     |   |           |                     |                     |                     |
| <b>(B) Intangible Assets</b> |                     |           |           |                     |           |                              |                     |                     |   |           |                     |   |           |                     |                     |                     |
| Software                     | 6.99                | 0.30      | -         | 7.30                | 0.50      | -                            | 7.80                | 6.48                | 0.41                                    | -         | 6.89                | 0.52                                    | -         | 7.41                | 0.39                | 0.41                |
| Total (B)                    | 6.99                | 0.30      | -         | 7.30                | 0.50      | -                            | 7.80                | 6.48                | 0.41                                    | -         | 6.89                | 0.52                                    | -         | 7.41                | 0.39                | 0.41                |
| Total (A+B)                  | 16,327.36           | 245.72    | 62.99     | 16,510.10           | 686.01    | 6.02                         | 17,190.09           | 10,936.53           | 692.92                                  | 34.99     | 11,594.46           | 726.28                                  | 6.00      | 12,314.74           | 4,875.35            | 4,915.64            |

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**  
(₹ In Lakhs)

| Particulars                       | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|-----------------------------------|---------------------------------------|---------------------------------------|
| <b>6. INVENTORIES</b>             |                                       |                                       |
| Raw materials                     | 3,431.69                              | 3,945.00                              |
| Work-in-progress                  | 2,081.45                              | 2,591.64                              |
| Finished goods                    | 395.03                                | 908.44                                |
| Scrap                             | 96.66                                 | 177.91                                |
| Stores, Spares & Packing Material | 99.16                                 | 89.55                                 |
| <b>Total</b>                      | <b>6,104.00</b>                       | <b>7,712.54</b>                       |

Note: There have been no Goods in Transit as on the Balance sheet date, hence no Goods in Transit have been included in the above figures.

Valuation for each class of inventories has been done on cost or NRV whichever is lower, Except Work in Progress is valued at cost.

| Particulars                                   | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|---|---------------------------------------|---------------------------------------|
| <b>7. TRADE RECEIVABLES</b>                   |                                       |                                       |
| Trade receivables considered good – Unsecured | 2,817.11                              | 2,501.29                              |
| Trade receivables - Credit impaired           | -                                     | -                                     |
| <b>Total</b>                                  | <b>2,817.11</b>                       | <b>2,501.29</b>                       |
| Loss allowance                                | -                                     | -                                     |
| <b>Total trade receivables</b>                | <b>2,817.11</b>                       | <b>2,501.29</b>                       |
| <b>Current</b>                                | <b>2,817.11</b>                       | <b>2,501.29</b>                       |
| <b>Non-Current</b>                            | -                                     | -                                     |
| <b>Total</b>                                  | <b>2,817.11</b>                       | <b>2,501.29</b>                       |

Year ended 31<sup>st</sup> March, 2022

| Particulars   | Outstanding for following periods from<br>due date of Payment* |                      |                |                |                      | Total    |
|---|--|----------------------|----------------|----------------|----------------------|----------|
|   | Less than<br>6 Months  | 6 Months –<br>1 Year | 1 – 2<br>Years | 2 – 3<br>Years | More than<br>3 Years |          |
| (I) Undisputed Trade<br>Receivables – Considered<br>Goods     | 2,801.72   | -                    | -              | 15.39          | -                    | 2,817.11 |
| (ii) Undisputed Trade<br>Receivables – Considered<br>Doubtful | -  | -                    | -              | -              | -                    | -        |
| (iii) Disputed Trade<br>Receivables – Considered<br>Goods     | -  | -                    | -              | -              | -                    | -        |
| (iv) Disputed Trade<br>Receivables – Considered<br>Doubtful   | -  | -                    | -              | -              | -                    | -        |

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

### Transferred Receivable

The carrying amounts of the trade receivables include receivables which are subject to a discounting arrangement. Under this arrangement, the Company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet.

| Particulars                                       | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|---|---------------------------------------|---------------------------------------|
| <b>8. CASH AND BANK BALANCE</b>                   |                                       |                                       |
| <b>(A) CASH AND CASH EQUIVALENTS/BANK BALANCE</b> |                                       |                                       |
| Cash on Hand                                      | 2.66                                  | 2.16                                  |
| <b>Balance with Bank</b>                          |                                       |                                       |
| Current Accounts                                  | 2.42                                  | 5.79                                  |
| Fixed Deposits                                    | 79.85                                 | 31.33                                 |
| <b>TOTAL CASH &amp; CASH EQUIVALENTS</b>          | <b>84.93</b>                          | <b>39.28</b>                          |
| <b>(B) OTHER BANK BALANCE</b>                     |                                       |                                       |
| Unclaimed Dividend Accounts                       | 1.39                                  | 3.05                                  |
| <b>TOTAL OTHER BANK BALANCE</b>                   | <b>1.39</b>                           | <b>3.05</b>                           |

Note: Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day to three months, depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates. (₹ In Lakhs)

| Particulars                           | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| <b>9. OTHER CURRENT ASSETS</b>        |                                       |                                       |
| Prepaid Expenses                      | 12.52                                 | 13.84                                 |
| <b>Other Current Financial Assets</b> |                                       |                                       |
| Deposits                              | 28.47                                 | 4.54                                  |
| Balance with government authorities   | 454.96                                | 412.75                                |
| Advance Tax and TDS                   | 512.53                                | 216.38                                |
| Others Advances                       | 468.00                                | 689.97                                |
| Export Incentives receivable          | 23.85                                 | 8.50                                  |
| Advance to Suppliers                  | 372.41                                | 333.29                                |
| <b>Total</b>                          | <b>1,872.74</b>                       | <b>1,679.27</b>                       |

| Particulars                           | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| <b>10. SHARE CAPITAL</b>              |                                       |                                       |
| <b>Authorized Share Capital</b>       |                                       |                                       |
| 2325000 Equity Shares of ₹ 10 each    | 2,325.00                              | 2,325.00                              |
| <b>Issued, Subscribed and Paid Up</b> |                                       |                                       |
| 19264100 Equity Shares of ₹ 10 each   | 1,926.41                              | 1,926.41                              |
| <b>Total</b>                          | <b>1,926.41</b>                       | <b>1,926.41</b>                       |

| Sl No. | Shareholders Name          | Shareholding at the beginning of the year 01.04.2021 |                                  |   | Shareholding at the end of the year 31.03.2022 |                                  |   | % change in share holding during the year |
|--------|----------------------------|--|----------------------------------|---|--|----------------------------------|---|---|
|        |                            | No of shares   | % of total shares of the company | % of shares pledged encumbered to total | No of shares                                   | % of total shares of the company | % of shares pledged encumbered to total |   |
| 1      | AnilabenAshokkumar Shah    | 3808679  | 19.7709                          | 0                                       | 3808679  | 19.7709                          | 0                                       | 0   |
| 2      | Chandrika Kunal Shah       | 3103839  | 16.1120                          | 0                                       | 3103839  | 16.1120                          | 0                                       | 0   |
| 3      | RekhabenGunvantkumar Shah  | 2517889  | 13.0704                          | 0                                       | 2517889  | 13.0704                          | 0                                       | 0   |
| 4      | AshokkumarTarachand Shah   | 1077662  | 5.5941                           | 0                                       | 1077662  | 5.5941                           | 0                                       | 0   |
| 5      | KunalTarachand Shah        | 1030488  | 5.3493                           | 0                                       | 1030488  | 5.3493                           | 0                                       | 0   |
| 6      | GunvantkumarTarachand Shah | 991600   | 5.1474                           | 0                                       | 991600   | 5.1474                           | 0                                       | 0   |
| 7      | DishantKunalbhai Shah      | 555000   | 2.8810                           | 0                                       | 555000   | 2.8810                           | 0                                       | 0   |
| 8      | Dixit Ashokkumar Shah      | 292500   | 1.5184                           | 0                                       | 292500   | 1.5184                           | 0                                       | 0   |
| 9      | Chirag Ashokbhai Shah      | 292500   | 1.5184                           | 0                                       | 292500   | 1.5184                           | 0                                       | 0   |
| 10     | KapilGunvantkumar Shah     | 270000   | 1.4016                           | 0                                       | 270000   | 1.4016                           | 0                                       | 0   |
| 11     | AbhayGunvantkumar Shah     | 270000   | 1.4016                           | 0                                       | 270000   | 1.4016                           | 0                                       | 0   |
| 12     | NishaMaheshkumar Jain      | 180000   | 0.9344                           | 0                                       | 180000   | 0.9344                           | 0                                       | 0   |
|        | <b>Total</b>               | <b>14390157</b>                                      | <b>74.6994</b>                   | <b>0</b>                                | <b>14390157</b>                                | <b>74.6994</b>                   | <b>0</b>                                | <b>0</b>                                  |

### Terms / Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each shareholder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realized value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

### Number of Shares held by each shareholder holding more than 5% Shares in the company

| Particulars                 | As at 31 <sup>st</sup> March, 2022 |                   | As at 31 <sup>st</sup> March, 2021 |                   |
|-----------------------------|------------------------------------|-------------------|------------------------------------|-------------------|
|                             | No. of Shares                      | % of Total Shares | No. of Shares                      | % of Total Shares |
| SHAH GUNVANTKUMAR TARACHAND | 991600                             | 5.15              | 991600                             | 5.15              |
| ANILABEN ASHOKKUMAR SHAH    | 3808679                            | 19.77             | 3808679                            | 19.77             |
| KUNAL TARACHAND SHAH        | 1030488                            | 5.35              | 1030488                            | 5.35              |
| REKHABEN GUNVANTKUMAR SHAH  | 2517889                            | 13.07             | 2517889                            | 13.07             |
| ASHOKKUMAR TARACHAND SHAH   | 1077662                            | 5.59              | 1077662                            | 5.59              |
| CHANDRIKA KUNAL SHAH        | 3103839                            | 16.11             | 3103839                            | 16.11             |

(₹ In Lakhs)

| Particulars                                    | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|--|---------------------------------------|---------------------------------------|
| <b>11. OTHER EQUITY</b>                        |                                       |                                       |
| <b>Securities Premium Account</b>              |                                       |                                       |
| Balance per last Financial Statement           | 2,189.56                              | 2,189.56                              |
| <b>General Reserves</b>                        |                                       |                                       |
| Balance per last Financial Statement           | 244.74                                | 244.74                                |
| <b>Statutory Reserves</b>                      |                                       |                                       |
| Balance per last Financial Statement           | 328.83                                | 328.83                                |
| <b>Surplus in Statement of Profit and loss</b> |                                       |                                       |
| Balance per last Financial Statement           | 4,224.93                              | 4,087.38                              |
| <b>Add:</b> Profit for the year                | 302.56                                | 137.54                                |
| Balance at the end of the year                 | 4,527.49                              | 4,224.93                              |
| <b>Total Retained Earnings</b>                 | <b>7,290.62</b>                       | <b>6,988.07</b>                       |

Notes: Securities Premium Account – the reserve has been accumulated by the excess of issue price of shares over their face value, Securities premium reserve can be utilised for the specific purposes as per the provisions of Companies Act, 2013.

General Reserves- the reserve has been accumulated by transferring profit of the company to reserve account, General Reserves can be used for the purposes and as per guidelines prescribed in the Companies Act, 2013.

Statutory Reserves - the reserve has been accumulated by transferring profit of the company to statutory reserve account, this reserve would be utilize to pay statutory liabilities of the company.

| Particulars                                     | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|---|---------------------------------------|---------------------------------------|
| <b>12. DEFERRED TAX LIABILITIES (NET)</b>       |                                       |                                       |
| As per last Balance Sheet                       | 52.69                                 | 105.60                                |
| Charge / (Credit) to Statement of Profit & Loss | (17.86)                               | (52.91)                               |
| <b>Total</b>                                    | <b>34.83</b>                          | <b>52.69</b>                          |

| Particulars  | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|--|---------------------------------------|---------------------------------------|
| <b>12.1 RECONCILIATION TO DEFERRED TAX LIABILITIES (NET)</b> |                                       |                                       |
| As per last Balance Sheet                                    | 52.69                                 | 105.60                                |
| WDV as per IT  | 2,866.11                              | 2,724.14                              |
| WDV as per Companies Act                                     | 2,863.61                              | 2,903.90                              |
|  | <b>(2.49)</b>                         | <b>179.76</b>                         |
| Provision for Leave Encashment & Gratuity                    | 127.70                                | 9.63                                  |
|  | <b>125.21</b>                         | <b>189.39</b>                         |
| <b>Tax Rate</b>  | <b>27.82%</b>                         | <b>27.82%</b>                         |
| DTL  | 34.83                                 | 52.69                                 |
| Balance as per Balance Sheet                                 | 52.69                                 | 105.60                                |
| Charge / (Credit) to Statement of Profit & Loss              | (17.86)                               | (52.91)                               |
| <b>Total</b>   | <b>34.83</b>                          | <b>52.69</b>                          |

(₹ In Lakhs)

| Particulars                  | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|------------------------------|---------------------------------------|---------------------------------------|
| <b>13. BORROWINGS</b>        |                                       |                                       |
| <b>Secured borrowings</b>    |                                       |                                       |
| <b>From Bank</b>             |                                       |                                       |
| Rupee Loan (Working Capital) | 3,228.25                              | 5,271.83                              |
| <b>Unsecured borrowings</b>  |                                       |                                       |
| Suraj Impex LLP              | 320.00                                | 310.00                                |
| <b>Total</b>                 | <b>3,548.25</b>                       | <b>5,581.83</b>                       |

The working capital loan from Punjab National Bank at 8.50% p.a. of ₹ 3,228.25 Lakhs (2021: ₹ 4,287.60 Lakhs), Standard Chartered Bank ₹ 0.00 Lakhs (2021: ₹ (2.74) Lakhs) and IDBI Bank ₹ 0.00 Lakhs (2021: ₹ 986.97 Lakhs) is secured by the first charge on pari pasu basis over the current assets of the company and second charge over the fixed assets of the company and guaranteed by the directors of the company 1. Mr. Ashok Shah, 2. Mr. Kunal Shah, 3. Mr. Guntant Shah along with corporate guarantee of Suraj Impex LLP.

All the quarterly returns and current assets statements filed by the company with the banks are in agreement with the books of account.

| Particulars                               | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|---|---------------------------------------|---------------------------------------|
| <b>14. TRADE PAYABLES</b>                 |                                       |                                       |
| Secured                                   |                                       |                                       |
| Due to Micro, Small and Medium Enterprise | -                                     | -                                     |
| Due to Others                             | 2,084.92                              | 1,571.33                              |
| <b>Total</b>                              | <b>2,084.92</b>                       | <b>1,571.33</b>                       |
| <b>Above Includes:</b>                    |                                       |                                       |
| <b>Payable to related parties</b>         | <b>0.03</b>                           | <b>7.87</b>                           |

| Particulars                 | Outstanding for following periods from<br>due date of Payment |             |             |                      | Total    |
|-----------------------------|---|-------------|-------------|----------------------|----------|
|                             | Less than<br>1 year   | 1 – 2 Years | 2 – 3 Years | More than<br>3 Years |          |
| (I) MSME                    | -   | -           | -           | -                    | -        |
| (ii) Others                 | 2,084.92  | -           | -           | -                    | 2,084.92 |
| (iii) Disputed Dues – MSME  | -   | -           | -           | -                    | -        |
| (iv) Disputed Dues – Others | -   | -           | -           | -                    | -        |

- Note: There has been no unbilled dues as on the Balance sheet date, hence no separate disclosure required.
- The company does not have suppliers who are registered as micro or small enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2022. The information regarding Micro or small enterprises has been determined on the basis of information available with the management, which has been relied up on by the auditors.



| Particulars  | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|--|---------------------------------------|---------------------------------------|
| <b>15. OTHER CURRENT LIABILITIES</b>   |                                       |                                       |
| <b>Other Financial Liabilities</b>   |                                       |                                       |
| Interest accrued but not due   | -                                     | -                                     |
| Unpaid dividend (Not due for credit to Investor Education and Protection fund) | 1.39                                  | 3.04                                  |
| <b>Other Current Liabilities</b>   |                                       |                                       |
| Statutory Dues   | 14.28                                 | 5.72                                  |
| Advance from Customers   | 411.62                                | 338.58                                |
| Other Payables   | 55.83                                 | 79.37                                 |
| <b>Total</b>   | <b>483.12</b>                         | <b>426.71</b>                         |

| Particulars                     | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|---------------------------------|---------------------------------------|---------------------------------------|
| <b>16. PROVISIONS</b>           |                                       |                                       |
| Provision for Employee benefits | 208.34                                | 196.08                                |
| <b>Total</b>                    | <b>208.34</b>                         | <b>196.08</b>                         |
| <b>Current</b>                  | <b>208.34</b>                         | <b>196.08</b>                         |
| <b>Non-Current</b>              | <b>-</b>                              | <b>-</b>                              |
| <b>Total</b>                    | <b>208.34</b>                         | <b>196.08</b>                         |

| Particulars                        | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|------------------------------------|---------------------------------------|---------------------------------------|
| <b>17. CURRENT TAX LIABILITIES</b> |                                       |                                       |
| Provision for income tax           | 179.03                                | 107.95                                |
| <b>Total</b>                       | <b>179.03</b>                         | <b>107.95</b>                         |

| Particulars   | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|---|---------------------------------------|---------------------------------------|
| <b>17.1 RECONCILIATION TO CURRENT TAX LIABILITIES</b> |                                       |                                       |
| <b>Profit as per P&amp;L A/C</b>                      | <b>460.51</b>                         | <b>192.23</b>                         |
| Add: Depreciation as per Companies Act                | 726.28                                | 692.92                                |
| Add: Donation   | 0.38                                  | 0.05                                  |
| Add: Disallowed Expenses                              | 0.0                                   | 0.38                                  |
| <b>Sub Total</b>                                      | <b>726.66</b>                         | <b>693.35</b>                         |
| <b>Sub Total</b>                                      | <b>1,187.17</b>                       | <b>885.58</b>                         |
| Less: Depreciation as per Income Tax                  | 546.88                                | 497.91                                |
| <b>Taxable Profit</b>                                 | <b>640.29</b>                         | <b>387.67</b>                         |
| <b>Tax Rate</b>                                       | <b>27.82%</b>                         | <b>27.82%</b>                         |
| <b>Tax Payable</b>                                    | <b>178.13</b>                         | <b>107.85</b>                         |
| <b>Income Tax relating to OCI</b>                     | <b>0.90</b>                           | <b>0.10</b>                           |
| <b>Income Tax Payable</b>                             | <b>179.03</b>                         | <b>107.95</b>                         |

(₹ In Lakhs)

| Particulars  | 2021-22          | 2020-21          |
|--|------------------|------------------|
| <b>18. REVENUE FORM OPERATION</b>  |                  |                  |
| Sale of Stainless Steel Seamless Pipes, Tubes, U-Tubes, Flanges and Fittings | 33,999.82        | 18,650.90        |
| Sale of Power generated from Windmill  | 87.03            | 65.92            |
| <b>Other Operating Revenue</b>   |                  |                  |
| Scrap and Waste Sales  | 32.16            | 32.94            |
| Export Incentives  | 253.37           | 88.25            |
| <b>Total Income</b>  | <b>34,372.38</b> | <b>18,838.01</b> |

| Particulars   | 2021-22       | 2020-21       |
|---|---------------|---------------|
| <b>19. OTHER INCOME</b>                                       |               |               |
| Interest Income - From Bank                                   | 6.46          | 20.79         |
| Other Non-Operating Income                                    |               |               |
| Profit on Sale/Discard of property, plant and equipment (net) | 0.44          | 13.85         |
| Exchange Rate Fluctuation (Net)                               | 496.79        | 273.27        |
| Other Misc Income   | 0.28          | 92.31         |
| <b>Total</b>  | <b>503.97</b> | <b>400.22</b> |

| Particulars                                   | 2021-22          | 2020-21          |
|---|------------------|------------------|
| <b>20. MATERIAL CONSUMED</b>                  |                  |                  |
| Inventory at the beginning of the year        | 3,945.00         | 955.01           |
| <b>Add: Purchases</b>                         | 26,394.84        | 12,886.08        |
|   | <b>30,339.84</b> | <b>13,841.09</b> |
| <b>Less: Inventory at the end of the year</b> | 3,431.69         | 3,945.00         |
| <b>Total</b>                                  | <b>26,908.15</b> | <b>9,896.09</b>  |

| Particulars   | 2021-22         | 2020-21         |
|---|-----------------|-----------------|
| <b>21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; SCRAP</b> |                 |                 |
| <b>Inventories at the beginning of the year</b>                                   |                 |                 |
| Finished Goods  | 908.44          | 1,018.50        |
| Work In Progress  | 2,591.64        | 7,213.10        |
| Scrap   | 177.91          | 30.44           |
|   | <b>3,677.99</b> | <b>8,262.04</b> |
| <b>Inventories at the end of the year</b>   |                 |                 |
| Finished Goods  | 395.03          | 908.44          |
| Work In Progress  | 2,081.45        | 2,591.64        |
| Scrap   | 96.66           | 177.91          |
|   | <b>2,573.15</b> | <b>3,677.99</b> |
| <b>Total</b>  | <b>1,104.84</b> | <b>4,584.05</b> |

(₹ In Lakhs)

| Particulars                                 | 2021-22         | 2020-21         |
|---|-----------------|-----------------|
| <b>22. EMPLOYEE BENEFITS</b>                |                 |                 |
| Salaries, Wages, Bonus etc.                 | 1,274.76        | 1,152.73        |
| Contribution to Provident and Other funds   | 34.15           | 31.06           |
| Staff Welfare expenses                      | 45.97           | 41.80           |
| <b>Total</b>                                | <b>1,354.88</b> | <b>1,225.59</b> |
| <b>Particulars</b>                          | <b>2021-22</b>  | <b>2020-21</b>  |
| <b>23. FINANCE COST</b>                     |                 |                 |
| Interest Expense                            | 501.42          | 766.69          |
| Bank Charges                                | 59.68           | 113.09          |
| <b>Total</b>                                | <b>561.10</b>   | <b>879.78</b>   |
| <b>Particulars</b>                          | <b>2021-22</b>  | <b>2020-21</b>  |
| <b>24. OTHER EXPENSES</b>                   |                 |                 |
| <b>Manufacturing Expenses</b>               |                 |                 |
| Consumption of stores and spares            | 520.24          | 322.34          |
| Power and fuel                              | 647.13          | 431.44          |
| Packing material                            | 95.71           | 58.61           |
| Job work charges                            | 93.84           | 71.72           |
| Transportation and freight                  | 1,481.56        | 383.46          |
| Clearing & Forwarding Exp.                  | 218.93          | 109.58          |
| Repairs and maintenance - Building          | 0.17            | 1.07            |
| Repairs and maintenance - Plant & Machinery | 315.75          | 129.98          |
|   | <b>3,373.33</b> | <b>1,508.21</b> |
| <b>Selling and Distribution Expense</b>     |                 |                 |
| Selling and marketing expenses              | 42.74           | 16.22           |
| Commission                                  | 1.82            | -               |
|   | <b>44.56</b>    | <b>16.22</b>    |
| <b>Administration Expense</b>               |                 |                 |
| Audit Fees                                  | 6.91            | 6.91            |
| Communication Exp.                          | 12.13           | 9.91            |
| Insurance                                   | 19.05           | 14.43           |
| Legal & Professional Charges                | 58.68           | 46.88           |
| Rates & Taxes                               | 5.87            | 13.63           |
| Traveling, Conveyance & Vehicle Exp.        | 14.65           | 1.78            |
| Other Expenses                              | 211.35          | 113.27          |
| Write off Expenses                          | 13.26           | 35.52           |
| Director Sitting Fees                       | 0.80            | 0.80            |
|   | <b>342.70</b>   | <b>243.13</b>   |
| <b>Total</b>                                | <b>3,760.59</b> | <b>1,767.56</b> |

(₹ In Lakhs)

| Particulars                          | 2021-22     | 2020-21     |
|--------------------------------------|-------------|-------------|
| <b>24.1 Payments to Auditors as:</b> |             |             |
| a. Statutory Audit Fees              | 4.50        | 4.50        |
| b. Tax Audit Fees                    | 0.90        | 0.90        |
| c. Review Reports Fees               | 0.60        | 0.60        |
| d. GST Audit Fees                    | 0.91        | 0.91        |
| <b>Total</b>                         | <b>6.91</b> | <b>6.91</b> |

| Particulars  |             | 2021-22  | 2020-21  |
|--|-------------|----------|----------|
| <b>25. EARNING PER SHARE</b>                                   |             |          |          |
| <b>Earning per share (Basic and Diluted)</b>                   |             |          |          |
| Profit attributable to ordinary equity holder                  | ₹ In Lakhs  | 300.24   | 137.29   |
| <b>Total no. of equity shares at the end of the year</b>       | <b>Nos.</b> | 19264100 | 19264100 |
| Weighted average number of equity shares for Basic and Diluted | Nos.        | 19264100 | 19264100 |
| Nominal Value of equity share                                  | In ₹        | 10       | 10       |
| Basic earning per share  | In ₹        | 1.56     | 0.71     |

## 26. DISCLOSURE PURSUANT TO RELATED PARTIES

As per Indian Accounting Standard on “Related Party Disclosures” (Ind AS 24), the related parties of the company are as follows:

### 26.1 Name of the related parties and nature of relationship

#### Key Managerial Personnel

Mr. Ashok Shah - Chairman & CFO  
Mr. Kunal Shah - Managing Director & CEO  
Mr. Gunvant Shah - Vice Chairman & Whole Time Director  
Ms. Shilpa Patel - Whole Time Director  
Mr. Maunish Gandhi - Company Secretary

#### Enterprises owned or significantly influenced by key management personnel or their relatives:

Suraj Enterprise Private Limited  
TBS Metal Private Limited  
Suraj Steelmet Private Limited  
Suraj Impex LLP  
Kamala Mansions Private Limited (OPC)

#### Non Executive Directors

Mr. Dipak Shah  
Mr. Ketan Shah  
Mr. Anil Gidwani  
Mr. Rajesh Kharadi

(₹ In Lakhs)

| Particulars  | Transactions During the Year |                              |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 |
| <b>26.2 Disclosure in respect of related party transaction</b> |                              |                              |
| <b>Nature of transactions</b>                                  |                              |                              |
| <b>Sales of goods and material</b>                             |                              |                              |
| TBS Metal Private Limited                                      | 786.84                       | 626.78                       |
| <b>Purchase of goods and material</b>                          |                              |                              |
| TBS Metal Private Limited                                      | 577.44                       | 1,111.88                     |
| <b>Net Borrowing received / (repaid)</b>                       |                              |                              |
| Suraj Enterprise Private Limited                               | -                            | (1,100.00)                   |
| Suraj Impex LLP  | 10.00                        | 310.00                       |
| <b>Interest paid on Unsecured Loan</b>                         |                              |                              |
| Suraj Enterprise Private Limited                               | -                            | 17.38                        |
| Suraj Impex LLP  | 39.96                        | -                            |
| <b>Remuneration</b>  |                              |                              |
| Mr. Ashok Shah - Chairman & CFO                                | 58.20                        | 58.20                        |
| Mr. Gunvant Shah - Vice Chairman & Whole Time Director         | 43.20                        | 43.20                        |
| Mr. Kunal Shah - Managing Director & CEO                       | 51.00                        | 51.00                        |
| Ms. Shilpa Patel - Whole Time Director                         | 15.18                        | 15.00                        |
| Mr. Maunish Gandhi - Company Secretary                         | 5.85                         | 5.36                         |
| <b>Sitting Fees</b>  |                              |                              |
| Mr. Dipak Shah   | 0.20                         | 0.20                         |
| Mr. Ketan Shah   | 0.20                         | 0.20                         |
| Mr. Haren Desai  | -                            | 0.15                         |
| Mr. Bhupendrasinh Patel  | -                            | 0.15                         |
| Mr. Anil Gidwani   | 0.20                         | 0.05                         |
| Mr. Rajesh Kharadi   | 0.20                         | 0.05                         |
| <b>Professional Fees</b>                                       |                              |                              |
| Mr. Dipak Shah   | -                            | 0.35                         |

| Particulars  | Outstanding Balance as on    |                              |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2022 | 31 <sup>st</sup> March, 2021 |
| <b>Receivables against Sales of goods and material</b>   |                              |                              |
| TBS Metal Private Limited                                | 164.01                       | -                            |
| <b>Payable against Purchase of goods and material</b>    |                              |                              |
| TBS Metal Private Limited                                | 0.03                         | 7.87                         |
| <b>Net Borrowings Outstanding</b>                        |                              |                              |
| Suraj Impex LLP  | 320.00                       | 310.00                       |
| <b>Remuneration Payable</b>                              |                              |                              |
| Mr. Ashok Shah - Chairman and CFO                        | 4.85                         | 4.85                         |
| Mr. Gunvant Shah - Vice chairman and Whole Time Director | 3.60                         | 3.60                         |
| Mr. Kunal Shah - Managing Director and CEO               | 4.25                         | 4.25                         |
| Ms. Shilpa Patel - Whole time director                   | 1.31                         | 1.25                         |
| Mr. Maunish Gandhi - Company Secretary                   | 0.53                         | 0.46                         |

**Note (a) :** The remuneration to the key managerial personnel does not include the provisions made for gratuity, as it is determined on an actuarial basis for the company as a whole.

### Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided for any related receivables or payables. However the company has received Corporate guarantee from Suraj Impex LLP against the Bank Borrowings. For the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

(₹ In Lakhs)

| Particulars   | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|---|---------------------------------------|---------------------------------------|
| <b>27. CONTINGENT LIABILITIES</b>   |                                       |                                       |
| <b>Contingent liabilities not provide for</b>   |                                       |                                       |
| a. Disputed demands in respect of   |                                       |                                       |
| Excise / Custom duty  | 1,680.97                              | 1,680.97                              |
| Sales tax   | 483.93                                | 483.93                                |
| Income tax  | 385.17                                | 184.23                                |
| b. Estimated amount of contracts remaining to be executed on capital account and not provided | -                                     | -                                     |
| <b>Total</b>  | <b>2,550.07</b>                       | <b>2,349.13</b>                       |

Note (i) Excise/Custom duty demand comprise various demands from the Excise Authorities for payment of ₹ 1,680.97 Lakhs (31<sup>st</sup> March, 2021 ₹ 1,680.97 Lakhs). The Company has filed appeals against these demands. The Company is confident that the demands are likely to be deleted and accordingly no provision for liability has been recognized in the financial statements

## 28. DISCLOSURE PURSUANT TO FOREIGN EXCHANGE EXPOSURES NOT HEDGED

### 28.1 Exposure Not Hedged

| Nature of Instruments | Currency | As at 31 <sup>st</sup> March, 2022 |             | As at 31 <sup>st</sup> March, 2021 |             |
|-----------------------|----------|------------------------------------|-------------|------------------------------------|-------------|
|                       |          | Foreign                            | INR (Lakhs) | Foreign                            | INR (Lakhs) |
| Receivables           | USD      | 4,90,293.23                        | 371.61      | 16,10,411                          | 1,177.37    |
|                       | EURO     | 19,30,877.46                       | 1,626.18    | 12,07,838                          | 1,035.72    |
| Payable to Creditors  | USD      | 12,11,727.70                       | 918.40      | 8,98,761                           | 657.08      |
|                       | EURO     | 37,852.58                          | 31.88       | -                                  | -           |



**Note 29: Disclosure pursuant to Employee benefits**
**29.1 Defined contribution plans:**

Expenses and included in Note No. 22 "Employee benefit expense"

(₹ In Lakhs)

| Particulars    | As at<br>31 <sup>st</sup> March, 2022 | As at<br>31 <sup>st</sup> March, 2021 |
|----------------|---------------------------------------|---------------------------------------|
| Provident Fund | 22.06                                 | 19.27                                 |
|                | 22.06                                 | 19.27                                 |

**29.2 Defined benefit plans:**

The Company has gratuity as post employment benefits which are in the nature of defined benefit plans:

**(a) Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan administered by Trust and the Company makes contributions to recognised Trust.

### March 31, 2022: Changes in defined benefit obligation and plan assets

| March 31, 2022: Changes in defined benefit obligation and plan assets |   |              |                      |  |              |  |  |   |                        |                           |                           | (₹ In Lakhs)   |
|---|---|--------------|----------------------|--|--------------|--|--|---|------------------------|---------------------------|---------------------------|----------------|
| Particulars   | Gratuity cost charged to statement of profit and loss |              |                      |  |              | Return on plan assets (excluding amounts included in net interest expense) | Remeasurement gains/(losses) in other comprehensive income |   |                        |                           | Contributions by employer | March 31, 2022 |
|   | April 1, 2021   | Service cost | Net interest expense | Sub-total included in statement of profit and loss | Benefit paid |  | Actuarial changes arising from demographic assumptions     | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI |                           |                |
| Gratuity  |   |              |                      |  |              |  |  |   |                        |                           |                           |                |
| Defined benefit obligation  | 113.02  | 8.74         | 7.28                 | 16.02  | (4.42)       | -  | (0.05)   | (4.10)  | 0.76                   | (3.39)                    |                           | 121.23         |
| Fair value of plan assets   | 111.83  | -            | 7.20                 | 7.20   | (4.42)       | (0.17)   | -  | -   | -                      | (0.17)                    | 11.16                     | 125.60         |
| Benefit liability / (Assets)  | 1.19  | 8.74         | 0.08                 | 8.82   | -            | 0.17   | (0.05)   | (4.10)  | 0.76                   | (3.22)                    | (11.16)                   | (4.37)         |
| Total benefit liability / (Assets)                                    | 1.19  | 8.74         | 0.08                 | 8.82   | -            | 0.17   | (0.05)   | (4.10)  | 0.76                   | (3.22)                    | (11.16)                   | (4.37)         |

### March 31, 2021: Changes in defined benefit obligation and plan assets

| Particulars                        | Gratuity cost charged to statement of profit and loss |              |                      |  |              | Return on plan assets (excluding amounts included in net interest expense) | Remeasurement gains/(losses) in other comprehensive income |   |                        |                           | Contributions by employer | March 31, 2021 |
|------------------------------------|---|--------------|----------------------|--|--------------|--|--|---|------------------------|---------------------------|---------------------------|----------------|
|                                    | April 1, 2020   | Service cost | Net interest expense | Sub-total included in statement of profit and loss | Benefit paid |  | Actuarial changes arising from demographic assumptions     | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Sub-total included in OCI |                           |                |
| Gratuity                           |   |              |                      |  |              |  |  |   |                        |                           |                           |                |
| Defined benefit obligation         | 100.42  | 8.42         | 6.87                 | 15.29  | (1.77)       | -  | -  | 2.83  | (3.75)                 | (0.92)                    |                           | 113.02         |
| Fair value of plan assets          | 98.57   | -            | 6.74                 | 6.74   | (1.77)       | (0.57)   | -  | -   | -                      | (0.57)                    | 8.86                      | 111.83         |
| Benefit liability / (Assets)       | 1.85  | 8.42         | 0.13                 | 8.55   | -            | 0.57   | -  | 2.83  | (3.75)                 | (0.35)                    | (8.86)                    | 1.19           |
| Total benefit liability / (Assets) | 1.85  | 8.42         | 0.13                 | 8.55   | -            | 0.57   | -  | 2.83  | (3.75)                 | (0.35)                    | (8.86)                    | 1.19           |

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

(₹ In Lakhs)

| Particulars              | Year ended<br>31 <sup>st</sup> March, 2022<br>(%) of total<br>plan assets | Year ended<br>31 <sup>st</sup> March, 2021<br>(%) of total<br>plan assets |
|--------------------------|---|---|
| Insurance fund           | 125.60  | 111.83  |
| (%) of total plan assets | 100.00%   | 100.00%   |

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

| Particulars                            | Year ended<br>31 <sup>st</sup> March, 2022     | Year ended<br>31 <sup>st</sup> March, 2021     |
|--|--|--|
| Discount rate                          | 6.98%  | 6.44%  |
| Future salary increase                 | 6.00%  | 6.00%  |
| Expected rate of return on plan assets | 6.98%  | 6.44%  |
| Employees Turnover rate                | 7.00%  | 7.00%  |
| Mortality rate during employment       | Indian assured<br>lives Mortality<br>(2006-08) | Indian assured<br>lives Mortality<br>(2006-08) |
| Mortality rate after employment        | N.A.   | N.A.   |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

A quantitative sensitivity analysis for significant assumption is as shown below:

| Particulars             | (increase) / decrease in defined<br>benefit obligation (Impact) |  |  |
|-------------------------|---|--|--|
|                         | Sensitivity level   | Year ended<br>31 <sup>st</sup> March, 2022 | Year ended<br>31 <sup>st</sup> March, 2021 |
| Gratuity                |   | 121.23                                     | 113.02                                     |
| Discount rate           | 1% increase   | (6.92)                                     | (6.82)                                     |
|                         | 1% decrease   | 7.81                                       | 7.72                                       |
| Salary increase         | 1% increase   | 5.87                                       | 5.61                                       |
|                         | 1% decrease   | (5.46)                                     | (5.12)                                     |
| Employees Turnover rate | 1% increase   | 0.77                                       | 0.56                                       |
|                         | 1% decrease   | (0.84)                                     | (0.61)                                     |

The followings are the expected future benefit payments for the defined benefit plan :

(₹ In Lakhs)

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2022 | Year ended<br>31 <sup>st</sup> March, 2021 |
|--|--|--|
| <b>Gratuity</b>  |  |  |
| Within the next 12 months (next annual reporting period) | 9.73                                       | 10.09                                      |
| Between 2 and 5 years                                    | 55.95                                      | 51.43                                      |
| Beyond 5 years   | 141.22                                     | 126.78                                     |
| <b>Total expected payments</b>                           | <b>206.90</b>                              | <b>188.30</b>                              |

Weighted average duration of defined plan obligation (based on discounted cash flows)

| Particulars | Year ended<br>31 <sup>st</sup> March, 2022 | Year ended<br>31 <sup>st</sup> March, 2021 |
|-------------|--|--|
| Gratuity    | 7  | 8  |

The followings are the expected contributions to planned assets for the next year:

| Particulars | Year ended<br>31 <sup>st</sup> March, 2022 | Year ended<br>31 <sup>st</sup> March, 2021 |
|-------------|--|--|
| Gratuity    | 4.75                                       | 9.93                                       |

### 30 FINANCIAL INSTRUMENTS, RISK MANAGEMENT, OBJECTIVES AND POLICIES

#### 30.1 - Category-wise Classification of Financial Instruments

The company's Financial Assets and Financial Liabilities are measured at Amortised Cost as on 31<sup>st</sup> March, 2022. The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables, bank overdrafts, investments and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

| II. Figures as at 31 <sup>st</sup> March, 2022                      |                 |            |                 |
|---|-----------------|------------|-----------------|
| Particulars   | Carrying Amount | Fair value |                 |
|   |                 | Level 1    | Level 2         |
| <b>Financial assets at amortised cost:</b>                          |                 |            |                 |
| Trade Receivables   | 2,817.11        | -          | 2,817.11        |
| Cash and Cash Equivalents   | 84.93           | -          | 84.93           |
| Bank Balances Other than Cash and Cash Equivalents                  | 1.39            | -          | 1.39            |
| Other Current Financial Assets                                      | 1,872.74        | -          | 1,872.74        |
| <b>TOTAL</b>  | <b>4,776.17</b> | <b>-</b>   | <b>4,776.17</b> |
| <b>Financial assets at fair value through profit or loss:</b>       |                 |            |                 |
| <b>TOTAL</b>  | <b>-</b>        | <b>-</b>   | <b>-</b>        |
| <b>Financial liabilities at amortised cost:</b>                     |                 |            |                 |
| Borrowings (Current)  | 3,548.25        | -          | 3,548.25        |
| Trade Payables  | 2,084.92        | -          | 2,084.92        |
| Other financial liabilities   | 483.12          | -          | 483.12          |
| <b>TOTAL</b>  | <b>6,116.29</b> | <b>-</b>   | <b>6,116.29</b> |
| <b>Financial liabilities at fair value through profit or loss:-</b> |                 |            |                 |
| <b>TOTAL</b>  | <b>-</b>        | <b>-</b>   | <b>-</b>        |

**III. Figures as at 31<sup>st</sup> March, 2021**

(₹ In Lakhs)

| Particulars   | Carrying Amount | Fair value |                 |
|---|-----------------|------------|-----------------|
|   |                 | Level 1    | Level 2         |
| <b>Financial assets at amortised cost:</b>                  |                 |            |                 |
| Trade Receivables   | 2,501.29        | -          | 2,501.29        |
| Cash and Cash Equivalents                                   | 39.28           | -          | 39.28           |
| Bank Balances Other than Cash and Cash Equivalents          | 3.05            | -          | 3.05            |
| Other Current Financial Assets                              | 1,679.27        | -          | 1,679.27        |
| <b>TOTAL</b>  | <b>4,222.89</b> | <b>-</b>   | <b>4,222.89</b> |
| Financial assets at fair value through profit or loss:      |                 |            |                 |
| <b>TOTAL</b>  | <b>-</b>        | <b>-</b>   | <b>-</b>        |
| <b>Financial liabilities at amortised cost:</b>             |                 |            |                 |
| Borrowings (Current)  | 5,581.83        | -          | 5,581.83        |
| Trade Payables  | 1,571.33        | -          | 1,571.33        |
| Other financial liabilities                                 | 426.71          | -          | 426.71          |
| <b>TOTAL</b>  | <b>7,579.87</b> | <b>-</b>   | <b>7,579.87</b> |
| Financial liabilities at fair value through profit or loss: |                 |            |                 |
|   |                 |            |                 |

**30.2 Financial Risk Management**

The company's Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

**30.3 Credit Risk Management**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly.

(a) The ageing analysis trade receivables from the date the invoice falls due is given below :

| Particulars                  | Year ended<br>31 <sup>st</sup> March, 2022 | Year ended<br>31 <sup>st</sup> March, 2021 |
|------------------------------|--|--|
| Up to 3 months               | 2,770.86                                   | 2,130.97                                   |
| 3 to 6 months                | 30.86                                      | 354.92                                     |
| 6 to 12 months               | -  | -  |
| Beyond 12 months             | 15.39                                      | 15.39                                      |
| <b>Gross Carrying Amount</b> | <b>2,817.11</b>                            | <b>2,501.28</b>                            |
| <b>Net Carrying Amount</b>   | <b>2,817.11</b>                            | <b>2,501.28</b>                            |

- (b) Details of single customer accounted for more than 10% of the accounts receivable as at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021:

| Particulars                   | Year ended<br>31 <sup>st</sup> March, 2022 | Year ended<br>31 <sup>st</sup> March, 2021 |
|-------------------------------|--|--|
| Srinox Bvba                   | 712.78                                     | 773.25                                     |
| T.L.P. S.P.A.                 | 277.31                                     | -  |
| Le Metal Centre               | -  | 271.61                                     |
| Maruti Inox (India) Pvt. Ltd. | 643.30                                     | -  |

- (c) Details of single customer accounted for more than 10% of revenue for the year ended at 31<sup>st</sup> March 2022 and 31<sup>st</sup> March 2021:

| Name of Customer                | Year ended<br>31 <sup>st</sup> March, 2022 | Year ended<br>31 <sup>st</sup> March, 2021 |
|---------------------------------|--|--|
| Maruti Inox (India) Pvt. Ltd.   | 5,057.30                                   | 2,625.26                                   |
| Commerciale Tubi Acciaio S.P.A. | 4,218.15                                   | 2,033.44                                   |
| T.L.P. S.P.A.                   | 5,453.59                                   | -  |

### 30.4 Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| Particulars                 | As at 31-03-2022    |                 |                 | As at 31-03-2021    |                 |                 |
|-----------------------------|---------------------|-----------------|-----------------|---------------------|-----------------|-----------------|
|                             | Less than<br>1 year | 1 to 5<br>years | Total           | Less than<br>1 year | 1 to 5<br>years | Total           |
| Borrowings                  | 3,548.25            | -               | 3,548.25        | 5,581.83            | -               | 5,581.83        |
| Trade Payables              | 2,084.92            | -               | 2,084.92        | 1,571.33            | -               | 1,571.33        |
| Other Financial Liabilities | -                   | -               | -               | -                   | -               | -               |
| <b>Total</b>                | <b>5,633.17</b>     | <b>-</b>        | <b>5,633.17</b> | <b>7,153.16</b>     | <b>-</b>        | <b>7,153.16</b> |

### 30.5 Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.



The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

**a) Interest rate risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings and excluding loans on which interest rate swaps are taken.

(₹ In Lakhs)

| Nature of Borrowing                  | Change in basis points | As at 31-03-2022 | As at 31-03-2021 |
|--------------------------------------|------------------------|------------------|------------------|
| Working Capital Facilities from Bank | 0.50                   | 16.14            | 26.36            |
|                                      | (0.50)                 | (16.14)          | (26.36)          |

**b) Commodity Price Risk**

Principal Raw Material for company's products is scrap and pig iron. Company sources its raw material requirements from domestic markets. Domestic market price generally remains in line with international market prices. Volatility in metal prices, currency fluctuation of rupee vis a vis other prominent currencies coupled with demand-supply scenario in the world market affect the effective price of scrap and pig iron. Company effectively manages availability of material as well as price volatility through well planned procurement and inventory strategy and also through appropriate contracts and commitments.

**c) Sensitivity Analysis**

The table below summarises the impact of increase/decrease in prices of round bar by ₹ 0.50 per kg on profit for the period.

(₹ In Lakhs)

| Particulars              | Impact on PAT |         |
|--------------------------|---------------|---------|
|                          | 2021-22       | 2020-21 |
| ₹ 0.50 increase in price | 28.01         | 24.31   |
| ₹ 0.50 decrease in price | (28.01)       | (24.31) |

**31. Capital management**

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is net debt divided by total equity plus debt.

| Particulars                    | As at 31-03-2022 | As at 31-03-2021 |
|--------------------------------|------------------|------------------|
| Borrowings                     | 3,548.25         | 5,581.83         |
| Less : Cash & Cash Equivalents | 86.32            | 42.33            |
| <b>Net Debt (A)</b>            | <b>3,461.93</b>  | <b>5,539.50</b>  |
| Total Equity                   | 9,217.03         | 8,914.48         |
| <b>Equity and Net Debt (B)</b> | <b>12,678.96</b> | <b>14,453.98</b> |
| <b>Gearing Ratio (A/B)</b>     | <b>0.27</b>      | <b>0.38</b>      |

32. Previous year's figures have been regrouped / re-arranged / re-casted, wherever necessary, so as to make them comparable with current year's figures.
33. In terms of Ind AS 36 – Impairment of Assets issued by ICAI, the management has reviewed its fixed assets and arrived at the conclusion that impairment loss which is difference between the carrying amount and recoverable value of assets was not material and hence no provision is required to be made.
34. The MCA has notified certain amendments to existing Ind AS via notification dated 23<sup>rd</sup> March 2022. The same shall come into force from annual reporting period beginning on or after 01<sup>st</sup> April 2022. Key synopsis are as under:
- Ind AS 16 Property, Plant and Equipment – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in SOPL and considered as part of cost of PPE.
  - Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
  - Ind AS 41 Agriculture– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
  - Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.
  - Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
  - Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

### 35. Segment Reporting

The Company has only one segment of Manufacturing of Stainless Steel Seamless Pipes, Tubes and "U" Tubes, Flanges & Fittings with Electro polishing.

**36. COVID-19 Impact:**

The World Health Organisation [WHO] declared Covid-19 to be a global pandemic in March 2020. Majority of the countries across the globe were into full or partial lockdown situation, impacting business operations across various sectors with severe restrictions on movement of people and goods.

The Company has implemented several initiatives at its manufacturing and other business locations including allowing work from homes, social distancing at work places and proper sanitization of work places etc. for ensuring safety of its employees and continuity of its business operations with minimal disruption.

As per our current assessment of the situation based on internal and external information available up to the date of approval of these financial results by the Board of Directors, the Company believes that the impact of Covid-19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of inventories, intangible assets, trade receivables, investments and other financial assets. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will closely monitor any material changes to the economic environment and their impact on its business in the times to come.

**37. EVENTS AFTER THE REPORTING PERIOD:**

The company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 03<sup>rd</sup> May, 2022, there were no subsequent events to be recognized or reported that are not already previously disclosed.

**As per our report of even date  
For RINKESH SHAH & Co.  
Chartered Accountants  
FRN: 129690W**

**CA Rinkesh Shah  
Partner  
M.No.: 131783**

**Place : Ahmedabad  
Date : 03/05/2022**

**For and on behalf of the Board**

**Ashok Shah  
Chairman & CFO  
DIN: 00254255**

**Kunal Shah  
Managing Director & CEO  
DIN: 00254205  
Place : Ahmedabad  
Date : 03/05/2022**

**Gunvant Shah  
Vice Chairman & WTD  
DIN: 00254292**

**Maunish Gandhi  
Company Secretary**



CIN: L27100GJ1994PLCO21088

Registered Office: "Suraj House" Opp. Usmanpura Garden, Ashram Road, Ahmedabad, Gujarat -380014  
Email: suraj@surajgroup.com, website: www.surajgroup.com

**29<sup>th</sup> ANNUAL GENERAL MEETING**  
**Voting Through Electronic Means**

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised clause 35B of the Listing Agreement, the Company is providing e- voting facility to the Members of the Company, the facility to vote at the 29<sup>th</sup> Annual General Meeting to be held on Tuesday, 14<sup>th</sup> June, 2022. Members of the Company can transact all the items of the business through electronic voting system, provided by Central Depository Services Limited, as contained in the Notice of the Meeting.

The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Mr. Bhavin B. Ratangayra, Partner of RTBR & Associates, Practising Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Stock Exchanges (BSE).

**The instructions for shareholders voting electronically are as under:**

The voting period begins on **11<sup>th</sup> June, 2022 at 10.00 a.m. and ends on 13<sup>th</sup> June, 2022 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date: 03<sup>rd</sup> June, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

**Step 1** : The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

**Step 2** : Click on Shareholders.

**Step 3** : Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

**Step 4** : Next enter the Image Verification as displayed and Click on Login.

**Step 5** : If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

**Step 6** : If you are a first time user follow the steps given below:

| <b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b> |   |
|--|---|
| PAN  | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li></ul>           |
| Dividend Bank Details<br><b>OR</b><br>Date of Birth (DOB)                                    | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in Bank Details demat account or in the company records in order to login. <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul> |

- Step 7** : After entering these details appropriately, click on "SUBMIT" tab.
- Step 8** : Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- Step 9** : For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Step 10** : Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- Step 11** : On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Step 12** : Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- Step 13** : After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Step 14** : Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- Step 15** : You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- Step 16** : If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Step 17** : Shareholders can also use Mobile app - "m - Voting" for e voting. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

**Note for Non - Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

**Yours Sincerely,  
For, Suraj Limited**

**Place : Ahmedabad  
Date : 03/05/2022**

**Maunish Gandhi  
Company Secretary**

## E-Voting Page

| Resolution No.<br>as per Notice | Particulars   | No. of<br>Shares Held | Assent | Dissent |
|---------------------------------|---|-----------------------|--------|---------|
| 1                               | To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31 <sup>st</sup> March, 2022 and the reports of the Board of Directors and Auditors thereon. |                       |        |         |
| 2                               | To appoint a Director in place of Mr. Kunal Shah (DIN:00254205) who retires by rotation and being eligible offers himself for re-appointment.   |                       |        |         |
| 3                               | To appoint a Director in place of Ms. Shilpa Patel (DIN:07014883) who retires by rotation and being eligible offers herself for re-appointment  |                       |        |         |
| 4                               | To re-appoint M/s Rinkesh Shah & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 129690W) as Statutory Auditors of the Company   |                       |        |         |
| 5                               | To approve the remuneration to M/s. Kiran J. Mehta & Co., Cost Accountant, Ahmedabad (FRN: 000025), the Cost Auditors of the Company for the Financial year 2022-23                                     |                       |        |         |
| 6                               | To Re appointment of Mr. Kunal Shah (DIN:00254205) as a Managing Director & CEO of the Company who shall be liable to retire by Rotation  |                       |        |         |
| 7                               | To Re appointment of Ms. Shilpa Patel (DIN:07014883) as a Whole Time Director of the Company who shall be liable to retire by Rotation  |                       |        |         |
| 8                               | To revise remuneration structure of Mr. Ashok Shah, Chairman & CFO (DIN:00254255) of the Company  |                       |        |         |
| 9                               | To revise remuneration structure of Mr. Kunal Shah (DIN:00254205) as a Managing Director & CEO of the Company   |                       |        |         |
| 10                              | To revise remuneration structure of Mr. Gunvant Shah, Whole Time Director & Vice Chairman (DIN:00254292) of the Company   |                       |        |         |
| 11                              | To revise remuneration structure of Ms. Shilpa Patel (DIN:07014883) as a Whole Time Director of the Company   |                       |        |         |

**Notes** .....

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