

29th ANNUAL REPORT

2021-22



SURAJ LIMITED

Progress is Life



CIN: L27100GJ1994PLCO21088

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

29th ANNUAL REPORT 2021-2022

KEY MANAGERIAL PERSONNEL & BOARD OF DIRECTORS

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

COMPANY SECRETARY : MAUNISH GANDHI

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

BANKERS : PUNJAB NATIONAL BANK
IDBI BANK LIMITED

REGISTRAR & SHARE : MCS SHARE TRANSFER AGENT LIMITED

TRANSFER AGENT 201, SHATDAL COMPLEX, 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

29th ANNUAL GENERAL MEETING

Date : Tuesday, 14th June, 2022

Time : 10:30 A.M.

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

TABLE OF CONTENTS

Notice of Annual General Meeting	1-22
Director's Report	23-54
Annexures:	
Management and Discussion Analysis Report	28-29
Corporate Governance Report	30-41
Form MR 3 - Secretarial Audit Report	42-47
Conservation of Energy, Technology Absorption & Foreign Exchange Earning & Outgo	48-49
Extract of Annual Return	50-54
Independent Auditor's Report on Financial Statements	55-65
Financial Statements	66-70
Notes to Financial Statements	71-102

Chairman's Speech to Shareholders

Respected Shareholders,

Respected Shareholders,

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

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

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

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

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

**With best wishes,
Sincerely**

**Ashok Shah
Chairman & CFO**

NOTICE

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

ORDINARY BUSINESS:

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

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Date: 03/05/2022

Place: Ahmedabad

By the order of the Board

SURAJ LIMITED

Registered Office:-

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

Maunish Gandhi
Company Secretary

CIN NO: L27100GJ1994PLC021088

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, Circular No. 20/2021 dated December 08, 2021, General Circular No. 3/2022 dated May 05, 2022 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 29th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 21 and available at the Company's website www.surajgroup.com.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
6. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Member may note that Notice and Annual Report 2021-22 has been uploaded on the website of the Company at www.surajgroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at 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.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA