SURANI

# SURANI STEEL TUBES LTD.

(Formerly Known As "SURANI STEEL TUBES PVT. LTD.")

CIN : L27109GJ2012PLC071373

S.No.110,115, Opp. Vinayak TMT, Bayad Road, Village: Sampa, Ta: Dahegam, Dist: Gandhinagar-382 315 (GUJARAT) INDIA.

**Date: 28.10.2021**

To
The Manager,
Listing Department,
National Stock Exchange of India Ltd.,
'Exchange Plaza', C-1 Block G,
Bandra Kurla Complex, Bandra (East)
Mumbai-400051

**SYMBOL: SURANI**

**SUB: ADDITION IN 9TH ANNUAL REPORT OF SURANI STEEL TUBES LIMITED**

Dear Sir/Madam,

Our Company has submitted Annual report on 6th September, 2021 but attachment of accounting policy was left through oversight, so please find attached 9th Annual report with accounting Policies of Surani Steel Tubes Limited.

Please take the same on your Record.

Yours faithfully,
For, SURANI STEEL TUBES LIMITED

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Mukesh Patel
Joint Managing Director
DIN:05331136

# SURANI STEEL TUBES LIMITED

## (FORMERLY KNOWN AS "SURANI STEEL PRIVATE LIMITED" & "SURANI STEEL TUBES PRIVATE LIMITED")

# 9TH ANNUAL REPORT

# 2020-21

**SURANI STEEL TUBES LIMITED**

**CORPORATE INFORMATION**

| | |
|---|---|
| **BOARD OF DIRECTORS**<br>Mr. Dinesh Karshan Patel<br>Mr. Mukesh Patel<br>Mr. Karshanbhai Patel<br>Ms. Hetika Dipak Kinger<br>Mr. Dineshbhai Dhanjibhai Patel<br><br>**CHIEF FINANCIAL OFFICER**<br>Mr. Gaurav Rajeshbhai Patel<br><br>**COMPANY SECRETARY AND COMLIANCE OFFICER**<br>Ms. Shwetal Ritesh Maliwal<br><br>**STATUTORY AUDITOR**<br>M/s. Ambalal Patel & Co.<br>Chartered Accountants<br>FRN:100305W<br><br>**SECRETARIAL AUDITOR**<br>M/s. Sejal Shah & Associates<br>Practicing Company Secretaries,<br>CP No. 21683<br><br>**COST AUDITOR**<br>M/s. C. B. Modh & CO.<br>FRN:101474<br><br>**INTERNAL AUDITOR**<br>M/S. S. N. Shah & Associates<br>FRN:109782W | **BANKERS**<br>The Cosmos Co-Operative Bank Ltd.,<br>State Bank of India<br><br>**REGISTERED OFFICE**<br>S. No.110, 115, Opp. Vinayak TMT, Bayad Road, Sampa, Tal. Dahegam, Gandhinagar-382315<br><br>**CORPORATE IDENTITY NUMBER**<br>L27109GJ2012PLC071373<br><br>**WEBSITE**<br>www.suranisteel.com<br><br>**INVESTOR SERVICES EMAIL ID**<br>cs@suranisteel.com<br><br>**REGISTRAR AND SHARE TRANSFER AGENT**<br>Link Intime India Private Limited<br>5th Floor, 506 to 508, Amarnath Business Centre-1 (Abc-1), Beside Gala Business Centre, Nr. St. Xavierss College Corner, Off. C.G. Road, Ellisbridge, Ahmedabad-380006<br>Email Id: ahmedabad@linkintime.co.in<br>Website: www.linkintime.co.in |

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# SURANI STEEL TUBES LIMITED

Registered Office: S. No.110,115, Opp. Vinayak TMT,
Bayad Road, Sampa, Tal. Dahegam, Gandhinagar-382315
Email Id: info@suranisteel.com
CIN: L27109GJ2012PLC071373
Website: www.suranisteel.com
Contact No: 9825515372

## NOTICE TO MEMBERS

Notice is hereby given that the 9th Annual General Meeting of the Members of SURANI STEEL TUBES LIMITED (Formerly known as Surani Steel Private Limited and Surani Steel Tubes Private Limited) will be held on Thursday, 30th September, 2021 at 11:00 A.M. IST through video conferencing ("VC") /Other Audio Visual Means ("OAVM") to transact the following businesses:

## ORDINARY BUSINESS:

### ITEM NO. 1 ADOPTION OF FINANCIAL STATEMENTS:

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

To receive, consider and adopt the Audited Financial Statement for the financial year ended on March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon.

**"RESOLVED THAT** the Board's Report with Annexure, the Statement of Profit and Loss and the Cash Flow Statement for the Financial Year ended March 31, 2021 and the Financial Statement as at that date together with the Independent Auditors' Report thereon be and are hereby considered, approved and adopted."

### ITEM NO. 2 TO APPOINT MR. KARSHANBHAI PATEL (DIN: 00621993) AS A DIRECTOR OF THE COMPANY BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT:

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

"**RESOLVED THAT** pursuant to Section 152 of the Companies Act 2013 and other applicable provisions, Mr. Karshanbhai Patel (DIN: 00621993) who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

**SPECIAL BUSINESS:**

**ITEM NO. 3 –RATIFICATION OF REMUNERATION OF COST AUDITOR OF THE COMPANY FOR THE YEAR 2021-22:**

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

**"RESOLVED THAT** pursuant to provisions of Section 148(3) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("the Act") and the approval by the Board of Directors at their meeting dated 3rd September,2021, the consent of the Company be and is hereby accorded for ratification of the below remuneration to M/s. C. B. MODH & CO., Cost Accountants as the Cost Auditor of the Company for the financial year 2021-22.

Rs. 43,500/- (Forty-Three Thousand Five Hundred Rupees Only) per annum plus out of pocket expenses to conduct the audit of the cost accounting records for all the manufacturing facilities of the Company."

Date: 03.09.2021
Place: Sampa

By Order of the Board of Directors,
SURANI STEEL TUBES LIMITED

**Registered Office:**
S. No.110,115, Opp. Vinayak TMT, Bayad Road, Sampa, Tal. Dahegam, Gandhinagar-382315

Sd/-
Shwetal Ritesh Maliwal
Company Secretary

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 9th AGM of the Company is being held through VC / OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and SEBI Circular dated May 12, 2020 and January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Notice of the AGM along with the Annual Report 2020-21 can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange Limited at www.nseindia.com or Website of company at www.suranisteel.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

8. The relevant details pursuant to regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed with the notice.

9. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its

registered email address to csdharapatel@gmail.com(Scrutinizer), cs@suranisteel.com (Company) and with a copy marked to evoting@nsdl.co.in.

10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held by them in electronic form.

11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.suranisteel.com. Members are requested to submit the said details to their Depository Participant in case the shares are held by them in electronic form.

12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

13. With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.

14. Members desirous for any information or queries on accounts / financial statements or relating thereto are requested to send their queries at least seven days in advance to the Company at its registered office address to enable the Company to collect the relevant information and answer them in the Meeting.

15. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form.

16. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain close from Friday, 24th September, 2021 to Thursday, 30th September, 2021 (both days inclusive) in connection with the Annual General Meeting.

17. The Company or its Registrars and Transfer Agents, Link Intime India Private Limited cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts.

19. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through

e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.

20. Non-Resident Members: Non Resident Indian Members are requested to inform Registrar and Transfer Agents, immediately of:

    a. Change in their residential status on return to India for permanent settlement
    b. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank, if not furnished earlier

21. The Company has fixed Thursday, 23rd September,2021 as the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote in the Meeting.

22. Ms. Dhara Patel, Company Secretary in Practice (M. No: 29198, COP No.:10979) has been appointed as a Scrutinizer to scrutinize the voting and process for the Annual General Meeting in a fair and transparent manner.

23. The Explanatory Statement, pursuant to section 102 of the companies Act, 2013 setting out facts concerning the business under Item no.3 attached with the notice.

24. All documents referred to in the notice and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11:00 a.m. and 4:00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the Meeting and at the venue of the Meeting for the duration of the Meeting.

25. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

26. **The Instructions for members for remote E-Voting are as under:-**
    The remote e-voting period begins on Monday, 27th September,2021 at 09:00 A.M. and ends on Wednesday, 29th September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23rd September,2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September,2021.

**How do I vote electronically using NSDL e-Voting system?**

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

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br><br>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br><br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. |

| | |
|---|---|
| | You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote.<br>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress. |

| | |
|---|---|
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.
**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
   *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br><br>For example if your Beneficiary ID is 12********** then your user ID is 12********** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br><br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

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

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csdharapatel@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL at evoting@nsdl.co.in

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

1. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (cs@suranisteel.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
2. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (cs@suranisteel.com). The same will be replied by the company suitably.

**ANNEXURE TO THE NOTICE**
**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE**
**9TH ANNUAL GENERAL MEETING**

**[PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)REGULATIONS, 2015]**

| | |
|---|---|
| Name of Director | KARSHANBHAI PATEL |
| Date of Birth | 02/04/1955 |
| Age | 66 years |
| Date of Appointment | 14.08.2018 |
| Expertise in specific Functional Areas | Having more than 12 years' experience in the field of steel industry |
| Qualifications | Under Matriculate |
| Directors in other Public Companies | -- |
| Other Positions | -- |
| Membership of Committees in other unlisted Public Companies | -- |
| Number of Board meeting attended during the year 2020-21 | 15 of 15 |
| Inter Relationship | Relative (Father) of Dineshbhai Patel (Joint Managing Director) |
| Shares held in the Company as at 31st March,2021 | 212000 Shares |
| Terms and Conditions of appointment/Re-appointment | As per the resolution no:2 of this notice, Mr. Karshanbhai Patel hold office as director shall be subject to retire by rotation. |

Date: 03.09.2021
Place: Sampa

By Order of the Board of Directors,
SURANI STEEL TUBES LIMITED

**Registered Office:**
S. No.110,115, Opp. Vinayak TMT, Bayad Road, Sampa, Tal. Dahegam, Gandhinagar-382315

Sd/-
Shwetal Ritesh Maliwal
Company Secretary

**EXPLANATORY STATEMENT (PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

The following statement sets out all material facts relating and the special businesses mentioned in the accompanying Notice:

**ITEM NO: 3: RATIFICATION OF REMUNERATION OF COST AUDITORS OF THE COMPANY FOR THE YEAR 2021-22:**

Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof) ("the Act"), requires the Board to appoint an individual, who is a Cost Accountant or a firm of Cost Accountants in practice, as Cost Auditor on the recommendations of the Audit committee, which shall also recommend remuneration for such Cost Auditor and such remuneration shall be considered and approved by the Board of Directors and ratified subsequently by the members.

The Board of Directors at their meeting held on 3rd September, 2021, on recommendation of the Audit Committee, approved the appointment of M/s. C. B. Modh & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2021-22 at fees of 43,500/- (Forty-Three Thousand Five Hundred Rupees only) per annum plus out of pocket expenses for conducting the audit of the cost accounting records of all the manufacturing facilities of the Company.

The resolution contained in Item no. 3 of the accompanying Notice; accordingly, seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2021-22.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 3 of the Notice.
The Board commends this resolution for member's approval.

Date: 03.09.2021
Place: Sampa

By Order of the Board of Directors,
SURANI STEEL TUBES LIMITED

**Registered Office:**
S. No.110,115, Opp. Vinayak TMT, Bayad Road, Sampa, Tal. Dahegam, Gandhinagar-382315

Sd/-
Shwetal Ritesh Maliwal
Company Secretary

**DIRECTORS' REPORT**

To,
The Members,
SURANI STEEL TUBES LIMITED

The Directors present the 9th Annual report of the Company along with the audited financial statements for the financial year ended March 31, 2021.

**FINANCIAL PERFORMANCE:**

The Company's financial performance for the year under review along with previous year figures is given hereunder:

**(Rs. In Lakhs)**

| Particulars | Standalone | |
|---|---|---|
| | Financial Year 2020-21 (FY 2021) | Financial Year 2019-20 (FY 2020) |
| Revenue from Operations | 10658.12 | 9788.60 |
| Other Income | 7.63 | 9.59 |
| **Total revenue** | **10665.75** | **9798.19** |
| Operating Profit (Before Finance Cost and Depreciation & Amortisation) | 727.39 | (142.22) |
| Less: Finance Cost | 196.78 | 200.70 |
| Profit before Depreciation & Amortisation | 530.61 | (342.92) |
| Less: Depreciation & Amortisation | 127.30 | 125.94 |
| Profit before Exceptional and Extraordinary item and Tax | **403.31** | **(468.86)** |
| Less: Exceptional items | -- | -- |
| **Profit before Tax** | **403.31** | **(468.86)** |
| Less: Net Current Tax Expense pertaining to current year | -- | -- |
| Less/(Add): Tax Adjustments of earlier year | 0.02 | 0.25 |
| Less/(Add): Deferred Tax | 13.81 | 26.76 |
| **Profit after Tax** | **389.47** | **(495.87)** |
| Earning Per Share | | |
| Basic | 4.70 | (5.99) |
| Diluted | 4.70 | (5.99) |

**DIVIDEND:**

In order to conserve the reserve, your directors do not recommend any dividend for the financial year ended, 31st March, 2021.

**TRANSFER TO RESERVE & SURPLUS:**

The net profit of the company for F.Y. 2020-21 is Rs. 389.47 Lakhs. The profit of F.Y. 2020-21 has been transferred to the surplus account.

**COMPANY'S PERFORMANCE REVEIW:**

The revenue from operations for FY 2020-21 was Rs. 10658.12 Lakhs over the previous year's revenue from operations of Rs. 9788.60 Lakhs which is 8.88% more than previous year revenue from operations.

Net Profit after tax for FY 2020-21 was Rs. 389.47 Lakhs against the previous year's Net loss after tax of Rs. 495.87 Lakhs.

Earnings per Share for FY 2020-21 were Rs. 4.70 against the previous year's Earnings per Share of Rs. (-5.99).

The Company definitely provide better results to the shareholders in upcoming year via better performance.

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

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

The outbreak of corona virus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The company is into the business of "manufacturing and supplying best ERW pipes and steel tubes and related items". The company has evaluated impact of this pandemic on its business operations. Based on the review and current indicators of future economic conditions, as on current date, the Company has concluded that the impact of Covid-19 is not material based on these estimates. Due to the nature of pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

**SHARE CAPITAL:**

During the year under review, the Company has not increased it's paid up share capital and Authorised share capital. The Authorised Share Capital as on 31st March, 2021 is Rs. 9,00,00,000 and Paid up share capital as on 31st March,2021 Rs. 8,28,40,000.

**LISTING INFORMATION:**

The Equity Shares in the Company are continued to be listed with NSE EMERGE Platform and in dematerialized form. The ISIN No. of the Company is INE01ZJ01015.

**STATEMENT PURSUANT TO LISTING AGREEMENT:**

The Company Equity Shares is listed at National Stock Exchange Limited (SME segment). The Annual Listing fee for the year 2021-22 has been paid.

**DEPOSITS FROM PUBLIC:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet as per section 73 and 76 of the companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

The Company has not given any loans, guarantees or made investment covered under the provisions of section 186 of the Companies Act, 2013 during the year 2020-21.

**UTILIZATION OF IPO FUND:**

The Initial Public Offer fund is utilized for the purpose for which the amount is raised as mentioned in the prospectus and there is no deviation or variation in the Utilization of IPO Fund.

**CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the business of the company done during the year.

**INTERNAL CONTROLS AND THEIR ADEQUACY:**

The Company implemented suitable controls to ensure its operational, compliance and reporting objectives. The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness and compliance is ingrained into the management review process.

Adequacy of controls of the key processes is also being reviewed by the Internal Audit team. Suggestions to further strengthen the process are shared with the process owners and changes are suitably made. Significant findings, along with management response and status of action plans are also periodically shared with and reviewed by the Audit Committee. It ensures adequate internal financial control exist in design and operation.

M/s. S. N. SHAH & ASSOCIATES (Firm Re. No: 109782W), Chartered Accountants, Ahmedabad is the internal auditor of the Company, who conducts Internal audit and submit reports to the Audit Committee. The Internal Audit is processed to design to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations. The Audit Committee reviews the effectiveness of the Company's internal control system.

**DETAILS OF HOLDING, SUBSIDIARY AND ASSOCIATES:**

The Company does not have any holding, subsidiary and associate Company during the period of Reporting.

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

Information in accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are under:

| Sr. No. | Particulars | Comments |
|---|---|---|
| **(A)** | **Conservation of energy** | |
| (i) | the steps taken or impact on conservation of energy; | Energy conservation is very important for the company and therefore, energy conservation measures are undertaken wherever practicable in its plant and attached facilities. The Company is making every effort ensure the optimal use of energy, avoid waste and conserve energy by using energy efficient equipment's with latest technologies. Impact on conservation of energy was that the electricity load expenses reduced. |
| (ii) | the steps taken by the Company for utilizing alternate sources of energy; | Nil |
| (iii) | the capital investment on energy conservation equipment | Nil |
| **(B)** | **Technology absorption** | |
| (i) | the efforts made towards technology absorption | Your Company firmly believes that adoption and use of technology is a fundamental business requirement for carrying out business effectively and efficiently. While the industry is labour intensive, we believe that mechanization of development through technological innovations is the way to address the huge |

| | | | |
|---|---|---|---|
| | | demand supply gap in the industry. We are constantly upgrading our technology to reduce costs and achieve economies of scale. | |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution; | Nil | |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year : | Nil | |
| | (a) the details of technology imported | Nil | |
| | (b) the year of import | N.A. | |
| | (c) whether the technology been fully absorbed | N.A. | |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | N.A. | |
| (iv) | the expenditure incurred on Research and Development | Nil | |
| **(C)** | **Foreign exchange earnings and Outgo** | **Inflow (In Rs.)** | **Out Flow (In Rs.)** |
| | The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows | --- | ---- |

**INDUSTRIAL RELATION:**

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

As per Provisions of Section 152 of the Companies Act, 2013, Mr. Karshanbhai Patel is liable to retire by rotation and is eligible to offer himself for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Act, with respect to Director Responsibility Statement, the Board of Directors, to the best of its knowledge and ability, confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of

the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 and Rules made thereunder for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis;

(e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**NUMBER OF BOARD MEETINGS AND ATTENDANCE:**

During the Financial year 2020-21, Fifteen (15) board meetings were held. These were held on April 29, 2020, May 12, 2020, June 03, 2020, June 08, 2020, July 08, 2020, July 20, 2020, July 30, 2020, August 18, 2020, September 02, 2020, September 07, 2020, October 31, 2020, November 12, 2020, December 08, 2020, February 06, 2021 and February 27, 2021. The interval between any two meetings was well within the maximum allowed gap of 120 days.

The Composition of Board of directors and the details of meetings attended by the board of directors during the year are given below.

| Name of the director | Category | No. of Board Meetings Held & Entitled to Attend | No. of Board Meetings Attended |
|---|---|---|---|
| Mr. Dinesh Karshan Patel | Joint Managing Director | 15 | 15 |
| Mr. Mukesh Patel | Joint Managing Director | 15 | 15 |
| Mr. Karshanbhai Patel | Director | 15 | 15 |
| Mr. Dineshbhai Dhanjibhai Patel | Independent Director | 15 | 15 |
| Ms. Hetika Dipak Kinger | Independent Director | 15 | 7 |

**COMMITTEES OF THE BOARD:**

Matters of policy and other relevant and significant information are furnished regularly to the Board. To provide better Corporate Governance & transparency, currently, your Board has three (3) Committees viz., Audit Committee, Remuneration & Nomination Committee and Stakeholder Relationship Committee look into various aspects for which they have been constituted. The Board fixes the terms of reference of Committees and also delegate powers from time to time.

**AUDIT COMMITTEE:**

The Audit Committee comprises of non-executive Independent Director and Director as its Member. The Chairman of the committee is Independent Director.

During the Financial year 2020-21, Eight (8) meeting of audit committee held on April 29, 2020; May 12, 2020; July 20, 2020; July 30, 2020; August 18, 2020; September 07, 2020; November 12,2020 and February 27, 2021.

The Composition of Audit Committee and the details of meetings attended by members during the year are given below.

| Sr. No. | Name of the Director | Status in Committee | Nature of Directorship | No of Meetings Held & Entitled to Attend | No of Meetings attended |
|---|---|---|---|---|---|
| 1 | Mr. Dineshbhai Dhanjibhai Patel | Chairman of committee | Non-Executive and Independent Director | 8 | 8 |
| 2 | Ms. Hetika Dipakbhai Kinger | Member | Non-Executive and Independent Director | 8 | 8 |
| 3 | Mr. Karshanbhai Patel | Member | Non-Executive Director | 8 | 8 |

**RECOMMENDATIONS BY THE AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS:**

All the recommendations made by the Audit Committee are accepted and implemented by the Board of Directors.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee comprises of non-executive Independent Director and Director as its members. The Chairman of the Committee is an Independent Director.

During the Financial year 2020-21, One meeting of the Nomination and Remuneration Committee held on February 06, 2021.

The Composition of Nomination and Remuneration Committee and the details of meetings attended by members during the year are given below.

| Sr. No. | Name of the Director | Status in Committee | Nature of Directorship | No of Meetings Held & Entitled to Attend | No of Meetings attended |
|---|---|---|---|---|---|
| 1 | Mr. Dineshbhai Dhanjibhai Patel | Chairman of committee | Non-Executive and Independent Director | 1 | 1 |
| 2 | Ms. Hetika Dipak Kinger | Member | Non-Executive and Independent Director | 1 | 1 |
| 3 | Mr. Karshanbhai Patel | Member | Non-Executive Director | 1 | 1 |

The Nomination and remuneration policy available on the website of the company at www.suranisteel.com.

**STAKEHOLDER RELATIONSHIP COMMITTEE**

The stakeholder relationship committee comprises non-executive Independent Director and Director as its members. The Chairman of the Committee is an Independent Director.

During the Financial year 2020-21, four (4) meeting of Stakeholder Relationship Committee were held on May 12, 2020, July 20, 2020, October 19, 2020 and January 19, 2021.

The Composition of Stakeholder and Relationship Committee and the details of meetings attended by the members during the year are given below:

| Sr. No. | Name of the Director | Status in Committee | Nature of Directorship | No. of Meetings Held & Entitled to Attend | No. of Meetings attended |
|---|---|---|---|---|---|
| 1 | Mr. Dineshbhai Dhanjibhai Patel | Chairman of committee | Non-Executive and Independent Director | 4 | 4 |
| 2 | Ms. Hetika Dipak Kinger | Member | Non-Executive and Independent Director | 4 | 4 |
| 3 | Mr. Karshanbhai Patel | Member | Non-Executive Director | 4 | 4 |

**ANNUAL RETURN:**

Pursuant to the requirement under section 134(3)(a) and 92(3) of the Companies Act, 2013 ('the Act'), the Annual Return as on March 31, 2021 is available on the Company's website on https://www.suranisteel.com/investor.html.

**CORPORATE GOVERNANCE REPORT:**

As per regulation 15(2) of the Listing Regulation, the Compliance with the Corporate Governance provisions shall not apply in respect of the following class of the Companies:

a. Listed entity having paid up equity share capital not exceeding Rs. 10 Crore and Net worth not exceeding Rs. 25 Crore, as on the last day of the previous financial year;

b. Listed entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid exemption (b); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it does not form the part of the Annual Report for the financial year 2020-21.

**AUDITORS:**

**1. STATUTORY AUDITORS:**

At the 7th AGM held on August 27, 2019 the Members were approved appointment of M/s. Ambalal Patel & Co. (FRN No. 100305W), Chartered Accountants as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 12th AGM.

**2. SECRETARIAL AUDITOR:**

The Board of directors pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed M/s. Sejal Shah & Associates, Practicing Company Secretary, Ahmedabad as Secretarial Auditor of the Company to conduct the Secretarial Audit as per the provisions of the said Act for the Financial Year 2020-21.

A Secretarial Audit Report for the Financial Year 2020-21 is annexed herewith as Annexure-I in Form MR-3. There are no adverse observations in the Secretarial Audit Report which call for explanation.

## 3. INTERNAL AUDITOR:

The Board of directors has appointed M/s. S. N. SHAH & ASSOCIATES (FRN: 109782W), Chartered Accountant as the internal auditor of the company; The Internal Auditor conducts the internal audit of the functions and operations of the Company and reports to the Audit Committee and Board from time to time.

## 4. COST AUDITORS AND THEIR REPORT:

In terms of the Section 148 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the Company has made and maintained the cost accounts and records for the year 2020-21.

The Company has appointed M/s. C. B. MODH & CO., Cost Accountants, Ahmedabad (M. No:30056) as the Cost Auditors of the Company for audit of cost accounting records for the financial year ended 31st March, 2021. The Cost Audit Report to the Central Government for the financial year ended 31st March, 2021 was approved by board of directors on 9th July, 2021.

Further, the Board of Directors has appointed M/s. C. B. MODH & CO. as the Cost Auditor of the Company for the financial year 2021-22 and fixed their remuneration, subject to ratification by the shareholders in the ensuing AGM of the Company.

## REVIEW OF AUDITORS REPORT AND SECRETARIAL AUDITORS REPORT:

There are no qualifications, reservations or adverse remarks made by Statutory Auditors M/s. Ambalal Patel & Co. (FRN: 100305W), Chartered Accountants, Ahmedabad, in the Auditor's report and by Secretarial Auditors M/s. Sejal Shah & Associates, Ahmedabad, Practicing Company Secretary, in their Secretarial Audit Report for the Financial Year ended March 31, 2021.

## REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the Statutory nor the Secretarial Auditors has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") the Management Discussion and Analysis of the Company for the year under review is presented in a separate section forming the part of the Annual Report is attached here with as Annexure II.

**DEMATERIALISATION OF SHARES:**

During the year under review, all the equity shares were dematerialized through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents 100% of the total paid-up capital of the Company. The Company ISIN No. is INE01ZJ01015 and Registrar and Share Transfer Agent is LINK INTIME INDIA PRIVATE LIMITED.

**DIRECTOR REMUNERATION AND SITTING FEES:**

Member's attention is drawn to Financial Statements wherein the disclosure of remuneration paid to Directors is given during the year 2020-21. No Sitting fees have been paid to the Non-executive directors and Independent Directors.

**RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with related parties which may have potential conflict with the interest of the company at large. Your Directors draw your attention to notes to the financial statements for detailed related parties' transactions entered during the year. Accordingly, as per third proviso to Section 188(1) of the Act, no approval of the Board or Members / Shareholders is required for such transactions. However, as part of good corporate governance, all related party transactions covered under Section 188 of the Act are approved by the Audit committee. The FORM AOC- 2 is attached as Annexure - III with this report.

**CREDIT RATING:**

The company has not obtained any rating from any Credit Rating Agency during the year.

**MEETING OF INDEPENDENT DIRECTORS:**

During the year under review, the Independent Directors met on February 06, 2021 inter alia, to discuss:

1. Review of the performance of the Non- Independent Directors and the Board of Directors as a whole.

2. Review of the Chairman of the Company, taking into the account of the views of the Executive and Non- Executive Directors.

3. Assess the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present in the meeting.

## 1. DECLARATION FROM INDEPENDENT DIRECTORS:

All the Independent Directors on the Board have given a declaration of their independence to the Company as required under section 149(6) of the Companies Act, 2013.

## 2. CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS:

An Independent Director shall be a person of integrity and possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing and technical operations or any other discipline related to the Company's business. The Company did not have any peculiar relationship or transactions with non-executive Directors during the year ended March 31, 2021.

## 3. FORMAL ANNUAL EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 the nomination and remuneration committee has laid down the evaluation of the performance of Individual Directors and the Board as a whole. Based on the criteria the exercise of evaluation was carried out through the structured process covering various aspects of the Board functioning such as composition of the Board and committees, experience & expertise, performance of specific duties & obligations, attendance, contribution at meetings, etc. The performance evaluation of the Chairman and the Non- Independent Directors was carried out by the Independent Director. The performance of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The Director expressed their satisfaction with the evaluation process.

## POLICIES OF THE COMPANY:

## REMUNERATION AND APPOINTMENT POLICY:

The Company follows a policy on remuneration of Directors and senior management employees, details of the same are given in the website of the Company www.suranisteel.com.

The committee must ensure that:

a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and key managerial personnel of the quality required to run the company successfully.

b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTION:**

Your Company has adopted the policy on Materiality of Related Party Transaction to set out the dealing with the transaction between the Company and its related parties. The Policy on Materiality of Related Party Transaction has been available on the website of the Company www.suranisteel.com.

**POLICY OF CODE OF CONDUCT FOR DIRECTOR AND SENIOR MANAGEMENT:**

Your Company has adopted the policy of code of Conduct to maintain standard of business conduct and ensure compliance with legal requirements. The Policy on Code of Conduct for Director and Senior Management has been available on the website of the Company www.suranisteel.com.

**PREVENTION OF INSIDER TRADING:**

Pursuant to provisions of the regulations, the Board has formulated and implemented a Code of Conduct to regulate, monitor and report trading by employees and other connected persons and code of practices and procedure for fair disclosure of unpublished price Sensitive Information. The same has been available on the website of the Company www.suranisteel.com.

**POLICY ON THE PRESERVATION OF DOCUMENTS AND ARCHIVE POLICY:**

Pursuant to provision of the regulations, the board has formulated the policy on the Preservation of Documents & Archive policy. The same has been available at the website of company at www.suranisteel.com.

**BUSINESS RISK MANAGEMENT:**

The Company has taken various steps in connection with the implementation of Risk Management measures in terms of provisions contained in the Companies Act, 2013, after identifying the elements of risks which in the opinion of the Board may threaten the very existence of the Company. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by Board from time to time. Key risks identified are methodically addressed through mitigating actions on a continuing basis. The policy of risk management is made available on the website of the company at www.suranisteel.com.

**CORPORATE SOCIAL RESPONSIBILITY:**

The provision of section 135 of Companies Act, 2013 for implementing Corporate Social Responsibility Policy, constitute committee and expenditure thereof is not applicable to the company since the company is not meeting with the criteria of net-worth, turnover or net profits mentioned therein.

**VIGIL MECHANISM/WHISTLE BLOWER MECHANISM:**

Your Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Vigil Mechanism has been available on the website of the Company www.suranisteel.com.

**POLICY ON IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIAL LITIGATIONS:**

Your Company has adopted a policy on identification of group companies, material creditors and material litigations. The policy on identification of group companies, material creditors and material litigations has been available on the website of the Company at www.suranisteel.com.

**POLICY ON DETERMINATION AND DISCLOSURE OF MATERIALITY OF EVENTS AND INFORMATION:**

Your Company has adopted a Policy on Determination and Disclosure of Materiality of Events and Information. The Policy on Determination and Disclosure of Materiality of Events and Information has been available on the website of the Company www.suranisteel.com.

**PARTICULARS REGARDING EMPLOYEES REMUNERATION:**

During the year under review, there are no employees drawing remuneration which is in excess of the limit as prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The information pertaining to section 197 read with rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), 2014 is annexed herewith as Annexure-IV.

**DISCLOSURES BY DIRECTORS:**

The Board of Directors have submitted notice of interest in Form MBP 1 under Section 184(1) as well as information by directors in Form DIR 8 under Section 164(2) and declarations as to compliance with the Companies Act, 2013.

**DISQUALIFICATIONS OF DIRECTORS:**

During the financial year 2020-21 under review the Company has received Form DIR-8 from all Directors as required under the provisions of Section 164(2) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 that none of the Directors of your Company is disqualified; to hold office as director disqualified as per provision of Section 164(2) of the Companies Act, 2013 and debarred from holding the office of a Director pursuant to any order of the SEBI or any such authority in terms of SEBI letter dated 14th June,2018 and NSE circular dated 20th June 2018 on the subject "Enforcement of SEBI orders regarding appointment of Directors by Listed Companies".

The Directors of the Company have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**SECRETARIAL STANDARD:**

Your Directors states that they have devised proper systems to ensure compliance with the Secretarial Standards and that such system are adequate and operating effectively.

**OTHER REGULATORY REQUIREMENT:**

The Company has been complied with all regulatory requirements of central government and state government and there were no significant and material orders passed by the Regulators or Courts or Tribunals during the year impacting the going concern status and the Company's operations in future.

**SEBI COMPLAINTS REDRESS SYSTEM (SCORES):**

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. The Company has not received any complaint on the SCORES during financial year 2020-21.

**INVESTOR GRIEVANCES REDRESSAL STATUS:**

During the Financial Year 2020-21, there were no complaints or queries received from the shareholders of the Company. Company Secretary, acts as the Compliance Officer of the Company is responsible for complying with the provisions of the Listing Regulations, requirements of securities laws and SEBI Insider Trading Regulations. The Investor can be sent their query at cs@suranisteel.com.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules there under.

**ACKNOWLEDGEMENT:**

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, concerned Government departments and agencies for their co-operation.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

Registered Office:
S. No.110,115, Opp. Vinayak
TMT, Bayad Road, Sampa,
Tal. Dahegam,
Gandhinagar - 382315.

For and on behalf of the Board,
SURANI STEEL TUBES LIMITED

Sd/-
Dinesh Patel
Chairman &
Joint Managing Director
(DIN: 03585273)

Sd/-
Mukesh Patel
Joint Managing Director
(DIN: 05331136)

Date: 03.09.2021
Place: Sampa

**ANNEXURE –I**
**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021**

[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,
SURANI STEEL TUBES LIMITED
(Formerly known as SURANI STEEL TUBES PRIVATE LIMITED)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SURANI STEEL TUBES LIMITED (Formerly known as Surani Steel Tubes Private 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 company'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 and as per the explanations given to us and representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(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, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2014 (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, 2018 (Not applicable to the Company during Audit Period); and

(vi) Other laws as applicable to the company as per the representations made by the management.

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

(i) Secretarial Standard issued by the Institute of Company Secretaries of India.

(ii) The listing agreement entered into by the company with National Stock Exchange.

3. During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

4. We further report that as far as we have able to ascertain –

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

-The compliance of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

-Adequate notice was given to directors in advance to schedule the Board Meetings, Agenda and notes on agenda 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 based upon notices shown to us.

-Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review and minutes of the meetings duly recorded and signed by the chairman as minutes shown to us.

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

7. The equity shares of the Company were listed on SME platform of National Stock Exchange.

Place: Ahmedabad
Date: 03.09.2021
UDIN: A053164C000887580

For, Sejal Shah & Associates

Sd/-
Sejal Shah
Company Secretary
ACS:53164/C.P. No: 21683

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**'Annexure A'**

**To,**
**The Members,**
**SURANI STEEL TUBES LIMITED**
**(Formerly known as SURANI STEEL TUBES PRIVATE LIMITED)**

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

Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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 process and practices, we followed provide a reasonable basis for our opinion.

Based on copy of agenda, minutes and attendance register presented by Management, we have verified that notices were given and minutes have been properly recorded in the Minute Book and the same have been signed.

We have not verified the correctness and appropriateness of financial records and books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

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 procedure on test basis.

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.

Place: Ahmedabad
Date: 03.09.2021
UDIN: A053164C000887580

For, Sejal Shah & Associates

Sd/-
Sejal Shah
Company Secretary
ACS:53164/C.P. No: 21683

## ANNEXURE-II

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- **INDUSTRY STRUCTURE AND DEVELOPMENTS**: Our Company is today a vast conglomerate having business interest in ERW MS pipes and tubes manufacturing. With its strong conviction, the business corporation has reserved its rightful position in the market.

  Our Company is modernized and state of the art production facility is based at Gujarat. We are having presence in Commercial, Structural and Engineering Sector with our wider range of ERW Pipes. Our constant effort is to produce pipes of highest quality and sustainability. To achieve this, we stick to strict quality standards, continuous in-house evaluations and training of our workforce. Our company has been constantly executing regular as well as customized orders for pipes to meet the requirements of vivid sectors. Surani Steel has a highly experienced talented team, contemporary technology, efficiency oriented environment and accurate production facility to help in cultivating further growth of the organization as well as the economy of the nation.

- **OPPORTUNITIES AND STRENGTH:** The quality of our product is controlled during the manufacturing process. It starts with slitting the strip edges, continues with speed, temperature control during the high frequency induction welding.

  Surani Steel carries out a Quality Management System certified in accordance with our well-maintained UT Machine, Hydro testing Machine and many other types of equipment in its premises which checks from, Raw material to Finished Goods.

  The strength of Surani Steel lies in producing some of the best quality and ranges of MS pipes made through intensive procedures like Electrical Resistance Welding; these are made of mild steel. It has achieved remarkable success in producing Steel Tubes which includes Nominal Bore ranging from 20 MM to 100 MM with a measured breadth of 1.6 MM to 5 MM with a length of up to 12 Meters. Surani Steel works on the motive of Customers satisfaction is prior than any other thing.

- **SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE:** The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable**.** There is no separate segment or product.

- **MANUFACTURING & MODERN FACILITY CREDENTIALS:** ERW pipes are made from HR coils manufactured & supply by SAIL/JSW/ESSAR/TATA. After being longitudinally slitted & edge preparation, the strip is progressively formed into a circular shape by passing it through a series of forming rolls.

  An uncompromising test is being carried out before the final process of dispatching as per the standards and specification of customer's requirement.

To ensure product reliability through process control, Surani has a fully equipped metallurgical laboratory with all the tools essential for comprehensive product quality testing and evaluation to withstand reactive processes.

- **OUTLOOK:** Within this dynamic environment, we are providing various different products with different and attractive features, being different in market one should add uniqueness in product to survive in market.

- **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:** The Company implemented suitable controls to ensure its operational, compliance and reporting objectives. The Company has adequate policies and procedures in place for its current size as well as the future growing needs. These policies and procedures play a pivotal role in the deployment of the internal controls. They are regularly reviewed to ensure both relevance and comprehensiveness and compliance is ingrained into the management review process.

  Adequacy of controls of the key processes is also being reviewed by the Internal Audit team. Suggestions to further strengthen the process are shared with the process owners and changes are suitably made. Significant findings, along with management response and status of action plans are also periodically shared with and reviewed by the Audit Committee. It ensures adequate internal financial control exist in design and operation.

- **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**
  On a standalone basis, the revenue from operations for FY 2020-21 was Rs.10658.12 Lakhs over the previous year's revenue from operations of Rs. 9788.60 Lakhs.

  Net profit after tax for FY 2020-21 was Rs. 389.47 Lakh over the previous year's Net loss after tax was Rs. 495.87 Lakhs.

  Earnings per Share for FY 2020-21 was Rs.4.70 over the previous year's Earnings per Share was Rs. -5.99.

  The Company definitely provide better results to the shareholders in upcoming year via better performance.

- **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:** The Company firmly believes that motivated and empowered employees are the cornerstone of competitive advantage. The company's employee value proposition is based on a strong focus on employee development, providing a satisfying work environment, performance appraisal and counseling and appropriate empowerment. The Company continues to maintain and enjoy a cordial relationship with its employees, providing positive environment to improve efficiency with regular Investments in upgrading the knowledge and skills of the employees.

- **DISCLOSURE OF ACCOUNTING TREATMENT**: The Company has followed all the treatments in the Financial Statements as per the prescribed Accounting Standard: our company has followed all required accounting standards also disclosed significant accounting policy. Financial statements include balance sheet, profit and loss, cash flow statement with schedules/Notes.

- **CAUTIONARY STATEMENT:** The statements in the "Management Discussion and Analysis Report" section describes the company objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

Registered Office:
S. No.110,115, Opp. Vinayak
TMT, Bayad Road, Sampa,
Tal. Dahegam,
Gandhinagar - 382315

For and on behalf of the Board,
SURANI STEEL TUBES LIMITED

Date: 03.09.2021
Place: Sampa

Sd/-
Dinesh Patel
Chairman &
Joint Managing Director
(DIN: 03585273)

Sd/-
Mukesh Patel
Joint Managing Director
(DIN: 05331136)

**ANNEXURE-III**

**FORM NO. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**
All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:** All the transactions were entered by the Company in ordinary course of business and were in arm's length basis:

| Name of Related Party | Nature of relationship | Nature of Contract / agreement / transactions | Duration of contracts / agreements / transactions | Salient terms of contracts or agreements, or transactions including the value, if any | Date(s) of approval by the Audit committee, if any: | Amount paid as advances, if any: |
|---|---|---|---|---|---|---|
| VINAYAK TMT BARS PRIVATE LIMITED | Enterprise in which company has significant influence | Sale | ----- | ----- | 29.04.2020 | ----- |

(1) The Company has entered into contracts or arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013. However, all such transactions are entered into in the ordinary course of business and in the option of the Board all such transaction are at arm's length. Accordingly, by virtue of third proviso to Section 188(1) of the Act, no approval of the Board or General Meeting as referred to in Section 188(1) and its first proviso is required for such transactions. However, as part of good corporate governance, all related party transactions covered under section 188 of the Act are approved by the Audit committee.

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Tal. Dahegam,
Gandhinagar - 382315.

For and on behalf of the Board,
SURANI STEEL TUBES LIMITED

Date: 03.09.2021
Place: Sampa

Sd/-
Dinesh Patel
Chairman &
Joint Managing Director
(DIN: 03585273)

Sd/-
Mukesh Patel
Joint Managing Director
(DIN: 05331136)

**ANNEXURE-IV**

**DISCLOSURE UNDER SECTION 197(12), READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014].**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21.

**A. Remuneration of Whole-Time Directors & Managing Director:**

| Sr. No. | Name of Director | Remuneration In Rs. | Designation | Ratio of remuneration to Median Remuneration of the employees | % increase in Remuneration in year ended 31st March 2021 |
|---|---|---|---|---|---|
| 1 | Dinesh Karshan Patel | 3,60,000 | Joint Managing Director | 1.88:1 | Nil |
| 2 | Mukesh Patel | 3,60,000 | Joint Managing Director | 1.88:1 | Nil |

**B. Remuneration to Key Managerial Personnel:**

| Sr. No. | Name of Director | Designation | % increase in Remuneration in year ended 31 March 2021 |
|---|---|---|---|
| 3 | Gaurav Rajeshbhai Patel | CFO | 5.36% |
| 4 | Shwetal Ritesh Maliwal | Company Secretary & Compliance Officer | Nil |

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: as above

3. The percentage increase in the median remuneration of employees in the financial year 2020-21: There was no increment made in the salary of the median remuneration of employees of the Company to mitigate the effects of COVID-19.

4. The number of permanent employees on the rolls of Company in the financial year 2020-21: 64 Employees

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There was no increment made in the salary of employees of the Company as well as in the managerial remuneration during the year 2020-21 except 3 employees and the Increment made in 3 employees were as follows:

| Sr. No. | Name | % increase in Remuneration in year ended 31 March 2021 |
|---|---|---|
| 1 | Mr. Gaurav Rajeshbhai Patel | 5.36% |
| 2 | Mr. Chandresh R. Yadav | 6.49% |
| 3 | Mr. Ankurkumar Dharmendrabhai Patel | 18.82% |

6. Affirmation that the remuneration is as per the remuneration policy of the Company
-We affirm that the remuneration paid is as per the remuneration policy of the Company.

Registered Office:
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Tal. Dahegam,
Gandhinagar - 382315.

For and on behalf of the Board,
SURANI STEEL TUBES LIMITED

Date: 03.09.2021
Place: Sampa

Sd/-
Dinesh Patel
Chairman &
Joint Managing Director
(DIN: 03585273)

Sd/-
Mukesh Patel
Joint Managing Director
(DIN: 05331136)

Ambalal Patel & Co.
Chartered Accountants

Head Office :-
1st Floor, Sapphire Business Centre, Above SBI Vadaj Branch,
Usmanpura, Ashram Road, Ahmedabad-380013.
Tel. : (079) 27556860, 27556870, Fax : 27556860
E-mail : apcca@apcca.com • Web Site : www.apcca.com.

Branch Office : Unjha & Jamnagar

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**M/s. SURANI STEEL TUBES LIMITED**
**(Formerly Known as "Surani Steel Pvt. Ltd. & Surani Steel Tubes Pvt. Ltd.")**

***Report on the Audit of Standalone Financial Statements***

We have audited the accompanying standalone financial statements of M/s. SURANI STEEL TUBES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2021 the Statement of Profit & Loss for the year then ended Including the cash flow statement for the year ended on that date annexed thereto, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its Profit and its cash flows for the year ended on that date.

***Basis for Opinion***

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

***Key Audit Matters***

Key audit matters are those matters that, in our professional 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.
There are no Key Audit Matters Reportable as per SA 701 issued by ICAI.

***Management's Responsibility for the Financial Statements***

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

***Auditor's Responsibility***

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

· Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

***Report on Other Legal and Regulatory Requirements***

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As acquired by section 143(3) of the Act, we report that:

   a. We have obtain 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 account as required by law have been kept by the Company so far as appears from our examination of those books;

   c. The Balance Sheet , Statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone financial statements, comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. On the basis of written representations received from the directors as on 31st March 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021, from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

      i The Company has disclosed the impact of pending litigation on its Financial position in its standalone Financial Statements Refer note no 29 to the Financial Statements.

      ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii There were no amount which were required to be transferred to the Investors Eduction and Protection Fund by the company.

**For AMBALAL PATEL & CO.**
**Chartered Accountants**
**Firm Reg. No. : 100305W**

**Sd/-_____**
**CA Ghanshyam P Jajal**
**Partner**
**M.No. 116814**
**UDIN : 21116814AAAABW6607**
**Ahmedabad**
**28/06/2021**

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

**(Referred to paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.)**

(i) (a) The company has maintained proper records showing particulars including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the period of audit but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets.According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the company

(ii) As explained to us, physical verification of inventory has been conducted by the management as the end of the year in respect of inventory and there are no material discrepancies were noticed, they have been properly dealt with in the books of account;

(iii) According to the information and explanation given to us, the Company has not granted any Secured, unsecured loans to companies & firms listed in the register maintained under section 189 of the Companies Act 2013.

(iv) According to explanation and information given to us, In respect of loans, investments, guarantees, and security, Company has complied the provisions of section 185 and 186 of the Companies Act, 2013 .

(v) The Company has not accepted any deposites from public and hence the provision of section 73 and 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to Company.

(vi) We have broadly reviewed the books of account 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, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.We have, however, not made a detailed examinations of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The company has generally been regular in depositing undisputed statutory dues Income-tax,custom duty,cess,GST, providend fund . According to the information and explanation given to us and the books and records examined by us, there are no undisputed amounts payable in respect of Income-tax,GST,custom duty,cess,provident fund were in arrears as at 31st March 2021 for a period exceeding six months from the date they became payable.

(b) On the basis of our examination of the documents and records, there is no disputed amount pending in respect of any statutory dues.

(viii) Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the bank.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. However Term loan taken by company were applied for the purpose for which they were raised.

(x) According to the information and explanation given to us and to the best of our knowledge and belief no fraud on or by the company, has been noticed or reported by the company during the year.

(xi) Based on our audit procedure and books examined by us, Company has paid managerial remuneration in accordance with the the provisions of section 197 read with Schedule V to the Companies Act.

(xii) Since the company is not Nidhi Company, relevant clause of CARO, 2016 is not applicable to the company;

(xiii) According to information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the accounting standard 18.

(xiv) According to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and so, company is not required to comply section 42 of the Companies Act, 2013.

(xv) According to information and explanation given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and company has been complied the provisions of section 192 of Companies Act, 2013.

(xvi) According to information and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For AMBALAL PATEL & CO.**
**Chartered Accountants**
**Firm Reg. No. : 100305W**

**Sd/-_____**
**CA Ghanshyam P Jajal**
**Partner**
**M.No. 116814**
**UDIN : 21116814AAAABW6607**
**Ahmedabad**
**28/06/2021**

**Annexure B**

## INDEPENDENT AUDITORS' REPORT ON INTERNAL FINANCIAL CONTROL

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

1 We have audited the internal financial controls over financial reporting of SURANI STEEL TUBES LIMITED as at 31/03/2021 in conjunction with our audit of the Balance Sheet, Statement of Profit & loss, Cash Flow statement & notes forming part of financial statement.

### Management's Responsibility for Internal Financial Controls

2 Management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI')". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 by the Companies Act, 2013 ('the Act').

### Auditor's 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 and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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

6 Company's internal financial control over financial reporting is a process designed to provide

## Inherent Limitations of Internal Financial Controls Over Financial Reporting .

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, Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31/03/2021 based on the internal control over financial reporting criteria established by the management of the company considering the essential components of internal control stated in the Guidance Note.

**For AMBALAL PATEL & CO.**
**Chartered Accountants**
**Firm Reg. No. : 100305W**

**Sd/-_____**
**CA Ghanshyam P Jajal**
**Partner**
**M.No. 116814**
**UDIN : 21116814AAAABW6607**
**Ahmedabad**
**28/06/2021**

# SURANI STEEL TUBES LIMITED

(Formerly Known as "Surani Steel Pvt. Ltd. & Surani Steel Tubes Pvt. Ltd.")

CIN-L27109GJ2012PLC071373

Balance Sheet as at 31/03/2021

(Amount in ₹ )

| | Particulars | Note No. | 31/03/2021 | 31/03/2020 |
|---|---|---|---|---|
| I. | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 2 | 8,28,40,000 | 8,28,40,000 |
| | (b) Reserves and surplus | 3 | 14,43,71,715 | 10,54,24,604 |
| 2 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 4 | 2,08,05,772 | 2,64,68,396 |
| | (b) Deferred tax liabilities (Net) | | 59,27,425 | 45,45,900 |
| | (c) Long-term provisions | 5 | 11,99,066 | 12,12,212 |
| 3 | Current liabilities | | | |
| | (a) Short-term borrowings | 6 | 15,04,64,635 | 15,93,64,368 |
| | (b) Trade payables | 7 | | |
| | (i) total outstanding dues of micro enterprises and small enterprise | | - | - |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,13,03,296 | 8,03,35,873 |
| | (c) Other current liabilities | 8 | 1,64,09,493 | 1,53,46,575 |
| | (d) Short-term provisions | 9 | 11,93,806 | 13,38,792 |
| | TOTAL | | 45,45,15,208 | 47,68,76,720 |
| II. | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | 10 | | |
| | (i) Property, Plant & Equipment | | 13,40,36,091 | 14,58,88,044 |
| | (ii) Intangible assets | | 1,586 | 1,586 |
| | (iii) Capital Work in Progress | | - | - |
| | (iv) Intangible assets under development | | - | - |
| | (b) Non-current investments | 11 | 13,00,000 | 13,00,000 |
| | (c) Long-term loans and advances | 12 | 11,13,810 | 23,31,936 |
| 2 | Current assets | | | |
| | (a) Inventories | 13 | 21,69,44,274 | 22,76,93,444 |
| | (b) Trade receivables | 14 | 7,10,91,162 | 5,77,15,601 |
| | (c) Cash & Bank Balances | 15 | 15,78,632 | 15,58,981 |
| | (d) Short-term loans and advances | 16 | 2,22,16,507 | 3,01,24,230 |
| | (e) Other current assets | 17 | 62,33,147 | 1,02,62,898 |
| | TOTAL | | 45,45,15,208 | 47,68,76,720 |
| | Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.
For AMBALAL PATEL & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 100305W

Sd /-
CA Ghanshyam P Jajal
PARTNER
M.NO. 116814
UDIN :21116814AAAABW6607

Ahmedabad
28/06/2021

For and on behalf of Board Of Director
of SURANI STEEL TUBES LIMITED

Sd/-_____
(DIRECTOR )
(DIN 03585273)
DINESH PATEL

Sd/-_____
(DIRECTOR )
(DIN 05331136)
MUKESH PATEL

Sd/-_____
(CHIEF FINANCIAL OFFICER)
GAURAV PATEL

Sd/-_____
(COMPANY SECRETORY)
SHWETAL RITESH MALIWAL

# SURANI STEEL TUBES LIMITED

(Formerly Known as "Surani Steel Pvt. Ltd. & Surani Steel Tubes Pvt. Ltd.")

CIN-L27109GJ2012PLC071373

Statement of Profit and Loss for the year ended 31st March 2021

(Amount in ₹ )

| | Particulars | Note No. | 2020-21 | 2019-20 |
|---|---|---|---|---|
| I. | Revenue from operations: | 18 | 1,06,58,12,002 | 97,88,60,145 |
| | | | 1,06,58,12,002 | 97,88,60,145 |
| II. | Other income | 19 | 7,63,303 | 9,59,248 |
| III | Total Revenue | | 1,06,65,75,305 | 97,98,19,393 |
| IV. | Expenses: | | | |
| | Cost of material consumed | 20 | 88,26,03,756 | 92,60,24,346 |
| | Purchase of stock in Trade | 21 | 2,58,16,067 | 4,00,06,516 |
| | Changes in inventories of Finished Goods , Stock in Trade & Scrap | 22 | 4,69,61,224 | (2,43,83,710) |
| | Employee benefits expense | 23 | 1,53,10,477 | 1,96,78,116 |
| | Finance costs | 24 | 1,96,78,761 | 2,00,70,472 |
| | Depreciation and amortization expense | | 1,27,30,234 | 1,25,94,233 |
| | Other Expenses | 25 | 2,31,43,257 | 3,27,15,343 |
| V. | Total expenses | | 1,02,62,43,778 | 1,02,67,05,315 |
| VI. | Profit before tax (V- III) | | 4,03,31,527 | (4,68,85,923) |
| VII | Tax expense: | | | |
| | (1) Current tax | | - | - |
| | (2) MAT Credit Entitlement | | - | - |
| | (3) Deferred tax /(Assets) | | 13,81,525 | 26,75,644 |
| | (4) Prior Period Tax Adjustment | | 2,891 | 24,938 |
| | | | 13,84,416 | 27,00,582 |
| VIII. | Profit / (Loss) for the period (VI-VII) | | 3,89,47,111 | (4,95,86,505) |
| IX | Earnings per equity share (Face Value ₹ 10 per share) | | | |
| | (1) Basic | | 4.70 | (5.99) |
| | (2) Diluted | | 4.70 | (5.99) |
| | Significant Accounting Policies | 1 | | |

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date.

For AMBALAL PATEL & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 100305W

Sd /-_____

CA Ghanshyam P Jajal
PARTNER
M.NO. 116814
UDIN 21116814AAAABW6607
Ahmedabad
28/06/2021

For and on behalf of Board Of Director
of SURANI STEEL TUBES LIMITED

Sd/-_____
(DIRECTOR )
(DIN 03585273)
DINESH PATEL

Sd/-_____
(DIRECTOR )
(DIN 05331136)
MUKESH PATEL

Sd/-_____
(CHIEF FINANCIAL OFFICER)
GAURAV PATEL

Sd/-
(COMPANY SECRETORY)
SHWETAL RITESH MALIWAL

# SURANI STEEL TUBES LIMITED
(Formerly Known as "Surani Steel Pvt. Ltd. & Surani Steel Tubes Pvt. Ltd.")
CIN-L27109GJ2012PLC071373

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31/03/2021

| PARTICULARS | 31/03/2021 | 31/03/2021 | 31/03/2020 | 31/03/2020 |
|---|---|---|---|---|
| | Amount in ₹ | Amount in ₹ | Amount in ₹ | Amount in ₹ |
| A. Cash inflow/(outflow) from the opearating activities | | | | |
| Net profit before Tax and Extra-ordinary items | | 4,03,31,527 | | (4,68,85,923) |
| Adjustments for | | | | |
| Depreciation | 1,27,30,234 | | 1,25,94,233 | |
| Interest Paid | 1,93,98,531 | | 1,95,67,648 | |
| Interest received on FDR | (72,865) | 3,20,55,900 | (89,456) | 3,20,72,425 |
| Operating Profit before working capital changes | | 7,23,87,427 | | (1,48,13,498) |
| Adjustment for: | | | | |
| Current Assets | | | | |
| Inventories | 1,07,49,169 | | (2,70,63,756) | |
| Receivable | (1,33,75,560) | | 47,00,434 | |
| Loans & Advances | 1,31,55,600 | | (87,65,085) | |
| Current Liabilities | | | | |
| Current Liabilities & Provision | (4,81,27,792) | (3,75,98,582) | 4,17,67,117 | 1,06,38,710 |
| Direct Taxes Paid | | (2,891) | | (1,29,938) |
| Net cash inflow/(outflow) from operating activities (A) | | 3,47,85,954 | | (43,04,726) |
| B. Cash inflow/(outflow) from investing activity | | | | |
| Interest received on FDR | 72,865 | | 89,456 | |
| Changes in Bank Deposits | (2,15,069) | | - | |
| sale of fixed assets | | | - | |
| Purchase of Fixed Assets | (8,78,281) | | (60,06,790) | |
| Net cash inflow/(outflow) from investing activity (B) | | (10,20,485) | | (59,17,334) |
| C. Cash inflow/(outflow)from financing activity | | | | |
| Proceed from Prefrence shares issue | - | | | |
| Proceed from Issue of Shares | - | | - | |
| Proceed from /(Repayment of) unsecured Loan | - | | (0) | |
| Interest Paid | (1,93,98,531) | | (1,95,67,648) | |
| Secured Loan recd/ (repaid) | (1,45,62,357) | | 2,98,98,023 | |
| Net cash inflow/(outflow) from Fianancing activity (C) | | -3,39,60,888 | | 1,03,30,375 |
| Net Cash changes in cash and cash equivalent (A+B+C) | | (1,95,419) | | 1,08,315 |
| Opening balance of cash and cash equivalent | | 7,31,981 | | 6,23,666 |
| Closing balance of cash and cash equivalent | | 5,36,563 | | 7,31,981 |
| Increase in cash and cash equivalent | | (1,95,419) | | 1,08,315 |

The Cash Flow Statement has been prepared under the Indirect Method as set out in AS-3 on Cash Flow Statement notified by Companies(Accounting Standards)Rules,2006.

Figures in bracket represent Outflow of cash.
As Per our report of even date

For AMBALAL PATEL & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 100305W

Sd /-_____
CA Ghanshyam P Jajal
PARTNER
M.NO. 116814
UDIN :21116814AAAABW6607

Ahmedabad
28/06/2021

For and on behalf of Board Of Director
of SURANI STEEL TUBES LIMITED

Sd/-_____
(DIRECTOR )
(DIN 03585273)
DINESH PATEL

Sd/-_____
(DIRECTOR )
(DIN 05331136)
MUKESH PATEL

Sd/-_____
(CHIEF FINANCIAL OFFICER)
GAURAV PATEL

Sd/-_____
(COMPANY SECRETORY)
SHWETAL RITESH MALIWAL

# SURANI STEEL TUBES LIMITED

**(Formerly known as "Surani Steel Pvt. Ltd. & Surani Steel Tubes Pvt. Ltd.")**

## 1 SIGNIFICANT ACCOUNTING POLICIES

### i) Basis Of Prepration :

The Financial Statements are prepared as per historical cost convention and in accordance with the Generally Accepted Accounting Principles (GAAP) in India, Section 133 of the Companies Act, 2013 and the applicable Accounting Standards read with rule 7 of the Companies (Accounts) Rules 2014.The company follows mercantile systems of accounting and recognised income and expenditures on accrual basis.

As per MCA Notification dated 16 th February 2015, Companies whose shares are listed on SME Platform as referred in chapter XB of SEBI (issue of capital disclosure requirement) regulations 2009 are exempted from compulsory requirement of adoption of IND AS. As the company is covered under exempted catagory, it has not adopted IND AS for Preparation of Financial Results.

### ii) Use of Estimates :

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

### iii) Property ,Plant , Equipment & Depreciation :

Property ,Plant , Equipment except Land are stated at cost less accumulated depreciation.

Depreciation on additions or sale/discard of asset is being provided on pro-rata basis from the date on which such asset is ready to be put to use or date of sale/discard.

Depreciation is provided on Roll-sets on the basis of useful life of three years on Straight Line Method ('SLM') as specified in schedule II of the Companies Act, 2013 on pro rata basis from the date assets put to use.

Tangible assets are acquired by the company are reported at acquisition value, with deductions for accumulated depreciation and impairment losses, if any. The acquisition value includes the purchase price (Excluding refundable Taxes), and expenses directly attributable to assets to bring it to the factory and in the working condition for its intended use. Where the construction or development of any such assets requiring a substantial period of time to set up for its intended use, is funded by borrowings if any, the corresponding borrowing cost are capitalized up to the date when the asset is ready for its intended use.

Computer software costs capitalized are amortized using Straight Line Method ('SLM') on the basis of useful life specified in Schedule II to the Companies Act, 2013.

Intangible assets are reported at acquisition value with deductions for accumulated amortization and any impairment losses.

Capital work in progress includes cost of assets at sites and construction expenditure as well as Trial Run Production Loss/Gain.

**iv) Inventories :**

Raw Materials, Stores, spares, consumables and Finished Goods are valued at cost or net realizable value, whichever is lower. The cost is ascertained using FIFO method.

The cost for Raw Materials, Stores, spares, consumables, has been arrived at using FIFO method, net of cenvat credit & Input Tax Credit availed.

The cost of Finished Goods is determined taking material cost (net of cenvat credit & Input Tax Credit availed), labour and relevant appropriate overheads.

Waste & scrap are valued at Net realisable Value.

The cost for Traded Goods arrived at using FIFO method, net of cenvat credit & Input Tax Credit availed.

**v) Investments :**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current Investments are stated at lower of cost and net realizable value. A provision for diminution is made to recognize a decline, other than temporary, in the value of Long-term Investments.

**vi) Revenue Recognition :**

A) Sale of Goods.
Sales are stated net of Excise duty, VAT, GST and Sales return, if any. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of goods from the premises of the company.
B) Dividend income is recognized when the company's right to receive dividend is established by the reporting Date.

C) Interest income is recognized on accrual basis on a time proportion basis taking into Account the Amount outstanding and the rate applicable. Interest income is included under the head "Other Income" in the statement of profit and loss.

**vii) Employee Benefits :**

**a) Short Term Employee Benefits**

Short-term employee benefits are recognised as expense in the Statement of Profit & Loss of the year in which the related service is rendered at the undiscounted amount as and when it accrues
As regards Liability towards Leave encashment, the employees have the option of enchasing or availing the unaveiled leave. The company measures the expected cost of such leave as the additional amount that it expects to pay as a result of the unused entitlements that has accumulated at the reporting date and makes provision as short term employee benefit.

**b) Long Term Employee Benefits**

Long term employees benefits and post-employment benefits both funded and non-funded are recognised as expenses in the statement of Profit and Loss of the year in which the related services is rendered based on actuarial valuation.

Companys Contribution towards provident fund are accounted for at pre-determined rates and deposited in to an EPFO.

Gratuity is accounted for on the basis of actuarial valuation.

The management is also of the opinion that the payment of Pension Act and Employees State Insurance Act is not applicable to the Company.

**viii) Impairment of Assets :**

An asset is considered as impaired in accordance with Accounting Standard 28 on impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset exceeds its recoverable amount. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the profit and loss account.

**ix) Earning per Share :**

The company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year. Diluted Earnings Per Share is computed by dividing the net profit or loss after tax for the year(after adjustment for diluted earning) attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year.

**x) Provisions, Contingent Liabilities and Contingent Assets :**

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements.

**xi) Foreign Currency Transactions :**

All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions taken place. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.

**xii) Taxes on Income :**

Tax expense for a year comprises of current tax, deferred tax. Current tax is measured after taking into consideration, the deductions and exemptions admissible under the provisions of the Income Tax Act, 1961.
Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable or virtual certainty as the case may be, that the asset will be realized in future.
Minimum Alternate tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance sheet when it is probable that future economic benefit associated with it will flow to the company.

**xiii) GOODS AND SERVICE TAX CREDIT**

Input Tax Credit is accounted for on accrual basis on purchase of eligible inputs, capital goods and services.

## xiv) Borrowing cost

Interest and other costs in connection with the borrowings of the funds to the extents related/attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for their intended use and other borrowing cost are charged to profit and loss statement.

## xv)Government Grants

Grants and subsidies from the government are recognized when there is reasonable assurance that

I. The company will comply with the conditions attached to them, and
II. The grant/subsidy will be received.

Grant received against specific Fixed Assets are adjusted to the cost of the Assets and those to the nature of Promoter's contribution are credited to Capital reserve. Revenue grants are recognized as income on a systematic basis in the Statement of Profit and loss in accordance with the related scheme and in the period in which these are accrued.

## xvi) Cash Flow statement

The cash flow statement is prepared by the indirect method set out in Accounting standard 3 (As-3) on "Cash flow statement" and present the cash flow by operating, investing & financing Activities of the company.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## xvii) Research and Development

Revenue expenditure, including overheads on Research and Development, is charged out as an expense through the natural heads of accounts in the year in which incurred. Expenditure which results in creation of capital asset is taken as Fixed Assets and depreciation is provided on such assets as are depreciable.

SURANI STEEL TUBES LIMITED
(Formerly known as "Surani Steel Pvt. Ltd. Surani Steel Tubes Pvt. Ltd.")

## NOTE 2 SHARE CAPITAL

| Particulars | 31/03/2021 | | 31/03/2020 | |
|---|---|---|---|---|
| | Number | Amount(In ₹) | Number | Amount(In ₹) |
| Authorised | | | | |
| Equity Shares of ₹ 10 each | 90,00,000 | 9,00,00,000 | 90,00,000 | 9,00,00,000 |
| Issued | | | | |
| Equity Shares of ₹ 10 each | 82,84,000 | 8,28,40,000 | 82,84,000 | 8,28,40,000 |
| Subscribed & Paid up | | | | |
| Equity Shares of ₹ 10 each | 82,84,000 | 8,28,40,000 | 82,84,000 | 8,28,40,000 |
| Total | 82,84,000 | 8,28,40,000 | 82,84,000 | 8,28,40,000 |

RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING OF THE PERIOD & AT THE END OF THE PERIOD

| Particulars | 31/03/2021 | | 31/03/2020 | |
|---|---|---|---|---|
| | Number | Amount(In ₹) | Number | Amount(In ₹) |
| Shares outstanding at the beginning of the year | 82,84,000 | 8,28,40,000 | 82,84,000 | 8,28,40,000 |
| Bonus Shares Issued during the year | - | - | - | - |
| Right Shares Issued during the year | - | - | - | - |
| Shares issued during the year | - | - | - | - |
| (Shares bought back during the year) | - | - | - | - |
| Shares outstanding at the end of the year | 82,84,000 | 8,28,40,000 | 82,84,000 | 8,28,40,000 |

DETAILS OF SHAREHOLDERS HOLDING SHARES ABOVE 5%

| | 31st March 2021 | | 31st March 2020 | |
|---|---|---|---|---|
| **Name of Equity Share Holders** | Number of Shares | %age of Holding | Number of Shares | %age of Holding |
| Shital Vinod Patel | 5,66,000 | 6.83% | 5,66,000 | 6.83% |

### TERMS / RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and ranks pari passu.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTE 3 RESERVES & SURPLUS

| Particulars | 31/03/2021 | 31/03/2020 |
|---|---|---|
| | Amount(In ₹) | Amount(In ₹) |
| A). Securities Premium | | |
| Opening Balance | 13,63,28,000 | 13,63,28,000 |
| Add : Securities premium credited on Share issue | - | - |
| Less : Premium Utilised for various reasons | - | - |
| Closing Balance | 13,63,28,000 | 13,63,28,000 |
| B). Surplus in Statement of Profit & Loss A/c | | |
| Opening balance | (3,09,03,396) | 1,86,83,109 |
| Add: | | |
| Net Profit/(Net Loss) For the current year | 3,89,47,111 | (4,95,86,505) |
| Closing Balance | 80,43,715 | (3,09,03,396) |
| Total | 14,43,71,715 | 10,54,24,604 |

SURANI STEEL TUBES LIMITED
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## NOTE 4 LONG TERM BORROWINGS

| Particulars | 31/03/2021 | 31/03/2020 |
|---|---|---|
| | Amount(In ₹) | Amount(In ₹) |
| Secured | | |
| Term loans | | |
| FROM BANKS | | |
| TERM LOAN Account (Unit II) | 2,08,05,772 | 2,64,68,396 |
| (Primarily Secured By Hypothecation of Plant & Machinery and further the same facility has also been secured by Equitable mortgage in favour of bank on the Land and Building , Immovable properties of directors and personal guarantees of some of the Directors) (Repayable in 65 monthly installments of Rs.14.66 Lacs commencing from the month of December 2018) | | |
| Total | 2,08,05,772 | 2,64,68,396 |

## NOTE 5 LONG TERM PROVISIONS

| Particulars | 31/03/2021 | 31/03/2020 |
|---|---|---|
| | Amount(In ₹) | Amount(In ₹) |
| (a) Provision for employee benefits | | |
| Gratuity (unfunded) | 11,99,066 | 12,12,212 |
| Total | 11,99,066 | 12,12,212 |

## NOTE 6 SHORT TERM BORROWINGS

| Particulars | 31/03/2021 | 31/03/2020 |
|---|---|---|
| | Amount(In ₹) | Amount(In ₹) |
| Secured | | |
| (a) Loans repayable on demand | | |
| Working capital Loans from Bank | 15,04,64,635 | 15,93,64,368 |
| (Primarily Secured By Hypothecation of stock and receivables and further the same facility has also been secured by Equitable mortgage in favour of Bank on the Land and Building , Immovable properties of directors and personal gurantees of all the Directors) | | |
| Total | 15,04,64,635 | 15,93,64,368 |

## NOTE 7 TRADE PAYABLES

| Particulars | 31/03/2021 | 31/03/2020 |
|---|---|---|
| | Amount(In ₹) | Amount(In ₹) |
| Due to Micro, Small & Medium Enterprises (refer note 31) | - | - |
| Due to Others | 3,13,03,296 | 8,03,35,873 |
| (Include creditors for goods and services) | | |
| Total | 3,13,03,296 | 8,03,35,873 |

## NOTE 8 OTHER CURRENT LIABILITIES

| Particulars | 31/03/2021 | 31/03/2020 |
|---|---|---|
| | Amount(In ₹) | Amount(In ₹) |
| (a) Current maturities of long-term debt | 1,07,42,316 | 1,07,42,316 |
| (b) Statutary Liabilities | 2,50,524 | 1,56,595 |
| (c ) Advance From Customers | 14,52,731 | 2,40,185 |
| (d)Dealers Distributors Deposits | 2,04,194 | 2,04,194 |
| (e) Other Outstanding Expenses & Payables | 37,59,728 | 40,03,285 |
| Total | 1,64,09,493 | 1,53,46,575 |

## NOTE 9 SHORT TERM PROVISIONS

| Particulars | 31/03/2021 | 31/03/2020 |
|---|---|---|
| | Amount(In ₹) | Amount(In ₹) |
| (a) Provision for employee benefits | | |
| Leave Encashment | 3,18,918 | 3,87,098 |
| Bonus | 5,20,801 | 6,35,881 |
| Gratuity (unfunded) | 3,54,087 | 3,15,813 |
| Total | 11,93,806 | 13,38,792 |

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NOTE 10 PROPERTY, PLANT AND EQUIPMENT

| | Fixed Assets | Gross Block | | | | | | Accumulated Depreciation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Balance as at 01/04/2020 | Additions | (Disposals)/ Cwip Transfer to Fixed assets | Acquired through business combinations | Subsidy received | Balance as at 31/03/2021 | Balance as at 01/04/2020 | Depreciation charge for the year | Adjustment due to revaluations | On disposals | Balance as at 31/03/2021 | Balance as at 31/03/2021 | Balance as at 31/03/2020 |
| a | Property, Plant & Equipments | | | | | | | | | | | | | |
| | Land | 87,29,926 | - | - | - | - | 87,29,926 | - | - | - | - | - | 87,29,926 | 87,29,926 |
| | Buildings | 2,80,26,377 | - | - | - | - | 2,80,26,377 | 23,10,079 | 8,86,749 | - | - | 31,96,828 | 2,48,29,549 | 2,57,16,298 |
| | Plant and Equipment | 14,13,48,992 | 8,67,781 | - | - | - | 14,22,16,773 | 3,20,09,396 | 1,14,99,434 | - | - | 4,35,08,830 | 9,87,07,943 | 10,93,39,596 |
| | Furniture and Fixtures | 3,09,982 | 10,500 | - | - | - | 3,20,482 | 1,37,376 | 30,467 | - | - | 1,67,843 | 1,52,640 | 1,72,607 |
| | Vehicles | 27,03,621 | - | - | - | - | 27,03,621 | 8,90,197 | 2,81,640 | - | - | 11,71,837 | 15,31,784 | 18,13,424 |
| | Office equipment | 7,86,733 | - | - | - | - | 7,86,733 | 6,70,540 | 31,944 | - | - | 7,02,484 | 84,249 | 1,16,193 |
| | Total(a) | 18,19,05,631 | 8,78,281 | - | - | - | 18,27,83,912 | 3,60,17,587 | 1,27,30,234 | - | - | 4,87,47,821 | 13,40,36,091 | 14,58,88,044 |
| b | Intangible Assets | | | | | | - - | | | | | | | |
| | Computer software. | 32,228 | - | - | - | - | 32,228 | 30,642 | - | - | - | 30,642 | 1,586 | 1,586 |
| | Total(b) | 32,228 | - | - | - | - | 32,228 | 30,642 | - | - | - | 30,642 | 1,586 | 1,586 |
| c | Capital Work In Progress | 0 | - | - | - | - | 0 | - | - | - | - | - | 0 | 0 |
| | Total ( c) | 0 | - | - | - | - | 0 | - | - | - | - | - | 0 | 0 |
| | Total (a+b+c) | 18,19,37,859 | 8,78,281 | - | - | - | 18,28,16,140 | 3,60,48,229 | 1,27,30,234 | - | - | 4,87,78,463 | 13,40,37,677 | 14,58,89,630 |
| | | | | | | | | | | | | | | |
| | Previous Years' Figures | 17,59,31,069 | 11,83,41,042 | -11,23,34,251 | - | - | 18,19,37,859 | 2,34,53,996 | 1,25,94,233 | - | - | 3,60,48,229 | 14,58,89,630 | 15,24,77,072 |

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## NOTE 11 NON CURRENT INVESTMENT

| | Particulars | 31/03/2021 | 31/03/2020 |
|---|---|---|---|
| | | ₹ | ₹ |
| | | | |
| A | Other Investments | | |
| | (A) Investment in Equity instruments | 13,00,000 | 13,00,000 |
| | Total (B) | 13,00,000 | 13,00,000 |
| | | | |
| | Grand Total (A ) | 13,00,000 | 13,00,000 |
| | Less : Provision for dimunition in the value of Investments | - | |
| | | | |
| | Total | 13,00,000 | 13,00,000 |

| A. | Details of Other Investments | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Name of the Body Corporate | Subsidiary / Associate / JV/ Controlled Entity / Others | No. of Shares / Units | | Quoted / Unquoted | Partly Paid / Fully paid | Extent of Holding (%) | | Amount (Rs.) | | Whether stated at Cost Yes / No | If Answer to Column (12) is 'No' - Basis of Valuation |
| | | | 31.03.2021 | 31.03.2020 | | | 31.03.2021 | 31.03.2020 | 31.03.2021 | 31.03.2020 | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| (A) | Investement in Equity Instruments | | | | | | | | | | | |
| | SHARE OF CO OP BANK | Others | 13,000 | 13,000 | Un quoted | fully paid | | | 13,00,000 | 13,00,000 | yes | N.A |
| | | | | | | | | | | | | |
| | Total | | 13,000 | 13,000 | | | | | 13,00,000 | 13,00,000 | | |

**NOTE 12 LONG TERM LOANS & ADVANCES**

| Particulars | 31/03/2021 Amount(In `) | 31/03/2020 Amount(In `) |
|---|---|---|
| **a. Capital Advances** | | |
| Unsecured, considered good | - | - |
| | - | - |
| **b. Security Deposits** | | |
| Unsecured, considered good | 11,13,810 | 23,31,936 |
| | 11,13,810 | 23,31,936 |
| **Total** | **11,13,810** | **23,31,936** |

**NOTE 13 INVENTORIES**

| Particulars | 31/03/2021 Amount(In `) | 31/03/2020 Amount(In `) |
|---|---|---|
| a. Raw Materials and components (Valued at lower of the cost or net realisable value ) | 14,49,89,402 | 10,88,20,170 |
| b. Finished goods (Valued at lower of the cost or net realisable value ) | 6,73,85,897 | 11,28,48,653 |
| c. Stock-in-trade(Valued at lower of the cost or net realisable value ) | 26,42,461 | 35,72,139 |
| d. Stores and spares (Valued at lower of the cost or net realisable value ) | 4,07,986 | 3,65,163 |
| e. Others (Scrap) (Valued at net realisable value ) | 15,18,529 | 20,87,319 |
| **Total** | **21,69,44,274** | **22,76,93,444** |

**NOTE 14 TRADE RECEIVABLES**

| Particulars | 31/03/2021 Amount(In `) | 31/03/2020 Amount(In `) |
|---|---|---|
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Unsecured, considered good | 71,61,759 | 56,75,842 |
| | 71,61,759 | 56,75,842.40 |
| Trade receivables outstanding for a period less than six months from the date they are due for payment | | |
| Unsecured, considered good | 6,39,29,403 | 5,20,39,759 |
| | 6,39,29,403 | 5,20,39,759 |
| **Total** | **7,10,91,162** | **5,77,15,601** |

**NOTE 15 CASH & BANK BALANCES**

| Particulars | 31/03/2021 Amount(In `) | 31/03/2020 Amount(In `) |
|---|---|---|
| **a. Cash & Cash Equivalants** | | |
| i) Cash on hand | 2,20,613 | 48,360 |
| ii) Bank Balance | 3,15,950 | 6,83,621 |
| **Bank Deposits** | | |
| Deposits with Less than 12 months maturity | 10,42,069 | 8,27,000 |
| (This includes ` 10,42,069 (P.Y. 8,27,000) given as security for Bank guarantee issued by Bank) | | |
| **Total** | **15,78,632** | **15,58,981** |

**NOTE 16 SHORT TERM LOANS & ADVANCES**

| Particulars | 31/03/2021 Amount(In `) | 31/03/2020 Amount(In `) |
|---|---|---|
| **a. Others** | | |
| **Unsecured, considered good** | | |
| Advance to Suppliers | 39,91,062 | 43,42,661 |
| Employee advance | 60,000 | 11,79,098 |
| Prepaid & Other Expenses | 6,39,743 | 2,46,02,471 |
| Deposits & Balance with Government & others | 1,75,25,702 | |
| **Total** | **2,22,16,507** | **3,01,24,230** |

**NOTE 17 OTHER CURRENT ASSETS**

| Particulars | 31/03/2021 Amount(In `) | 31/03/2020 Amount(In `) |
|---|---|---|
| **Unsecured, considered good** | | |
| Advance Recoverable in Cash or Kind | 7,81,120 | 7,78,620 |
| Interest Receivable | 1,48,494 | 2,12,364 |
| Unamortised Public Issue Expenses | 29,05,845 | 39,31,437 |
| Claims & Other Receivable | 23,97,688 | 53,40,477 |
| **Total** | **62,33,147** | **1,02,62,898** |

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NOTE 18 REVENUE FROM OPERATION

| Particulars | 31/03/2021 Amount(In ₹) | 31/03/2020 Amount(In ₹) |
|---|---|---|
| Sale of ERW MS PIPES and Coils (Net of Rate Difference and discount) | 1,04,39,03,367 | 95,53,60,965 |
| Sale of services | 79,615 | 17,606 |
| Other operating revenues | | |
| Sale of scrap | 2,18,29,020 | 2,34,81,574 |
| | 1,06,58,12,002 | 97,88,60,145 |
| TOTAL | 1,06,58,12,002 | 97,88,60,145 |

NOTE 19 OTHER INCOME

| Particulars | 31/03/2021 Amount(In ₹) | 31/03/2020 Amount(In ₹) |
|---|---|---|
| Interest Income | 2,49,519 | 4,05,336 |
| delayed payment charges | 5,071 | - |
| Sundry balance Written back | 7,213 | 5,48,912 |
| Excess provision wrritten back | 6,500 | 5,000 |
| Rent of godown | 4,95,000 | - |
| TOTAL | 7,63,303 | 9,59,248 |

NOTE 20 COST OF MATERIAL CONSUMED

| Particulars | 31/03/2021 Amount(In ₹) | 31/03/2020 Amount(In ₹) |
|---|---|---|
| Opening stock | 10,88,20,170 | 10,52,44,388 |
| Purchase of Raw material | 93,72,54,317 | 95,99,86,733 |
| Freight on Purchases | 2,05,292 | 84,537 |
| (Less) | | |
| Discount Received | (1,86,76,325) | (3,04,71,143) |
| weight difference | (10,295) | - |
| Closing stock of Raw material | (14,49,89,402) | (10,88,20,170) |
| TOTAL | 88,26,03,756 | 92,60,24,346 |

NOTE 21 PURCHASE OF STOCK IN TRADE

| Particulars | 31/03/2021 Amount(In ₹) | 31/03/2020 Amount(In ₹) |
|---|---|---|
| Purchases | 2,58,16,067 | 4,00,06,516 |
| TOTAL | 2,58,16,067 | 4,00,06,516 |

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NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS , STOCK IN TRADE & SCRAP

| Particulars | 31/03/2021 Amount(In ₹) | 31/03/2020 Amount(In ₹) |
|---|---|---|
| FINISHED GOODS | | |
| Opening Stock | 11,28,48,653 | 9,02,84,333 |
| Less: Closing Stock | 6,73,85,897 | 11,28,48,653 |
| | 4,54,62,756 | (2,25,64,320) |
| SCRAP | | |
| Opening Stock | 20,87,319 | 9,30,888 |
| Less: Closing Stock | 15,18,529 | 20,87,319 |
| | 5,68,790 | (11,56,431) |
| Stock in Trade | | |
| Opening Stock | 35,72,139 | 29,09,179 |
| Less: Closing Stock | 26,42,461 | 35,72,139 |
| | 9,29,678 | (6,62,960) |
| TOTAL | 4,69,61,224 | (2,43,83,710) |

NOTE 23 EMPLOYEE BENEFITS EXPENSE

| Particulars | 31/03/2021 Amount(In ₹) | 31/03/2020 Amount(In ₹) |
|---|---|---|
| (a) Salaries and incentives | 1,43,45,219 | 1,80,83,671 |
| (b) Contributions to - | | |
| (i) Provident fund | 17,392 | 72,737 |
| (c) Gratuity | 2,81,091 | 5,82,909 |
| (d) Staff welfare expenses | 54,641 | 1,85,813 |
| (e)Leave Encashment Exp | 6,12,134 | 7,52,986 |
| TOTAL | 1,53,10,477 | 1,96,78,116 |

NOTE 24 FINANCE COSTS

| Particulars | 31/03/2021 Amount(In ₹) | 31/03/2020 Amount(In ₹) |
|---|---|---|
| Interest expense | 1,93,98,531 | 1,95,67,648 |
| Other borrowing costs | 2,80,230 | 5,02,824 |
| TOTAL | 1,96,78,761 | 2,00,70,472 |

Note 25 Other Expenses

| Particulars | 31/03/2021 Amount(In ₹) | 31/03/2020 Amount(In ₹) |
|---|---|---|
| Auditors remuneration | 1,20,000 | 1,20,000 |
| Consumption of stores and spare parts | 53,60,127 | 66,26,128 |
| Power & Fuel | 86,51,984 | 1,12,80,865 |
| Repair and Maintenance | | |
| To buildings | - | 62,916 |
| To Plant & Machineries | 5,77,270 | 11,69,690 |
| To Others | 2,67,112 | 3,69,125 |
| Legal & Professional Exp. | 17,42,593 | 21,39,842 |
| Insurance exps. | 5,19,310 | 3,78,024 |
| Rates and taxes, excluding taxes on income | 69,811 | 40,500 |
| Advertisement & Sales Promotion Exps. | 8,13,060 | 19,48,584 |
| Miscellaneous expenses | 50,21,991 | 85,79,669 |
| TOTAL | 2,31,43,257 | 3,27,15,343 |

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Note 26 In compliance with the accounting standard-22 relating to "Accounting for taxes on Income" the deferred tax liability of current year is debited to Profit & Loss Account.

Deferred tax working:

Amount (in ₹)

| Particulars | As on 01/04/2020 | Charge/ (Credit) during the year to P & L A/c | As on 31/03/2021 |
|---|---|---|---|
| Deferred tax (Assets) / Liabilities on account of depreciation | 45,45,900 | 14,52,270 | 59,98,170 |
| Deferred tax (Assets) / Liabilities on account of others | NIL | (70,745) | (70,745) |
| Net Deferred tax (Assets)/ liabilities | 45,45,900 | 13,81,525 | 59,27,425 |

Note 27 Balances of unsecured loans, debtors, creditors for goods, creditors for expenses, loans and advances, advance to suppliers & advance from customers are subject to confirmation and reconciliation, if any . Such adjustments, in the opinion of the management, are not likely to be material & will be carried out as and when ascertained.In the opinion of the Board, the current assets, loans and advances are approximately of the value stated therein, if realized in the ordinary course of business. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

Note 28 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is NIL(Previous Year NIL) (Advance paid upto March 2021 is NIL )(Previous Year Rs.NIL/-).

Note 29 Contingent Liabilities

| Description | 31/03/2021 | 31/03/2020 |
|---|---|---|
| Gurantees given by the bank on behalf of the company | 35,02,526 | 33,06,352 |

Note 30 Earning per share as required by Accounting Standard AS-20 as issued by the The Institute of Chartered Accountants of India.

| Description | Current Year | Previous Year |
|---|---|---|
| Profit After Tax (₹) | 3,89,50,002 | (4,95,61,567) |
| Prior Period Tax Adjustment (₹) | 2,891 | 24,938 |
| Profit Attributable to Ordinary Share Holders (₹) | 3,89,47,111 | (4,95,86,505) |
| Weighted Average No. of Equity Shares | 82,84,000 | 82,84,000 |
| Basic & Diluted Earning Per Share (₹)* | 4.70 | (5.99) |
| Nominal Value of share (₹) | 10.00 | 10.00 |

* The company has no dilutive instruments during the year ended 31/03/2021. As such Dilutive Earning Per share equals to Basic Earnings Per Share.

Note 31 There are no Micro and Small Enterprises, to whom the Company owes dues as at 31.03.2021 (Nil as at 31.03.2020). This has been determined to the extent the status of such parties could be identified on the basis of information available with the Company.
Disclosure under Micro, Small and Medium Enterprises Development Act, 2006:

| Description | Current Year | Previous Year |
|---|---|---|
| Principal amount remaining unpaid as at year end | - | - |
| Interest due thereon remaining unpaid as at year end | - | - |
| Interest paid by the company in terms of Section 16 of MSME Development Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay in making payment but without adding the interest specified under MSME Development Act, 2006. | - | - |
| Interest accrued and remaining unpaid as at year end. | - | - |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises. | - | - |

Note 32 Auditor's Remuneration

Amount (in ₹)

| | Current Year | Previous Year |
|---|---|---|
| | | |
| - As Auditors | 1,20,000 | 1,20,000 |
| Total | 1,20,000 | 1,20,000 |

Note 33 Related party disclosure as required by Accounting Standard -18 issued by the Institute of Chartered Accountants of India.

A) List Of Related parties & Relationships

a) Subsidiaries, Fellow Subsidiaries, and Associates

a) Subsidiaries : None

b) Fellow Subsidiary : None

c) Associates : None

b) Key Management Personnel :

1) Dinesh Karshanbhai Patel (Director)
2) Mukesh Vishrambhai Patel (Director)
3) Karshanbhai Patel(Director)
4) Hetika Dipak Kinger(Director)
5) Dineshbhai Dhanjibhai Patel (Director)
6) Gaurav Rajeshbhai Patel(CFO)
7) Shwetal Maliwal (Company Secretory)

c) Relatives of Key Management Personnel : -

d) Enterprise over which Key Management Personnel and their relative exercise significant influence with whom transaction have taken place during the year : 1) Vinayak TMT Bars Pvt. Ltd

B) Transaction with related parties

Amount (in ₹)

| Description | Subsidiaries, Fellow Subsidiaries, and Associates | | Key Management Personnel | | Relatives of Key Management Personnel | | Enterprises Controlled by Key management Personnel and their relatives | |
|---|---|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Purchase of Goods/ Services | - | - | - | - | - | - | - | - |
| Sales of Goods / Services | - | - | - | - | - | - | 1,09,98,207 | 1,52,71,878 |
| (Purchase) / Sales of Assets | - | - | - | - | - | - | | - |
| Commission & other Expenses paid | - | - | - | - | - | - | - | - |
| Interest Received/ (Paid) | - | - | - | - | - | - | - | - |
| Dividend Received / (paid) | - | - | - | - | - | - | - | - |
| Remunerations | - | - | 13,03,030 | 12,87,461 | - | - | - | - |
| Hire Charges paid | - | - | - | - | - | - | - | - |
| Lease Rent Paid | - | - | - | - | - | - | - | - |
| **Outstanding Balance at the year end** | | | | | | | | |
| Loans & Advance (incl. interest) | - | - | - | - | - | - | - | - |
| Deposit | - | - | - | - | - | - | - | - |
| Debtors | - | - | - | - | - | - | - | 6,66,503 |
| Creditors | - | - | - | - | - | - | - | - |

Note : 34 Disclosures persuant to Accounting Standard - 15 (Revised) "Employee Benefits".

(a) Disclosure of Present value of Obligation as per Gratuity Valuation Report of the Company as follows

(b) Details of funded & unfunded plans are as follows:

Gratuity

| | Particulars | 31/03/2021 | 31/03/2020 |
|---|---|---|---|
| 1 | Financial Assumption | | |
| | Discount Rate | 6.33% | 6.04% |
| | Salary Escalation Rater | 4.00% | 4.00% |
| | Duration of the Liability | 9 | 9 |
| 2 | Changes in the PV of Obligation | | |
| | PV of Obligation at the beginning of the year | 15,28,025 | 9,45,116 |
| | Interest Cost | 92,293 | 69,466 |
| | Current Service Cost | 3,00,445 | 2,03,446 |
| | (Benefits Paid) | (34,973) | - |
| | Actuarial (Gain) / Loss on Obligation (Netting Figure) | (1,11,647) | 3,09,997 |
| | Pv of Obligation at the end of the year | 17,74,143 | 15,28,025 |
| 3 | Changes in the PV of Plan Asset | | |
| | Fair Value of Plan Asset at the beginning of the year | - | - |
| | Expected Return on Plan Asset | - | - |
| | Contributions | - | - |
| | (Benefits Paid) | - | - |
| | Actuarial gain / (Loss) on Plan Asset | - | - |
| | Fair Value of Plan Asset at the end of the year | - | - |
| 4 | Reconciliation of Net Assets / Liability recognised in the balance sheet at 31st March 2018 and 31st March 2019 | | |
| | Net Assets / (Liability) at the beginning of the reporting period | (15,28,025) | (9,45,116) |
| | Benefit Paid | | |
| | Employer Contributions | - | - |
| | Employer (Expenses)/credit | (2,81,091) | (5,82,909) |
| | Benefit Paid Directly by the Employer | 34,973 | - |
| | Acquisitions/ Business Combinations | - | - |
| | Net Assets / (Liability) at the end of the reporting period | (17,74,143) | (15,28,025) |
| 5 | Actuarial Gain / Loss Recognized | | |
| | Actuarai (Gain) / Loss on Obligation | (1,11,647) | 3,09,997 |
| | Actuarai (Gain) / Loss for the year on Plan Asset | | - |
| | Total (Gain) / Loss for the Year | | - |
| | Actuarial (gain) / loss recognized in the yaer. | (1,11,647) | 3,09,997 |
| 6 | Amount recognized in Balance Sheet | | |
| | PV of Obligation at the end of the year. | (17,74,143) | (15,28,025) |
| | Fair Value of Plan Asset at the end of the year. | | - |
| | Fund Status | | - |
| | Net asset / (Liability) recognized in the Balance Sheet | (17,74,143) | (9,45,116) |
| 7 | Expenses Recognized in the Profit & Loss Account | | |
| | Current Service Cost | 3,00,445 | 2,03,446 |
| | Interest Cost | 92,293 | 69,466 |
| | (Expected Return on Plan Asset) | - | - |
| | Net Actuarial (gain) / Loss recognized in the year | (1,11,647) | 3,09,997 |
| | Expenses recognized in Profit & Loss Account | 2,81,091 | 5,82,909 |

Note 35 Impairment of Fixed Assets

In accordance with the Accounting Standard (AS-28) on 'Impairment of Assets' notified by Companies (Accounting Standards) Rules, 2006, the company has reassessed its fixed assets and is of the view that no further impairment/reversal is considered to be necessary in view of its expected realizable value.

Note 36 Segment Reporting

The company is engaged in single segment of business i.e. manufacturing ERW MS PIPES & Trading of MS PIPE. As regards geographical segment, company operates in single segment i.e. India only. Hence, no seperate disclosure is given as per AS - 17 "Segment Reporting".

Note 37 There being no foreign exchange earning/outgo during the period under review so that Additional information pursuant to the provisions of Schedule III to the Companies Act, 2013 is not provided.

Note 38 Previous year figures are regrouped and rearranged wherever necessary to compare with current year figures.

Note 39 Figures are rounded off to the nearest rupee.

Signatories to Note 1 to 39

For AMBALAL PATEL & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No. : 100305W

Sd /-_____
CA Ghanshyam P Jajal
PARTNER
M.No. 116814
UDIN :21116814AAAABW6607
Ahmedabad
28/06/2021

For and on behalf of Board Of Director
of SURANI STEEL TUBES LIMITED

Sd/-_____
(DIRECTOR )
(DIN 03585273)
DINESH PATEL

Sd/-_____
(DIRECTOR )
(DIN 05331136)
MUKESH PATEL

Sd/-_____
(CHIEF FINANCIAL OFFICER)
GAURAV PATEL

Sd/-_____
(COMPANY SECRETORY)
SHWETAL RITESH MALIWAL