

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

2019-20



**SURAJ** LIMITED

*Progress is Life*



CIN: L27100GJ1994PLCO21088

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

## 27<sup>th</sup> ANNUAL REPORT 2019-2020

### 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
HAREN DESAI	INDEPENDENT DIRECTOR
BHUPENDRASINH PATEL	INDEPENDENT DIRECTOR

**COMPANY SECRETARY** : MAUNISH S. GANDHI

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

**BANKERS** : PUNJAB NATIONAL BANK  
STANDARD CHARTERED BANK  
IDBI BANK LTD.

**REGISTRAR & SHARE TRANSFER AGENT** : MCS SHARE TRANSFER AGENT LTD.  
201, SHATDAL COMPLEX, 2ND 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

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### 27<sup>th</sup> ANNUAL GENERAL MEETING

**Date** : Thursday, 23<sup>rd</sup> July, 2020

**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,

On my behalf and on behalf of the Board of Directors, I welcome you all to this 27<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. 2019-20. 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 2019-20 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 ₹ 17,569.71 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 ₹ 86.07 Lakh.

It will not be out of place at this juncture to say that your Company's ability deliver growth and sustain business gradually. The momentum is attributable to its ability to remain relevant to its esteemed customer's changing choice and preference, need and extensive global presence.

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

Notice is hereby given that the **27<sup>th</sup> (twenty-seventh)** Annual General Meeting of **SURAJ LIMITED** will be held on **Thursday, 23<sup>rd</sup> July, 2020** 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, 2020 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.

### SPECIAL BUSINESS:

4. **To approve the remuneration to M/s Kiran J. Mehta & Co. Cost Accountant, Ahmedabad (FRN:00025), the Cost Auditors of the Company for the Financial year 2020-21:**

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:00025) 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 2020-21 be paid the remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus GST for the year 2020-21 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.”

5. **To approve material related party transactions:-**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the prevailing provisions of the Companies Act, 2013 read with rules made there under, consent of the members of the Company be and is hereby accorded to Material Related Party Transactions with TBS Metal Private Limited for a period of three years from FY-2020-21 and such approval is further accorded to an increase of up to 50% over and above the consolidated value of transactions in the previous financial year.

**RESOLVED FURTHER THAT** the Key Managerial Personnel of the Company be and are hereby severally authorised to take necessary actions and complete all the legal formalities related thereto.”

**Date: 10/06/2020**  
**Place: Ahmedabad**

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

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

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

## NOTES

1. 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 the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM/AGM. 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 venue voting system on the date of the EGM/AGM will be provided by CDSL.
2. 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, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 27<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.18 and available at the Company's website [www.surajgroup.com](http://www.surajgroup.com).
3. 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.
4. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The helpline number regarding any query / assistance for participation in the AGM through VC/ OAVM is 079-27540720.
7. 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.
8. 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 2019-20 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 2019-20 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).

9. The Register of members and share transfer books of the Company will remain closed from Thursday, 16<sup>th</sup> July, 2020 to Thursday, 23<sup>rd</sup> July, 2020 (both days inclusive) for the purpose of Annual General Meeting.
10. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
11. 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.
12. 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.
13. The balance lying in the unpaid dividend account of the Company in respect of dividend declared for the financial year 2012-13 are requested to claim their dividend on or before 29<sup>th</sup> October, 2020 and will be transferred to the Investor Education and Protection Fund of the Central Government by 30<sup>th</sup> October, 2020. The details of unclaimed dividends are available on the Company's website at [www.surajgroup.com](http://www.surajgroup.com).
14. 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.
15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
16. **Process for those members whose email ids are not registered:**
  - (i) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder by email to [secretary@surajgroup.com](mailto:secretary@surajgroup.com).
  - (ii) Members holding shares in Demat mode can get their e-mail id registered by contacting their respective Depository Participant or by email to [secretary@surajgroup.com](mailto:secretary@surajgroup.com).
17. **The instructions for shareholders voting electronically are as under:**
  - Step 1:** The voting period begins on **20<sup>th</sup> July, 2020 at 10.00 a.m. and ends on 22<sup>nd</sup> July, 2020 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 **Thursday, 16<sup>th</sup> July, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - Step 2:** Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
  - Step 3:** The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Step 4:** Click on Shareholders.
  - Step 5:** Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Step 6:** Next enter the Image Verification as displayed and Click on Login.

**Step 7:** 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 8:** If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form 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 OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <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(DOB) mentioned in instruction (iv).</li> </ul>

**Step 9:** After entering these details appropriately, click on “SUBMIT” tab.

**Step 10:** 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 11:** For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

**Step 11:** Click on the EVSN of the Company.

**Step 12:** 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 13:** Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

**Step 14:** 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 15:** Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

**Step 16:** You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

**Step 17:** 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 18:** 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.

**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.

**18. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request in advance atleast 7 days before AGM mentioning their name, demat account number/folio number, email id, mobile number at [secretary@surajgroup.com](mailto:secretary@surajgroup.com).
6. Shareholders who would like to express their views/have questions may send their questions in advance in advance atleast 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.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

- (i) The Members whose names appear in the Register of Members / List of Beneficial Owners as on **16<sup>th</sup> July, 2020 (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.
- (ii) 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. **16<sup>th</sup> July, 2020**, 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.



- (iii) The remote e-voting will commence on **20<sup>th</sup> July, 2020 at 10.00 a.m. and ends on 22<sup>nd</sup> July, 2020 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 **16<sup>th</sup> July, 2020**, 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.
- (iv) 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.
- (v) 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. **Thursday, 16<sup>th</sup> July, 2020**.

The Company has appointed Mr. Bhavin B. Ratangayra, Partner of RTBR & Associates, Practising 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.

#### **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.
- 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.

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).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 1800225533.

## 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 Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of **M/s. Kiran J. Mehta & Co.**, (FRN:00025) 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 2020-21 be paid the remuneration of Rs.1,00,000/-(Rupees One Lakh only) plus GST for the year 2020-21 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. 4 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. 4 of this Notice.

#### Item No. 5:

In order to sustain quality standards, quantitative benefits and ease of customer reach, in the best interest of the Company and its shareholders, major transactions of the Company pertaining to sale, purchase or supply of goods, materials & services have been with TBS Metal Private Limited. Considering the prevailing market trend these transactions will continue in the year 2020 and thereafter.

A summary of transactions carried out with TBS Metal Private Limited during the financial year 2019-2020 together with projections until 2022-2023 are as under:

Material Related Party Transactions with TBS Metal Pvt. Ltd.	For the F.Y. 2019-2020 (₹ in lakhs)	Projected Transactions Proposed for Approval		
		For the F.Y. 2020-2021 (₹ in lakhs)	For the F.Y. 2021-2022 (₹ in lakhs)	For the F.Y. 2022-2023 (₹ in lakhs)
Purchase of Goods	2232.12	Increase 50%	Increase 50%	Increase 50%
Sales of Goods	1547.58	on 2020	on 2021	on 2022

These transactions as well as the proposed transactions would continue to be in ordinary course of business and at arm's length basis.

Pursuant to provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, all Material Related Party Transactions will require approval of the members through an ordinary resolution.

Since the aggregate value of these transactions (year to date plus proposed in 2020) is likely to exceed ten percent of the annual turnover of the Company as per the last audited financial statements of the Company, the said transactions would be considered to be Material Related Party Transactions for the purpose of provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and will thus require approval of the

members of the Company through an Ordinary Resolution. The Audit Committee and Board of Directors have reviewed major terms & conditions of these transactions and recommend to the members for their approval by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice except to the extent of their shareholding or employment in the Company, its Holding Company or Associate Group Company, if any, in the Company.

The Board recommends the Resolution under Item No. 5 of the Notice for approval of the Members as an Ordinary Resolution.

**Date:** 10/06/2020  
**Place:** Ahmedabad

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

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

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

## DIRECTORS REPORT

To,

### THE MEMBERS

Your Directors have pleasure in submitting their 27<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, 2020.

### 1. FINANCIAL RESULTS:

During the year under review, the Company has achieved Total Comprehensive income of ₹ 86.07 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, 2020 are as follows:

Particulars	₹ in Lakhs)	
	2019-20	2018-19
Revenue from Operation	17569.71	17,943.70
Other Income	133.75	38.79
Total Income	17703.47	17,982.49
Less: Expenditure	15853.53	16,187.60
Profit/(loss)before Interest, Depreciation, Tax	1907.12	1794.89
Less: Interest	1026.19	1041.33
Less: Depreciation & Amortization Cost	665.06	658.83
Less: Extraordinary items	-	-
<b>Profit/(loss)Before Tax</b>	<b>158.69</b>	<b>94.73</b>
Less: Tax Expenses	57.18	(46.06)
<b>Profit/(loss)after Tax</b>	<b>101.50</b>	<b>140.79</b>
Other Comprehensive Income	(15.44)	(1.70)
Total Comprehensive Income for the period	86.07	139.09

### 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 2020-21 to BSE where the Company's Shares are listed.

**6. DEMATERIALISATION OF SHARES:**

99.73% of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2020 and balance 0.27% is in physical form. The Company's Registrars are M/s MCS share transfer agent Ltd., having their office at, 201, Shatdal Complex, 2<sup>nd</sup> 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, 2020, 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, 2020 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, was appointed as Statutory Auditors for a period of 5 year(s) in the Annual General Meeting held on 20<sup>th</sup> June, 2017 to hold the office till the conclusion of 29<sup>th</sup> Annual General Meeting of the Company to be held in the year 2022. 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: 00025) appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year 2020-21 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, 2020.

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).

In pursuant to provision of section 135 and Schedule VII of the Companies Act, 2013, and CSR policy of company it is required to spend two percent of average net profit of the company for the three immediately preceding financial year.

**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. 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 27 of financial statements forming part of this report.

**14. 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.

**15. KEY MANAGERIAL PERSONNEL:**

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

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

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

**16. 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.

**17. 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, 2010.

**18. 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 2019-20 ₹ in Lakh	Remuneration paid FY 2018-19 ₹ in Lakh	Increase in remuneration from previous year ₹ in Lakh
1	Mr. Ashok T. Shah	Chairman & CFO (ED)	58.20	27.00	31.20
2	Mr. Gunvant T. Shah	Vice Chairman (ED)	43.20	19.50	23.70
3	Mr. Kunal T. Shah	Managing Director	51.00	23.00	28.00
4	Ms. Shilpa Patel	Whole time Director	14.80	12.30	2.50

**19. 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:

<b>Key Risk</b>	<b>Impact to Suraj Ltd</b>	<b>Mitigation Plans</b>
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.

**20. 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: 10/06/2020**  
**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 & 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, and “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 2019-20; it achieved sale and other income of ₹ 17,703.47 Lakhs as against last year’s ₹ 17,982.49 Lakhs. Profit before tax increase from ₹ 94.73 Lakhs to ₹ 158.69 Lakhs. Total Comprehensive Income is ₹ 86.07 Lakhs, Other Equity stood at ₹ 6,850.52 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 economic growth Domestic steel consumption is estimated to grow at 2%-2.5% in 2020, down from a 7.5% consumption growth in FY19, despite the lockdown to prevent the spread of COVID 19 that will hurt steel sales in March and April. The India Steel Production is projected to trend around 9650.00 Thousand Tonnes in 2021, according to our econometric models. 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. Steel production in India has increased from 81 million tonnes (mt) in 2013-14 to 88 mt in 2014-15 with the capacity being increased from 100 mt in 2013-14 to 110 mt in 2014-15. The steel sector contributes nearly 2% of the country's GDP and employs over 6 lakh people. Per capita finished steel consumption in 2018 was 224.5 kg for world and 590.1 kg for China (Source: World Steel Association). The same for India was 73.3 kg in 2018 (Source: JPC) and 75.7 kg (prov.) in 2019. The per capita consumption of India in 2018-19 was 74.1 kg and that in 2019-20 was 74.6 kg (prov.). After slower than expected growth in 2019, mainly due to the deep manufacturing recession in the developed economies, we are seeing a further decline in global steel demand in the second quarter of 2020. The duration of the present disruption is currently impossible to judge.

**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 2019-20 the dates on which the said meetings were held are as follows:

- |                                   |                                   |
|-----------------------------------|-----------------------------------|
| 1) 02 <sup>nd</sup> May, 2019     | 2) 26 <sup>th</sup> July, 2019    |
| 3) 25 <sup>th</sup> October, 2019 | 4) 13 <sup>th</sup> January, 2020 |

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/ NPD	ED/NED/ ID/WTD	No. Of Board Meeting attended	Attendance at the last AGM	No. of Director- ship in other co. (Excluding private company)	No. of Committees (Other than Suraj Ltd.)	
						Chairman	Member
Mr. Ashok Shah	PD	ED	4	YES	-	-	-
Mr. Kunal Shah	PD	ED	4	YES	-	-	-
Mr. Gunvant Shah	PD	ED/WTD	3	YES	-	-	-
Ms. Shilpa Patel	NPD	ED/WTD	4	YES	-	-	-
Mr. Ketan Shah	NPD	NED/ID	3	YES	-	-	-
Mr. Dipak Shah	NPD	NED/ID	4	YES	-	-	-
Mr. Haren Desai	NPD	NED/ID	4	YES	-	-	-
Mr. Bhupendrasinh Patel	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. Haren Desai
- Mr. Bhupendrasinh Patel

**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
List of Companies in which outside Directorship held as on 31.03.2020 (Excluding private & Foreign companies)	1. Suraj Enterprise Private Ltd 2. TBS Metal Private Ltd 3. Suraj Steelmet Private Ltd	Nil
Chairman/Member of the*Committees of other Companies on which he/she is a Member as on 31.03.2020	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	3
Mr. Haren Desai	Member	4	4

The audit committee meetings were held on 02<sup>nd</sup> May, 2019, 26<sup>th</sup> July, 2019, 25<sup>th</sup> October, 2019 and 13<sup>th</sup> January, 2020. 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 2020.

The Chairman of the Audit Committee was present at 26<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> June 2019.

**(ii) Remuneration Committee:**

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

Name	Designation
Mr. Bhupendrasinh Patel	Chairman
Mr. Ketan Shah	Member
Mr. Haren Desai	Member

- i) The broad terms of reference of the remuneration Committee are as under;
- To approve annual remuneration plan of the Company.
  - 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 26<sup>th</sup> Annual General Meeting of the Company held on 27<sup>th</sup> June, 2019.
- iii) The Company does not have any ESOP Scheme.  
The Committee duly met on 26<sup>th</sup> July, 2019.
- 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 Rs.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 2019-20 are as follows: (₹In lakhs)

Name Of Director	Mr. Ashok Shah	Mr. Kunal Shah	Mr. Guntant Shah	Ms. Shilpa Patel
Designation	Chairman (CFO)	Managing Director	Vice Chairman / WTD	Whole time director
Salary	58.20	51.00	43.20	14.80
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>14.80</b>

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 2020 and sitting fees paid for various meetings attended during the F.Y. 2019-20 are as follows:

Sr.No.	Name of non-executive director	No. of shares held	Sitting fees paid during the year
1	Mr. Dipak Shah	1200	₹ 15,000/-
2	Mr. Ketan Shah	-	₹ 20,900/-
3	Mr. Haren Desai	-	₹ 25,900/-
4	Mr. Bhupendrasinh Patel	-	₹ 25,900/-

**(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. Haren Desai	Member/NED & ID

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

The number of shareholder's complaints received through Stock Exchange or SEBI during the year 2019-20 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 31.03.2020
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
2018-19	Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009.	27/06/2019 10.30 A.M.	1. To approve the remuneration to M/s Kiran J. Mehta & Co. Cost Accountant, Ahmedabad (FRN:00025), the Cost Auditors of the Company for the Financial year 2019-2020 2. To approve managerial remuneration as prescribed under schedule V of the act. 3. To approve material related party transactions.
2017-18	Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009.	21/06/2018 10.30 A.M.	1. To re appointment of Mr. Kunal T. Shah (DIN:00254205) as a Managing Director & CEO of the Company 2. To re appointment of Ms. Shilpa M. Patel (DIN: 07014883) as a WTD of the company 3. To approve material related party transactions
2016-17	Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009.	20/06/2017 10.30 A.M.	Appointment of cost auditor.

**(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
2018-19	NONE	NONE	NONE
2017-18	NONE	NONE	NONE
2016-17	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:**

1. 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 Ind AS-24 'Related Party Disclosures' issued by the MCA are disclosed in Note No. 27 to the Accounts for the year 2019-20.



2. In the preparation of the financial statements, the Company has followed the Indian Accounting Standards issued by the Companies (Indian Accounting Standard) Rules, 2015.
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](http://www.surajgroup.com)
- iii) Whether it also Displays official News releases : Press release, if any made by the company are also displayed.
- iv) The presentation Made to the institutional Investors or to the analysts : No such preparation has been made during the year.
- v) Whether MD&A is Part of Annual Report : Yes

**11. General Shareholders information**

- i) **Annual General Meeting** : Date: 23<sup>rd</sup> July, 2020  
**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 2020-21 as per the following schedule:

- |                     |   |
|---------------------|---|
| First quarter       | : 3 <sup>rd</sup> week of July, 2020    |
| Half-yearly results | : 3 <sup>rd</sup> week of October, 2020 |
| Third quarter       | : 3 <sup>rd</sup> Week of January, 2021 |
| Yearly Results      | : By end of April, 2021                 |

- iii) Listing on Stock Exchanges : Company's shares are listed with the Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001. The listing fee for the financial year 2019-20 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 19	44.75	32.50
May 19	42.00	42.00
June 19	43.00	39.00
July 19	40.80	37.00
August 19	38.00	38.00
September 19	39.40	37.00
October 19	41.40	37.05
November 19	40.00	36.10
December 19	35.65	33.90
January 20	32.25	22.55
February 20	30.00	25.30
March 20	29.25	23.80

(viii) Registrar & Transfer Agents Address : MCS Share Transfer Agents Limited  
201, Shatdal Complex, 2<sup>nd</sup> 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 2020

No of Equity Shares Held		No. of Share Holders	% of Share holders	No. of Shares held	% of shares holding
From	To				
1	- 500	1179	74.1043	153049	0.7945
501	- 1000	150	9.4280	116562	0.6051
1001	- 2000	107	6.7253	151603	0.7870
2001	- 3000	37	2.3256	91582	0.4754
3001	- 4000	12	0.7542	44065	0.2287
4001	- 5000	15	0.9428	70949	0.3683
5001	- 10000	26	1.6342	196125	1.0181
10001	- 50000	30	1.8856	647962	3.3636
50001	- 100000	11	0.6914	758425	3.9370
100001	- Above	24	1.5085	17033778	88.4224
<b>Total</b>		<b>1591</b>	<b>100.00</b>	<b>19264100</b>	<b>100.00</b>

B. Shareholding pattern as on 31<sup>st</sup> March 2020:

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	734615	3.8134
4	Central Govt/State Govt(s)/ POI	53250	0.2764
5	Public including HUF	3896599	20.2273
6	NRIs/Foreign Companies/OCBs	189479	0.9836
	<b>TOTAL</b>	<b>1,92,64,100</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 2020:

Particulars	No. of Equity Shares	% of total Share Capital
Physical	52233	0.27
NSDL	2262765	11.75
CDSL	16949102	87.98
<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 7291.
- (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.

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## DECLARATION

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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 March 31<sup>st</sup>, 2020

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

**Date:** 10.06.2020  
**Place:** Ahmedabad

**Ashok Shah**  
**(Chairman & CFO)**

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## CEO AND CFO CERTIFICATION

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We, Ashok Shah Chairman & CFO and 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, 2020 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, 2020 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:** 10.06.2020  
**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 31st March, 2020, 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**

Place: Ahmedabad  
Date: 10/06/2020  
**UDIN- F008491B000336863**

## ANNEXURE-B

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[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** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **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 31.03.2020, 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 31.03.2020 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:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	Bombay Stock Exchange	Non Submission of Financial Result within the period Prescribe under Regulation 33 of SEBI (LODR) Regulations, 2015	Notice for non compliance has been received from BSE.	Company has submitted the clarification letter for the same and still no reply/Confirmation on the same received from BSE.

- 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. However, the amount of transaction entered with related party has been increased from the amount of transaction was approved by the share holders of the company in previous Annual General Meeting of the Company.

- (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 to the company during Audit Period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. (Not applicable to the company during Audit Period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable to the company during Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (Not applicable to the company during Audit Period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not applicable to the company during Audit Period)
- (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.

\*However Company is holding 70% in one of the LLP (Suraj Impex LLP) during the Financial Year 2018-19. Further, with effect from 01<sup>st</sup> April 2019 the Suraj Limited is no longer hold any contribution in LLP.

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

**Bhavin Ratanghayra**  
**FCS: 8491**  
**CP: 9399**  
**UDIN- F008491B000336821**

Place: Ahmedabad  
Date: 10/06/2020

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**

**Bhavin Ratanghayra  
FCS: 8491  
CP: 9399  
UDIN- F008491B000336821**

Place: Ahmedabad  
Date: 10/06/2020

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## Secretarial Compliance Report of SURAJ LIMITED

### For the year ended 31<sup>st</sup> March, 2020

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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, 2020 ("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 to the company during Audit Period)
- 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 to the company during Audit Period)
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the company during Audit Period)
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during Audit Period)
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the company during Audit Period)
- h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th 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 thereunder 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:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	Bombay Stock Exchange	Non Submission of Financial Result within the period Prescribe under Regulation 33 of SEBI (LODR) Regulations, 2015	Notice for non compliance has been received from BSE.	Company has submitted the clarification letter for the same and still no reply/Confirmation on the same received from BSE.

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended.. (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	As Regards to, Non Compliance with the provisions of Regulation 19(1), 19(2) of SEBI (LODR) Regulations, 2015	2018-19	The Company has submitted the clarification letter for the same.	The Company has submitted the clarification letter for the same.

\*However Company is holding 70% in one of the LLP (Suraj Impex LLP) during the Financial Year 2018-19. Further, with effect from 01<sup>st</sup> April 2019 the Suraj Limited is no longer hold any contribution in LLP.

**RTBR & Associates  
Company Secretaries**

**Bhavin Ratanghayra  
FCS: 8491  
CP: 9399  
UDIN- F008491B000336852**

Place: Ahmedabad  
Date: 10/06/2020

## 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 31.03.2020	Year Ended 31.03.2019
<b>A. Power and Fuel Consumption Electricity</b>		
Purchase in Unit KWH	3155910	2655467
<b>Total Amt. ₹</b>	<b>2,54,11,704</b>	<b>2,05,24,270</b>
Rate KWH ₹	8.052	7.73
<b>B. Consumption per unit of production</b>		
Production (M.T)	6205.60	5204.30
Total Nos. of Unit (KWH)	3155910	2655467
Unit Per M.T.(KWH)	508.56	510.25
<b>Cost per M.T. ₹</b>	<b>4094.93</b>	<b>3943.72</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)**

<b>Particulars</b>	<b>Amount</b>
Foreign exchange Earning:	9946.36
Foreign Exchange outgo :	
- CIF value of Import:	3626.91
- Expenditure in foreign Currency:	118.59

## 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 31.03.2020**

#### 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, USMANPURA, AHMEDABAD , Gujarat – 380014 Ph: 0091-79-27540720. 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, 201, Shatdal Complex, 2 <sup>nd</sup> Floor, Opp. BATA Showroom, Ashram Road, Ahmedabad - 380009 Phone: 079 - 26582878 Email: <a href="mailto:mcsahmd@gmail.com">mcsahmd@gmail.com</a>

#### 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

SI No.	Name & Description of main products/services	NIC Code of the Product /service	% 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/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE 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	14390037	0	14390037	74.6987	14390157	0	14390157	74.6994	0.0007
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>14390037</b>	<b>0</b>	<b>14390037</b>	<b>74.6987</b>	<b>14390157</b>	<b>0</b>	<b>14390157</b>	<b>74.6994</b>	<b>0.0007</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>14390037</b>	<b>0</b>	<b>14390037</b>	<b>74.6987</b>	<b>14390157</b>	<b>0</b>	<b>14390157</b>	<b>74.6994</b>	<b>0.0007</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	52313	0	52313	0.2716	53250	0	53250	0.2764	0.0048
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>52313</b>	<b>0</b>	<b>52313</b>	<b>0.2716</b>	<b>53250</b>	<b>0</b>	<b>53250</b>	<b>0.2764</b>	<b>0.0048</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates	732341	0	732341	3.8016	734615	0	734615	3.8134	0.0118
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	891673	53633	945306	4.9071	895925	52233	948158	4.9219	0.0148
ii) Individuals shareholders holding nominal share capital in excess of ₹ 2 lakhs	2755157	0	2755157	14.3020	2746799	0	2746799	14.2586	(0.0433)
c) Any Other (specify)									
HUF	200867	0	200867	1.0427	201642	0	201642	1.0467	0.004
NRI	188079	0	188079	0.9764	189479	0	189479	0.9836	0.0072
d) Foreign Bodies Corporate	0	0	0	0	0	0	0	0	
<b>SUB TOTAL (B)(2):</b>	<b>4768117</b>	<b>53633</b>	<b>4821750</b>	<b>25.0298</b>	<b>4768460</b>	<b>52233</b>	<b>4820693</b>	<b>25.0242</b>	<b>(0.0007)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>4820430</b>	<b>53633</b>	<b>4874063</b>	<b>25.3013</b>	<b>4821710</b>	<b>52233</b>	<b>4873943</b>	<b>25.3006</b>	<b>(0.0007)</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>19210467</b>	<b>53633</b>	<b>19264100</b>	<b>100.00</b>	<b>19211867</b>	<b>52233</b>	<b>16264100</b>	<b>100</b>	<b>0</b>

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

Sl No.	Shareholders Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
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	991480	5.1468	0	991600	5.1474	0	0.0007
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 Gunvant kumar Shah	270000	1.4016	0	270000	1.4016	0	0
11	Minor 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>14390037</b>	<b>74.6987</b>	<b>0</b>	<b>14390157</b>	<b>74.6994</b>	<b>0</b>	<b>0.0007</b>

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

Sl. No		Shareholding at the beginning of the Year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
		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	14390037	74.6987	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.)	Due to merge of 120 shares of Gunvantkumar Shah promoter of the company.			
3	At the end of the year	14390037	74.6987	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	636318	3.3031
2	PAWANDEV P. JAIN	403000	2.0920
3	PADMAVATI RAMESH JAIN	248379	1.2893
4	MUKESH RAGHUNATHMALCHANDAN	220809	1.1462
5	PARASMAL JAIN	206324	1.0710
6	HITESH BHANWARLALSANGHVI	185618	0.9635
7	RAMESH KUMAR JAIN	150000	0.7787
8	SAVITA NARESH MUNOT	135911	0.7055
9	LALITA BHANSALI	124500	0.6463
10	MUKESHKUMAR AMRATLALSHAH	119849	0.6221



**(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	1200	0.0062
5	Shilpa Patel	940	0.0049
6	Ketan Shah	NIL	NIL
7	Haren Desai	NIL	NIL
8	Bhupendra Patel	NIL	NIL
9	Maunish Gandhi	NIL	NIL

**VI. INDEBTEDNESS:**

(₹ in Lakhs)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9348.00	505.00	NIL	9853.00
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	0.80	NIL	NIL	0.80
<b>Total (i+ii+iii)</b>	<b>9348.80</b>	<b>505.00</b>	<b>NIL</b>	<b>9853.80</b>
Change in Indebtedness during the financial year				
• Addition	NIL	595.00	NIL	595.00
• Reduction	(2377.06)	NIL	NIL	(2377.06)
<b>Net Change</b>	<b>(2377.06)</b>	<b>595.00</b>	<b>NIL</b>	<b>(1782.06)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	6970.94	1100.00	NIL	8070.94
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>6970.94</b>	<b>1100.00</b>	<b>NIL</b>	<b>8070.94</b>

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Ashok Shah	Mr. Gunvant Shah	Mr. Kunal Shah	Ms. Shilpa Patel	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	58.20	43.20	51.00	14.80	167.20
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - 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>14.80</b>	<b>167.20</b>

**B) Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Dipak Shah	Mr. Ketan Shah	Mr. Haren Desai	Mr. Bhpendra Patel	
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	15,000/-	20,900/-	25,900/-	25,900/-	87,700/-
	<b>Total (1)</b>	15,000/-	20,900/-	25,900/-	25,900/-	87,700/-
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total = (1 + 2)</b>	15,000/-	20,900/-	25,900/-	25,900/-	87,700/-

**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 (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	4.90	4.90
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	-	-
5.	Others, please specify	-	-
	<b>Total</b>	4.90	4.90

**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)
<b>A. COMPANY</b>					
Penalty Punishment Compounding			None		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			None		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment 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 March 31, 2020, 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 (herein 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, 2020 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.

#### 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 in forming 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
<p><b>Inventories</b></p> <p><b>Net Realizable Value of Goods</b></p> <p>Goods are valued at lower of cost &amp; net realizable value (estimated selling price less estimated cost to sell), considering the business practice of company major sales are through export of steel pipes &amp; other products and purchase through imports. The value of stock is</p>	<ol style="list-style-type: none"> <li>1. Obtained an understanding of the determination of the net realizable values of the stock and assessed and tested the reasonableness of the significant judgments applied by the management.</li> <li>2. Evaluated the design of internal controls relating to the valuation of finished goods also tested the operating effectiveness of the aforesaid controls.</li> </ol>

Key Audit Matter	Auditor's Response
<p>heavily affected by the end fluctuation of currency difference &amp; always has volatility on price. Therefore it has been considered as a Key Audit Matter. The total value of inventories as at 31 March, 2020 is ₹ 9,280.72 lakhs. Also refer to Note 3.10 for the accounting policy on valuation of inventories.</p>	<ol style="list-style-type: none"> <li>3. Compared the actual realization after the year end / latest realization to assess the reasonableness of the net realizable value that was estimated and considered by the management.</li> <li>4. Compared the actual costs incurred to sell after the year end / based on the latest sale transaction to assess the reasonableness of the cost to sell that was estimated and considered by the management.</li> <li>5. Compared the cost of the finished goods with the estimated net realizable value and checked if the finished goods were recorded at Net realizable value where the cost was higher than the net realizable value.</li> <li>6. Assessed the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework.</li> </ol>
<p><b>Foreign Currency Transactions</b></p> <p>The company's major transactions are related to foreign currency due to which there are various debtors as well as creditors which are outstanding in foreign currency as on date of balance sheet.</p>	<ol style="list-style-type: none"> <li>1. Obtained understanding of all the transactions related to foreign currency and relevant documents.</li> <li>2. We have verified all the calculations and other relevant details related to the conversion of all foreign currency outstanding as on balance sheet date.</li> <li>3. We have verified the entire closing rates considered for conversion at the time of closing are as notified by the government institutes.</li> <li>4. The difference between the actual transactions rates and the closing rates are considered as foreign exchange fluctuation loss/gain in the statement of profit and loss.</li> </ol>

**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 Annual 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 or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the 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 preparation and 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. Those 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. 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.

13. 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.
14. 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**

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the central government of India in terms of sub-section (11) of section 143 of the 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 1" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
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, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 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 2" to this report;
  - g. In our opinion, the managerial remuneration for the year ended March 31, 2020 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 knowledge and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations (Refer Note No.:28) 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 March 31, 2020.
    - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

**Place: Ahmedabad**  
**Date: 10.06.2020**

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

**CA RINKESH SHAH**  
**PARTNER**  
**M. No.: 131783**  
**UDIN: 20131783AAAAAH2985**

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## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

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### **Annexure 1 referred to in Paragraph 15 of Report on Other Legal and Regulatory Requirements of our report of even date for the year ended March 31, 2020**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipments;  
(b) All Property Plant & Equipments have been physically verified by the management during the year, there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;  
(c) According to the information and explanations given by the management, the title deeds of Immovable properties included in property, plant and equipment are held in the name of the Company.
2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in register maintained under section 189 of companies Act, 2013. Accordingly, the provision of clause 3(iii) (a), (b), and (c) of the order is not applicable to the company and hence not commented upon.
4. In our opinion and according to the information and explanations gives to us, the Company has not advanced any loans or made investments, given guarantees, and provided any securities in respect of which provision of section 185 and 186 of The Companies Act,2013 are applicable and hence not commented upon.
5. In our opinion and according to the information and explanations gives to us , the Company has not accepted any deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of deposits) Rules, 2014 (as amended) framed there under. Accordingly, the provisions of this clause of the order are not applicable.
6. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the companies Act, 2013, related to the manufacture of steel tubes and pipes, and are of the opinion that prima facie, specified accounts and records have been made and maintained.
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 yearend 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) Central Excise Department- Ahmedabad-III	OCT-2010 TO NOV13 FEB-2014 To NOV-2014	1,197.41  397.36
Custom Tariff Act	Customs Duty	To be filed before CESTAT, Mumbai	F.Y.-2012-13	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	160.16
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>457.28</b>
Income Tax Act, 1961		Before ITAT	A.Y.2012-13	110.40
Income Tax Act, 1961		Before ITAT	A.Y.2013-14	58.50
Income Tax Act, 1961		Before ITAT	A.Y.2014-15	15.33
		<b>Disputed Income Tax Demand</b>		<b>184.23</b>



8. Based on audit procedures and according to the information and explanations given by the management the company has not defaulted in repayment of loans or borrowing to a bank.
9. To the best of our knowledge and belief and according to the information and explanations given by the management, the Company has not raised any money by way of Initial public offer / further public offer/debt instruments and term loans hence reporting under this clause of the order is not applicable to the Company and hence not commented upon.
10. Based on audit procedure performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud /material fraud on the Company by the officer and employees of the Company has been noticed or reported during the year.
11. According to the information and explanations given by the management, the managerial remuneration has been paid /provided in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
12. As the Company is not a Nidhi Company Consequently the Nidhi Rules, 2014 are not applicable to it, the provisions of this Clause of the Order are not applicable to the Company.
13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of this Clause of the Order are not applicable to the Company.
15. According to the information and explanations given by the management, the Company has not entered into any non cash transactions with its Directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, the provisions of this Clause of the Order are not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of this Clause of the Order are not applicable to the Company.

**Place: Ahmedabad**  
**Date: 10.06.2020**

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

**CA RINKESH SHAH**  
**PARTNER**  
**M. No.: 131783**

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## **“Annexure 2” to Independent Auditor’s Report**

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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 March 31, 2020.

### **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 March 31, 2020 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.

**Opinion**

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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place: Ahmedabad**  
**Date: 10.06.2020**

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

**CA RINKESH SHAH**  
**PARTNER**  
**M. No.: 131783**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(₹ In Lakhs)

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>ASSETS</b>			
<b>Non- Current Assets</b>			
a. Property, Plant and Equipment	5	5390.32	5660.65
b. Intangible Assets	5	0.51	0.57
c. Financial Assets			
i. Investment	6	-	0.29
<b>Total Non- Current Assets</b>		<b>5390.83</b>	<b>5661.51</b>
<b>Current Assets</b>			
a. Inventories	7	9280.72	8415.45
b. Financial Assets			
i. Trade Receivables	8	2158.31	3057.67
ii. Cash and Cash Equivalentents	9	341.21	478.76
iii. Other Bank Balance	9	4.34	5.36
c. Other Current Assets	10	1652.57	2162.53
<b>Total Current Assets</b>		<b>13437.16</b>	<b>14119.77</b>
<b>Total Assets</b>		<b>18827.99</b>	<b>19781.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11	1926.41	1926.41
Other Equity	12	6850.52	6764.46
<b>Total Equity</b>		<b>8776.93</b>	<b>8690.87</b>
<b>LIABILITIES</b>			
<b>I. Non-Current Liabilities</b>			
a. Deffered Tax Liabilities (Net)	13	105.60	142.40
<b>Total Non- Current Liabilities</b>		<b>105.60</b>	<b>142.40</b>
<b>II. Current Liabilities</b>			
a. Financial Liabilities			
i. Borrowings	14	8070.94	9853.00
ii. Trade Payables	15	1221.59	564.08
b. Other Current Liabilities	16	369.53	316.86
c. Provisions	17	189.42	148.48
d. Current Tax Liabilities	18	93.98	65.59
<b>Total Current Liabilities</b>		<b>9945.46</b>	<b>10948.01</b>
<b>Total Equity and Liabilities</b>		<b>18827.99</b>	<b>19781.28</b>

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

CA Rinkesh Shah  
Partner  
M.No.131783

Ahmedabad  
10.06.2020

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

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, 2020**  
(₹ In Lakhs)

Particulars	Note	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>INCOME</b>			
Revenue from operations	19	17569.71	17943.70
Other Income	20	133.75	38.79
<b>Total Income</b>		<b>17703.47</b>	<b>17982.49</b>
<b>EXPENSES</b>			
Cost of Raw Materials consumed	21	14172.52	13517.06
Changes in Inventories Finished Goods, Work-in-progress and stock-in-trade	22	(1769.95)	(414.15)
Employee Benefits expenses	23	1396.26	1139.42
Finance Cost	24	1026.19	1041.33
Depreciation, amortization, impairment and obsolescence	5	665.06	658.83
Other Expenses	25	2054.70	1945.27
<b>Total expenses</b>		<b>17544.78</b>	<b>17887.76</b>
<b>Profit /(loss) before exceptional items and tax</b>		158.69	94.73
Exceptional item			
<b>Profit / (loss) before tax</b>		158.69	94.73
<b>Tax Expense</b>			
Current Tax		93.98	65.59
Deferred Tax	13	(36.81)	(111.65)
<b>Total Tax Expense</b>		57.18	(46.06)
<b>Profit /(loss) for the period (PAT)</b>		101.50	140.79
Other Comprehensive income (OCI)		(15.44)	(1.70)
<b>Total Comprehensive Income for the period</b>		<b>86.07</b>	<b>139.09</b>
Paid - up equity share capital (face value of share : ₹ 10 each)		1926.41	1926.41
<b>Earnings per share (EPS) of ₹ 10 each (Not annualised) :</b>			
(a) Basic EPS (₹)		0.53	0.73
(b) Diluted EPS (₹)		0.53	0.73

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

CA Rinkesh Shah  
Partner  
M.No.131783

Ahmedabad  
10.06.2020

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

Gunvant Shah  
Vice Chairman & WTD  
DIN: 00254292

Maunish Gandhi  
Company Secretary

**STATEMENT OF CHANGE IN EQUITY AS AT 31<sup>ST</sup> MARCH, 2020**

**A. Equity Share Capital (Rs. In Lakhs)**

Balance	Note
<b>As at April 1, 2018</b>	1926.41
Issue of Equity Share Capital	-
<b>As at March 31, 2019</b>	1926.41
Issue of Equity Share Capital	-
<b>As at March 31, 2020</b>	1926.41

**B. Other Equity (Rs. In Lakhs)**

Particulars	Reserves and Surplus				
	Security Premium	General Reserves	Statutory Reserves	Surplus in Profit & Loss	Total
<b>Balance as at April 1, 2018</b>	<b>2,189.56</b>	<b>244.74</b>	<b>328.83</b>	<b>3,862.24</b>	<b>6,625.37</b>
Profit for the year	-	-	-	140.79	140.79
Other Comprehensive income for the year	-	-	-	(1.70)	(1.70)
<b>Balance as at March 31, 2019</b>	<b>2,189.56</b>	<b>244.74</b>	<b>328.83</b>	<b>4,001.33</b>	<b>6,764.46</b>
<b>Balance as at April 1, 2019</b>	<b>2,189.56</b>	<b>244.74</b>	<b>328.83</b>	<b>4,001.33</b>	<b>6,764.46</b>
Profit for the year	-	-	-	101.50	101.50
Other Comprehensive income for the year	-	-	-	(15.44)	(15.44)
<b>Balance as at March 31, 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>

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

CA Rinkesh Shah  
Partner  
M.No.131783

Ahmedabad  
10.06.2020

For and on behalf of the Board

Ashok Shah  
Chairman & CFO  
DIN: 00254255

Kunal Shah  
Managing Director & CEO  
DIN: 00254205

Gunvant Shah  
Vice Chairman & WTD  
DIN: 00254292

Maunish Gandhi  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

Particulars	2019-20	2018-19
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	158.67	94.73
Adjusted for:	-	-
(Profit) / Loss on sale / Discard of Assets (Net)	0.72	1.10
Depreciation / Amortisation and Depletion Expense	665.06	658.83
Accounts Written off expense	(0.80)	26.54
Unrealized Foreign Exchange Fluctuation Loss/(Gain)	(17.54)	-
Interest Income	(32.18)	(38.70)
Other Comprehensive Income	(15.44)	(1.70)
(Profit) / Loss on sale of Investment	(0.66)	-
Finance Cost	1,026.19	1,041.33
<b>Operating Profit before Working Capital Changes</b>	<b>1,784.02</b>	<b>1,782.13</b>
Adjusted for:		
Trade and Other Receivables	903.56	1,096.50
Inventories	(865.27)	405.04
Other Current Assets	510.96	(356.96)
Trade and Other Payables	657.51	(229.43)
Other Current Liabilities	81.06	(29.04)
Provisions – Current	40.94	21.16
<b>Cash Generated from Operation</b>	<b>3,112.80</b>	<b>2,689.40</b>
Tax Paid (Net)	(62.51)	(63.14)
<b>Net Cash Flow from Operating Activities</b>	<b>3,050.29</b>	<b>2,626.26</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of tangible and intangible assets	(398.51)	(250.74)
Proceeds from disposal of tangible and intangible assets	3.11	4.26
Proceeds from disposal of Investments in subsidiary	0.95	-
Interest Income	32.18	38.70
<b>Net Cash Flow (used in) Investing Activities</b>	<b>(362.26)</b>	<b>(207.79)</b>
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings (net)	(1,782.06)	(1,306.53)
Finance Cost paid	(1,043.52)	(1,041.33)
<b>Net Cash Flow (used in) Financing Activities</b>	<b>(2,825.58)</b>	<b>(2,347.86)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(137.55)</b>	<b>70.61</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>478.76</b>	<b>408.15</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>341.21</b>	<b>478.76</b>

Note: - The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Ind. AS 7 "Statement of Cash Flows" as notified under Companies (Accounts) Rules.

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

CA Rinkesh Shah  
Partner  
M.No.131783

Ahmedabad  
10.06.2020

For and on behalf of the Board

Ashok Shah  
Chairman & CFO  
DIN: 00254255

Kunal Shah  
Managing Director & CEO  
DIN: 00254205

Gunvant Shah  
Vice Chairman & WTD  
DIN: 00254292

Maunish Gandhi  
Company Secretary

**Notes to Financial Statements For the year ended on 31st March, 2020****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 June 10, 2020.

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 profit or 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.

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.

### **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 Investment and other 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 loss is expensed 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. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instruments as a FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of Investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### **iii. De-recognition:**

A financial asset (or, where applicable, a part of financial asset or part of a group of similar financial assets) is primarily derecognized (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 substantially all the risks and rewards of the asset.

#### **iv. 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 exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balance.

b) Financial guarantee contracts which are not measured at FVTPL.

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

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 - month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

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, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and Loss. This amount is reflected under the head 'other expenses in the Statement of Profit and loss.

### 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 per 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 risk is 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 recognizes 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.

#### 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.

**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. Cost includes cost of purchase and other costs incurred in bringing the inventories 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 estimate Costs of completion and estimated costs necessary to make the sale

While in above head (Inventories) may also contains details of Investment in subsidiary and Joint Venture details of Property Plant & Equipments, Capital Work in Progress, Provisions & Contingent Liabilities.

**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.

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.

**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.

**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 judgement 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.

**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.

**3.16 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 - 30

**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- 33 for further disclosures.

**4.2 Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") notifies newstandard or amendments to the existing standards. There is no such notification which would have beenapplicable from April 1, 2020.



**5. PROPERTY, PLANT & EQUIPMENTS**

Description of Assets	GROSS BLOCK				DE PRECIATION / AMORTISATION				NET BLOCK				
	As at 01.04.2018	Additions	Deduction	As at 31.03.2019	As at 01.04.2018	For the year Ending March 31,2019	Deduction	As at 31.03.2019	As at 31.03.2020	Deduction	As at 31.03.2020	As at 31.03.2019	
<b>(A) Tangible Assets</b>													
Land & Site Development	2011.74	-	-	2,011.74	-	-	-	-	-	-	-	2,011.74	2,011.74
Factory Building	3,559.00	1.27	-	3,575.49	1,134.40	112.84	-	1,247.24	1,360.32	113.08	-	2,215.17	2,313.03
Office Premises	202.02	-	-	202.02	43.15	3.19	-	46.34	49.53	3.19	-	152.48	155.68
Plant & Machinery	8,684.93	216.87	-	8,901.80	7,391.67	518.36	-	7,910.03	8,437.86	527.83	-	836.89	891.77
Furniture Fixture	235.74	14.46	-	250.20	185.77	9.20	-	194.97	205.36	10.39	-	54.31	55.23
Computer	106.68	3.94	-	110.62	104.11	2.42	-	106.53	106.64	0.11	-	4.57	4.09
Vehicle	297.8	14.01	5.35	306.46	195.30	11.78	15.84	207.08	205.20	10.13	12.00	85.42	99.37
Wind Mill	594.87	-	-	594.87	565.12	-	-	585.12	565.12	-	-	29.74	29.74
<b>Sub-Total</b>	<b>15,692.78</b>	<b>250.55</b>	<b>5.35</b>	<b>15,937.98</b>	<b>9,619.53</b>	<b>657.79</b>	<b>15.84</b>	<b>10,277.32</b>	<b>10,930.05</b>	<b>664.73</b>	<b>12.00</b>	<b>5,390.32</b>	<b>5,660.65</b>
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>15,692.78</b>	<b>250.55</b>	<b>5.35</b>	<b>15,937.98</b>	<b>9,619.53</b>	<b>657.79</b>	<b>15.84</b>	<b>10,277.32</b>	<b>10,930.05</b>	<b>664.73</b>	<b>12.00</b>	<b>5,390.32</b>	<b>5,660.65</b>
<b>(B) Intangible As sets</b>													
Software	6.54	0.18	-	6.71	5.11	1.04	-	6.15	6.48	0.33	-	0.51	0.57
<b>Total (B)</b>	<b>6.54</b>	<b>0.18</b>	<b>-</b>	<b>6.71</b>	<b>5.11</b>	<b>1.04</b>	<b>-</b>	<b>6.15</b>	<b>6.48</b>	<b>0.33</b>	<b>-</b>	<b>0.51</b>	<b>0.57</b>
<b>Total (A+B)</b>	<b>15,699.31</b>	<b>250.73</b>	<b>5.35</b>	<b>15,944.69</b>	<b>9,624.64</b>	<b>658.83</b>	<b>15.84</b>	<b>10,283.47</b>	<b>10,936.53</b>	<b>665.06</b>	<b>0.00</b>	<b>5,390.83</b>	<b>5,661.22</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020  
(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>6. INVESTMENT - NON CURRENT</b>		
Investment in LLP		
Suraj Impex LLP (70% shares)	-	0.29
<b>Total</b>	<b>-</b>	<b>0.29</b>
<b>Current</b>	-	-
<b>Non-Current</b>	-	0.29
<b>Total</b>	<b>-</b>	<b>0.29</b>

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>7. INVENTORIES</b>		
Raw materials	955.01	1,823.79
Work-in-progress	7,213.11	5,801.11
Finished goods	1,018.50	518.62
Scrap	30.44	172.36
Stores , Spares & Packing Material	63.66	99.57
<b>Total</b>	<b>9,280.72</b>	<b>8,415.45</b>

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>8. TRADE RECEIVABLES</b>		
Trade receivables considered good – Unsecured	2,158.31	3,057.67
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
<b>Total</b>	<b>2,158.31</b>	<b>3,057.67</b>
Loss allowance	-	-
<b>Total trade receivables</b>	<b>2,158.31</b>	<b>3,057.67</b>
<b>Current</b>	<b>2,158.31</b>	<b>3,057.67</b>
<b>Non-Current</b>	-	-
<b>Total</b>	<b>2,158.31</b>	<b>3,057.67</b>

**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.

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>9. CASH AND BANK BALANCE</b>		
<b>A) CASH &amp; CASH EQUIVALENT/BANK BALANCE</b>		
Cash on Hand	1.91	3.06
<b>Balance with Bank</b>		
Current Accounts	1.20	1.54
Fixed Deposits (Maturity of three months or less)	338.10	474.16
<b>Total CASH &amp; CASH EQUIVALENT</b>	<b>341.21</b>	<b>478.76</b>
<b>B) OTHER BANK BALANCE</b>		
Unclaimed Dividend Accounts	4.34	5.36
<b>Total OTHER BANK BALANCE</b>	<b>4.34</b>	<b>5.36</b>

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>10. OTHER CURRENT ASSETS</b>		
Deposits	4.06	4.06
Balance with government authorities	369.22	392.26
Advance Tax and TDS	239.52	239.53
Prepaid Expenses	19.09	28.53
Others Loan and Advances	657.82	605.87
Export Incentives receivable	130.81	494.03
Advance to Suppliers	232.05	398.25
<b>Total</b>	<b>1,652.57</b>	<b>2,162.53</b>

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>11. 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>

**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 March 31, 2020		As at March 31, 2019	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
SHAH GUNVANTKUMAR TARACHAND	991600	5.15	9,91,480	5.15
ANILABEN ASHOKKUMAR SHAH	3808679	19.77	38,08,679	19.77
KUNAL TARACHAND SHAH	1030488	5.35	10,30,488	5.35
REKHABEN GUNVANTKUMAR SHAH	2517889	13.07	25,17,889	13.07
ASHOKKUMAR TARACHAND SHAH	1077662	5.59	10,77,662	5.59
CHANDRIKA KUNAL SHAH	3103839	16.11	31,03,839	16.11

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>12. 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	4,001.33	3,862.24
<b>Add:</b> Profit for the year	86.07	139.09
Balance at the end of the year	4,087.38	4,001.33
<b>Total Retained Earnings</b>	<b>6,850.52</b>	<b>6,764.46</b>

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>13. DEFERRED TAX LIABILITIES (NET)</b>		
As per last Balance Sheet	142.40	254.05
Charge / (Credit) to Statement of Profit & Loss	(36.80)	(111.65)
<b>Total</b>	<b>105.60</b>	<b>142.40</b>

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>13.1 RECONCILIATION TO DEFERRED TAX LIABILITIES (NET)</b>		
WDV of Depreciable Assets as per IT	3,020.67	3,103.77
WDV Depreciable Assets as per Companies Act	3,379.09	3,649.48
	<b>358.42</b>	<b>545.71</b>
Provision for LE & Gratuity	21.15	7.31
	<b>379.57</b>	<b>553.03</b>
DTL	<b>105.60</b>	<b>142.40</b>
As per last Balance Sheet	142.40	254.05
Charge / (Credit) to Statement of Profit & Loss	(36.80)	(111.65)
<b>Total</b>	<b>105.60</b>	<b>142.40</b>

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>14. BORROWINGS</b>		
<b>Secured borrowings</b>		
<b>From Banks</b>		
Rupee Loan (Working Capital)	6,970.94	9,348.00
<b>Unsecured borrowings</b>	-	-
Suraj Enterprise Private Limited	1,100.00	505.00
<b>Total</b>	<b>8,070.94</b>	<b>9,853.00</b>

The working capital loan from Punjab National Bank ₹ 4,889.64 Lakhs, Standard Chartered Bank ₹ 455.43 Lakhs and IDBI Bank ₹ 1,625.87 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 T. Shah, 2. Mr. Kunal T. Shah, 3. Mr. Gunvant T. Shah along with corporate guarantee of Suraj Impex Pvt. Ltd.

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>15. TRADE PAYABLES</b>		
Secured		
Due to Micro, Small and Medium Enterprise	-	-
Due to Others	1,221.59	564.08
<b>Total</b>	<b>1,221.59</b>	<b>564.08</b>

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, 2020. 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.

(₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>16. OTHER CURRENT LIABILITIES</b>		
<b>Other Financial Liabilities</b>		
Interest accrued but not due	-	0.80
Unpaid dividend (Not due for credit to Investor Education and Protection fund)	4.34	5.36
<b>Other Current Liabilities</b>		
Statutory Dues	9.62	10.47
Advance from Customers	324.87	224.45
Other Payables	30.70	75.78
<b>Total</b>	<b>369.53</b>	<b>316.86</b>

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>17. PROVISIONS</b>		
Provision for Employee benefits	189.42	148.48
<b>Total</b>	<b>189.42</b>	<b>148.48</b>
<b>Current</b>	<b>189.42</b>	<b>148.48</b>
<b>Non-Current</b>	-	-
<b>Total</b>	<b>189.42</b>	<b>148.48</b>

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
<b>18. CURRENT TAX LIABILITIES</b>		
Provision for income tax	93.98	65.59
<b>Total</b>	<b>93.98</b>	<b>65.59</b>

(₹ In Lakhs)

Particulars	2019-20	2018-19
<b>19. REVENUE FORM OPERATION</b>		
Sale of Stainless Steel Seamless Pipes, Tubes, U-Tubes	17,295.70	17,391.95
Sale of Power generated from Windmill	101.49	99.05
<b>Other Operating Revenue</b>		
Scrap and Waste Sales	66.91	48.70
Export Incentives	105.61	404.00
<b>Total</b>	<b>17,569.71</b>	<b>17,943.70</b>

Particulars	2019-20	2018-19
<b>20. OTHER INCOME</b>		
Interest Income - From Bank	32.18	38.69
Other Non-Operating Income	101.57	0.10
<b>Total</b>	<b>133.75</b>	<b>38.79</b>

Particulars	2019-20	2018-19
<b>21. MATERIAL CONSUMED</b>		
Inventory at the beginning of the year	1,823.79	2,640.91
<b>Add: Purchases</b>	<b>13,303.74</b>	<b>12,699.94</b>
	<b>15,127.53</b>	<b>15,340.85</b>
<b>Less: Inventory at the end of the year</b>	<b>955.01</b>	<b>1,823.79</b>
<b>Total</b>	<b>14,172.52</b>	<b>13,517.06</b>

Particulars	2019-20	2018-19
<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; SCRAP</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods	518.63	697.48
Work In Progress	5,801.11	5,002.14
Scrap	172.35	378.32
	<b>6492.09</b>	<b>6,077.94</b>
<b>Inventories at the end of the year</b>		
Finished Goods	1018.50	518.63
Work In Progress	7,213.10	5,801.11
Scrap	30.44	172.35
	<b>8262.04</b>	<b>6,492.09</b>
<b>Total</b>	<b>(1769.95)</b>	<b>(414.15)</b>

(₹ In Lakhs)

Particulars	2019-20	2018-19
<b>23. EMPLOYEE BENEFITS</b>		
Salaries, Wages, Bonus etc.	1,312.31	1,063.45
Contribution to Provident and Other funds	29.44	25.74
Staff Welfare expenses	54.51	50.23
<b>Total</b>	<b>1,396.26</b>	<b>1,139.42</b>
<b>24. FINCANCE COST</b>		
Interest Expense	856.25	901.12
Bank Charges	169.94	140.21
<b>Total</b>	<b>1026.19</b>	<b>1,041.33</b>
<b>25. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Power and fuel	578.85	487.95
Consumption of stores and spares	460.97	449.69
Packing material	72.92	80.86
Job work charges	5.35	2.11
Transportation and freight	221.29	242.07
Clearing & Forwarding Exp.	102.93	141.83
Repairs and maintenance - Plant & Machinery	137.48	158.38
Repairs and maintenance – Building	0.81	3.05
	<b>1,580.60</b>	<b>1,565.94</b>
<b>Selling and Distribution Expense</b>		
Selling and marketing expenses	142.09	111.50
Commission	81.02	0.11
	<b>223.11</b>	<b>111.61</b>
<b>Administration Expense</b>		
Audit Fees	5.91	5.95
Communication Exp.	12.87	11.81
Insurance	13.81	12.45
Legal & Professional Charges	40.83	39.73
Rates & Taxes	6.03	6.49
Travelling, Conveyance & Vehicle Exp.	54.56	37.91
Other Expenses	116.10	121.40
Director Sitting Fees	0.88	0.75
Exchange Rate Fluctuation (Net)	-	31.23
	<b>250.99</b>	<b>267.72</b>
<b>Total</b>	<b>2,054.70</b>	<b>1,945.27</b>



(₹ In Lakhs)

Particulars	2019-20	2018-19
<b>25.1 Payments to Auditors as:</b>		
a. Statutory Audit Fees	3.75	3.75
b. Tax Audit Fees	0.75	0.75
c. Review Reports Fees	0.50	0.50
d. GST Audit Fees	0.91	0.95
<b>Total</b>	<b>5.91</b>	<b>5.95</b>

Particulars	2019-20	2018-19
<b>26. EARNING PER SHARE</b>		
<b>Earnings per share (Basic and Diluted)</b>		
Profit attributable to ordinary equity holders	Rs. In Lakhs	101.49
		140.79
<b>Total no. of equity shares at the end of the year</b>	<b>Nos.</b>	<b>19264100</b>
		<b>19264100</b>
Weighted average number of equity shares for Basic and Diluted	Nos.	19264100
		19264100
Nominal Value of equity share	In ₹	10
		10
Basic earnings per share	In ₹	0.53
		0.73

## 27. 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:

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

#### Key Managerial Personnel

Mr. Ashok Shah - Chairman and CFO

Mr. Gunvant Shah - Vice chairman and Whole Time Director

Mr. Kunal Shah - Managing Director and CEO

Ms. Shilpa M. Patel - Whole Time Director

#### Directorship of Key Managerial Personnel in following :

Suraj Enterprise Private Limited

TBS Metal Private Limited

#### Non Executive Directors

Mr. Dipak Shah

Mr. Ketan Shah

Mr. Haren Desai

Mr. Bhupendrasinh Patel

(₹ In Lakhs)

Particulars	Year ended	
	2019-20	2018-19
<b>27.2. Disclosure in respect of related party transaction</b>		
<b>Nature of transactions</b>		
<b>Sales of goods and material</b>		
TBS Metal Private Limited	1,547.57	1,506.25
<b>Purchase of goods and material</b>		
TBS Metal Private Limited	2,232.12	1,333.49
<b>Net Borrowings received / (repaid)</b>		
Suraj Enterprise Private Limited	595.00	(1,010.00)
<b>Remuneration</b>		
Mr. Ashok Shah - Chairman and CFO	58.20	27.06
Mr. Gunvant Shah - Vice chairman and Whole Time Director	43.20	19.56
Mr. Kunal Shah - Managing Director and CEO	51.00	23.06
Ms. Shilpa Patel (Whole time director)	14.80	12.37
<b>Sitting Fees</b>		
Mr. Dipak Shah	0.15	0.20
Mr. Ketan Shah	0.21	0.20
Mr. Haren Desai	0.26	0.15
Mr. Bhupendra Patel	0.26	0.20
<b>Professional Charges</b>		
Mr. Dipak Shah	0.25	0.25

Particulars	As at	As at
	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>28. CONTINGENT LIABILITIES</b>		
<b>Contingent liabilities not provide for</b>		
a. Guarantees given by bank on behalf of the company	165.11	123.16
b. Disputed demands in respect of		
Excise / Custom duty	1,680.97	1,680.97
Sales tax	457.28	457.28
Income tax	184.23	4,119.22
Service tax	-	-
<b>Total Retained Earnings</b>	<b>2,487.59</b>	<b>6,380.63</b>

<b>29. DISCLOSURE PURSUANT TO FOREIGN EXCHANGE EXPOSURES NOT HEDGED</b>					
<b>29.1 Exposure Not Hedged</b> (₹ In Lakhs)					
Nature of Instruments	Currency	As at 31 <sup>st</sup> March, 2020		As at 31 <sup>st</sup> March, 2019	
		Foreign	INR (Lakhs)	Foreign	INR (Lakhs)
Receivables	USD	3,65,204	274.60	28,16,257	1,940
	EURO	14,90,795	1,229.46	3,86,195	297
Payable to Creditors	USD	1,666	1.25	1,666	1.15
	EURO	-	-	250	0.20
	GBP	-	-	700	0.63

**Note 30: Disclosure pursuant to Employee benefits**

**30.1 Defined contribution plans:**

Expenses and included in Note No. 23 "Employee benefit expense" (₹ In Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Provident Fund	<b>19.83</b>	<b>16.16</b>
	<b>19.83</b>	<b>16.16</b>

**30.2 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, 2020: 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, 2020	
	April 1, 2019		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
	Service cost											
Gratuity												
Defined benefit obligation	76.58	5.58	5.77	11.35	-	-	4.39	10.51	14.90		100.42	
Fair value of plan assets	74.84	-	5.64	5.64	(0.54)	-	-	-	(0.54)	21.05	98.57	
Benefit liability / (Assets)	1.74	5.58	0.13	5.71	0.54	-	4.39	10.51	15.44	(21.05)	1.85	
Total benefit liability / (Assets)	1.74	5.58	0.13	5.71	0.54	-	4.39	10.51	15.44	(21.05)	1.85	

**March 31, 2019: 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, 2019	
	April 1, 2018		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
	Service cost											
Gratuity												
Defined benefit obligation	67.17	4.45	5.25	9.70	-	-	1.31	(0.17)	1.15		76.88	
Fair value of plan assets	52.38	-	4.10	4.10	(0.56)	-	-	-	(0.56)	20.36	74.84	
Benefit liability / (Assets)	14.79	4.45	1.16	5.61	0.56	-	1.31	(0.17)	1.70	(20.36)	1.74	
Total benefit liability / (Assets)	14.79	4.45	1.16	5.61	0.56	-	1.31	(0.17)	1.70	(20.36)	1.74	

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

Particulars	Year ended March 31, 2020 (%) of total plan assets	Year ended March 31, 2019 (%) of total plan assets
Insurance fund	100.00%	100.00%
(%) 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 March 31, 2020	Year ended March 31, 2019
Discount rate	6.84%	7.54%
Future salary increase	6.00%	6.00%
Expected rate of return on plan assets	6.84%	7.54%
Employees Turnover rate	7.00%	7.00%
Mortality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

A quantitative sensitivity analysis for significant assumption is as shown below: (₹ In Lakhs)

Particulars	(increase) / decrease in defined benefit obligation (Impact)		
	Sensitivity level	Year ended March 31, 2020	Year ended March 31, 2019
Gratuity		100.42	76.58
Discount rate	1% increase	(6.16)	(4.50)
	1% decrease	6.97	5.06
Salary increase	1% increase	4.90	3.12
	1% decrease	(4.41)	(2.76)
Employees Turnover rate	1% increase	0.80	1.09
	1% decrease	(0.88)	(1.18)

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Gratuity</b>		
Within the next 12 months (next annual reporting period)	9.39	7.07
Between 2 and 5 years	47.69	27.36
Beyond 5 years	118.22	104.10
<b>Total expected payments</b>	<b>175.30</b>	<b>138.53</b>

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

### 31.1 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.

### 31.2 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 receivable from the date the invoice falls due is given below:

(₹ In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Up to 3 months	1,519.66	1,854.42
3 to 6 months	575.05	1,196.05
6 to 12 months	63.57	7.20
Beyond 12 months	-	-
<b>Gross Carrying Amount</b>	<b>2,158.31</b>	<b>3,057.67</b>
<b>Net Carrying Amount</b>	<b>2,158.31</b>	<b>3,057.67</b>

- (b) Details of single customer accounted for more than 10% of the accounts receivable as at 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019:

(₹ In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Srinox Bvba	1,155.79	1,333.45

- (c) Details of single customer accounted for more than 10% of revenue for the year ended at 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019:

(₹ In Lakhs)

Name of Customer	Year ended March 31, 2020	Year ended March 31, 2019
Maruti Innox (India) Pvt. Ltd.	2,058.29	2,404.60
Srinox Bvba	2,054.28	-

### 31.3 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.

(₹ In Lakhs)

Particulars	As at 31-03-2020			As at 31-03-2019		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Borrowings	8,070.94	-	8,070.94	9,853.00	-	9,853.00
Trade Payables	1,221.58	-	1,221.58	564.08	-	564.08
<b>Total</b>	<b>9,292.52</b>	<b>-</b>	<b>9,292.52</b>	<b>10,417.07</b>	<b>-</b>	<b>10,417.07</b>

### 31.4 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.

Nature of Borrowing	Change in basis points	As at 31-03-2020	As at 31-03-2019
Working Capital Facilities from Bank	0.50	34.85	46.74
	(0.50)	(34.85)	(46.74)

#### (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 Rs. 0.50 per kg on profit for the period.

Particulars	Impact on PAT	
	2019-20	2018-19
₹ 0.50 increase in price	31.18	26.02
₹ 0.50 decrease in price	(31.18)	(26.02)

**32. 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 31-03-2020	As at 31-03-2019
Borrowings	8,070.94	9,853.00
Less : Cash & Cash Equivalents	345.55	484.12
<b>Net Debt (A)</b>	<b>7,725.39</b>	<b>9,368.88</b>
Total Equity	8,776.93	8,690.87
<b>Equity and Net Debt (B)</b>	<b>16,502.32</b>	<b>18,059.75</b>
<b>Gearing Ratio (A/B)</b>	<b>0.47</b>	<b>0.52</b>

33. Previous year's figures have been regrouped / re-arranged / re-casted, wherever necessary, so as to make them comparable with current year's figures.

34. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the balance sheet, if realised in the ordinary course of the business. Provision for depreciation and all known liabilities have been made in accounts

35. In terms of Ind AS 36 – Impairment of Assets issued by MCA, 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.

**36. 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 10<sup>th</sup> June, 2020**, there were no subsequent events to be recognized or reported that are not already previously disclosed.





CIN: L27100GJ1994PLCO21088

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

**27<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 27<sup>th</sup> Annual General Meeting to be held on Thursday, the 23<sup>rd</sup> July, 2020. 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:**

- Step 1:** The voting period begins on **20<sup>th</sup> July, 2020 at 10.00 a.m. and ends on 22<sup>nd</sup> July, 2020 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: 16<sup>th</sup> July, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Step 2:** The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Step 3:** Click on Shareholders.
- Step 4:** 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 5:** Next enter the Image Verification as displayed and Click on Login.
- Step 6:** 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 7:** If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

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 Postal Ballot/Attendance-Slip indicated in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company please enter themember id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- Step 8:** After entering these details appropriately, click on “SUBMIT” tab.
- Step 9:** 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 10:** For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Step 11:** Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- Step 12:** 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 13:** Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- Step 14:** 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 15:** Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- Step 16:** You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- Step 17:** 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 18:** 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 : 10.06.2020**

**Maunish Gandhi  
Company Secretary**

**E-Voting Page**

<b>Resolution No. as per Notice</b>	<b>Particulars</b>	<b>No. of Shares Held</b>	<b>Assent</b>	<b>Dissent</b>
1	To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31 <sup>st</sup> March, 2020 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 approve the remuneration to M/s Kiran J. Mehta & Co. Cost Accountant, Ahmedabad (FRN:00025), the Cost Auditors of the Company for the Financial year 2020-21			
5	To approve material related party transactions			

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**SURAJ LIMITED**

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