



An IS/ISO 9001, An IS/ISO 14001
& IS 18001 Company



SURYA ROSHNI LIMITED

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SRL/se/19-20/23

August 5, 2019

The Secretary
The Stock Exchange, Mumbai
New Trading Ring, 14th Floor,
Rotunda Building, P.J.Towers,
Dalal Street, Fort,
MUMBAI - 400 001
Scrip Code: 500336

The Manager (Listing Department)
The National stock Exchange of India Ltd
Exchange Plaza, 5th floor
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Symbol: SURYAROSNI

SUBJECT: ANNUAL REPORT 2018-19 ALONGWITH 46th ANNUAL GENERAL MEETING NOTICE

Dear Sir,

In compliance to Regulation 34(1)(a) read with Regulation 30 read with Para A (12) of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the soft copy of the Annual Report 2018-2019 along with the 46th Annual General Meeting (AGM) Notice to be held on 4th September, 2019 at Registered office of the company.

Copy of the same is also being uploaded on the website of the Company at, <http://www.surya.co.in>

Kindly take the same in your records.

Thanking you,

Yours faithfully,
for SURYA ROSHNI LIMITED



B. B. SINGAL
Sr. VP & COMPANY SECRETARY

Enclosed: as above.

SURYA



**ACTIVE PRESENT.
FUTURE POSITIVE.**

SURYA ROSHNI LIMITED
ANNUAL REPORT 2018-19

Navigate through...

Corporate Overview

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Statutory Reports

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Financial Section

| | |
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| Standalone | 107 |
| Consolidated | 150 |

Investor information

Market capitalisation

as on March 31, 2019 : ₹ 1,372 crore

BSE Code : 500336

NSE Symbol : SURYAROSNI

Dividend for 2018-19 : ₹ 2 per Equity Share

AGM Date : 4th September, 2019

AGM Venue : Regd. Office:
Prakash Nagar, Sankhol,
Bahadurgarh-124507
(Haryana)

For online version of this annual report,

visit:

www.surya.co.in/annual-report/

Or simply scan:



Forward looking statement: This report contains forward-looking statements about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expressions for future are forward-looking statements. Forward-looking statements should be viewed in the context of many risk issues and events that could cause the actual performance to be different from that contemplated in the Directors' Report and Management Discussions and Analysis Report, including but not limited to, the impact of changes in oil, steel prices worldwide, technological obsolescence and domestic, economic and political conditions. We cannot assure that outcome of this forward-looking statements will be realised. The Company disclaims any duty to update the information given in the aforesaid reports.



Surya Roshni is actively leveraging its current competencies and expanding the bandwidth of its capabilities for a brighter and positive future opportunities.

Key performance indicators of 2018-19

₹ 5,975 crore, +21%
Revenue

₹ 121 crore, +12%
Profit After Tax (PAT)

Active Present

Surya Roshni has actively captured the potential of the upcoming opportunities. It has developed an appetite to absorb the industrial potential by actively investing in fresh capacities, product innovation, marketing & distribution activities, brand promotions, geographical expansions and developing & retaining world class talent pool. It has also successfully pursued the transition from conventional products and introduced new product lines that actively captures the trends of today and needs of the future.

Future Positive

The Government's strong vision of building a new, strong and self-reliant India shall drive several industrial opportunities. This augurs well for a future positive demand for Surya Roshni's products. Consider the following developments:

Oil & Gas

Strong capex by several hydrocarbon majors for developing cross country pipeline for Oil & Gas transportation.

City Gas Distribution

Robust investments in developing the downstream City Gas Distribution.

Water Transportation

Ambitious initiatives like 'Har Ghar Nal ka Jal' as well as River Interlinking Projects, Sewerage Water Treatment, Industrial Water Lines and Boring Water Transportation in Agricultural Fields will witness sustained investments in water transportation pipelines.

Infrastructure

Government's push for 'Housing for All', 'Make In India', Smart Cities, coupled with Railways and Airport modernisation initiatives.

LED Lighting

Government's push to transform conventional light bulbs to energy-efficient lighting through its ambitious programs. It aims to distribute LED's to the rural India and has ambitious plans of replacing street lights with energy-efficient LED lamps.

Consumer Durables

Rising disposable income with easy access to credit across both urban and rural India.

The operating and financial information provided in this annual report reflects Surya Roshni's active participation and commitment to create a strong foundation for future growth.





Surya Roshni installed high power street lights and flood lights luminaires for the entire 'Kumbh Mela' 2018

Surya Roshni Limited: A future-ready organisation

SIX things you should know about the Company



1 Core businesses with leading industry position

Lighting & consumer durables segment: Engaged in manufacturing and business of energy-efficient LED lights, conventional lighting, LED luminaries, fans, home appliances and PVC products.

Steel pipes & strips segment: ERW Steel Pipes (Galvanized (GI), Black, Hollow Section), API Pipes, Spiral, GP Pipes and CR sheets.

India's largest exporter and producer of GI pipes and second largest company in lighting products.



#1

GI Pipes manufacturer and exporter in India

#2

Lighting company in India

100%

Backward integrated



2 Evolution

Amidst the journey from a subtle beginning to spearheading the technological revolution in the 21st century, Surya Roshni has exceedingly come a long way from being just another steel tube making unit back in 1973. Since then it has been consistently developing range of steel tubes and pipes needed to cater to the demands of some of the important sectors like agriculture, infrastructure, fire fighting, oil & gas and construction, among others.

In 1984, Surya Roshni ventured into lighting operations and seamlessly transitioned from being one of the leaders of conventional lamp manufacturer to one of the leading LED brand in the lighting industry.

In 2014-15, Surya Roshni strategically forayed into related products like fans and home appliances with range of quality and smart offerings at affordable price points.

Today, the Surya Group has emerged into a colossal of ₹ 5,975 crore (US\$ 850 million) Indian manufacturing company, exporting products to over 50 countries globally. It has gained strong market reputation with best-in-class quality offerings across the businesses.

50+

Exports presence across countries

₹ 5,975 crore

Group turnover



3 Brands

Both the brands – 'Prakash Surya' and 'Surya' – are ranked as one of the most respected and trusted brands for steel pipes and lighting products in India and globally.

Over the years, the Company has manifested a strong brand image and developed a larger mind share amongst the customers. It is also recognised as one of the most trusted and preferred brands with various Government departments, institutions and international buyers.

40 years+

Brand equity

5 years+

Associations with over 50% of lighting distributors



4 Infrastructure

The Company has state-of-the-art manufacturing facilities across the states of Haryana, Madhya Pradesh, Andhra Pradesh, Gujarat and Uttarakhand. Besides, it also has an advanced lighting research and development centre (R&D), Surya Technology & Innovation Centre (STIC) at Noida (NCR).

6

Manufacturing facilities

Steel Pipes and Strips Segment

Anjar, Gujarat



Hindupur, Andhra Pradesh



Lighting Segment

Kashipur, Uttarakhand



Bahadurgarh, NCR-Delhi



Gwalior, Madhya Pradesh



Gwalior, Madhya Pradesh



5 PAN India presence with extensive distribution network

Strong distribution network of over 2,500 distributors and 2,50,000 retailers countrywide for lighting and consumer durables and network of 2,500 distributors for Steel Pipes and Strips segment.



Surya Roshni outlet at the Light India Exhibition at New Delhi

82%+

Revenues from non-metro for Lighting and Consumer Durables

70%+

Revenues from B2C in the Steel Pipes and Strips Segment



THE ECONOMIC TIMES
CHAMPIONS
OF
RURAL MARKETS



Mr. Raju Bista, the Managing Director of Surya Roshni receiving the 'Champions of Rural Market' award by the prestigious newspaper The Economic Times



6 Approvals, certifications and recognitions

Surya Roshni's steel pipe products for oil & gas sector are approved by the reputed API (American Petroleum Institute). Besides that, the Company is also certified with ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 certifications while the products that are accredited with an international performance of safety standards. The Company is committed to deliver eco-friendly and quality products.

The Company has recently been awarded with 'Brand Excellence Award in Lighting Category' in North India Best Brand Awards, 2018. It was also awarded with 'Champions of Rural Market' award by the prestigious newspaper The Economic Times.

SURYA



Vision

Committed towards a better tomorrow

To be the largest global enterprise which delivers optimised solutions to its consumers and value to its stakeholders. To provide the best steel pipe, lighting & electrical products and technology for markets across the world.



Mission

Energising lives and beyond

To be a global leader by consistently exceeding the consumer demands, upgrading technology, making quality products, building long-term relationships with all our customers, partners, associates and employees.



Core Values



Surya Parivar

Principle-centric, close-knit family, trust, mutual respect and team spirit.



Integrity

Moral principles, undivided spirit reflects in personal lives, financial transactions and business deals.



Social Responsibility

Eco-friendly products, optimised resources to conserve the environment.



Customer Satisfaction

Customers - Guiding Stars for future endeavours and improvements.

Our Business Model

At Surya Roshni, our business model is centred around the key value-creation capitals. These include:

INPUTS

FINANCIAL CAPITAL

Comprises funding inputs required to meet the daily operational requirements to keep our business going.

- ▶ Equity: ₹ 1,151.86 crore
- ▶ Debt: ₹ 1,189.89 crore

MANUFACTURING CAPITAL

Comprises investments made towards building capacities across the manufacturing facilities.

Steel pipes and strips Capacities (MT p.a)

| | |
|---|----------|
| ERW Pipes (including GI of 2,50,000 MT) | 9,00,000 |
| Spiral (including offline capacities of 1,40,000 MT) | 2,00,000 |
| CR Sheets | 115,000 |
| 3 LPE Coated Pipes External: 1,850,000 sq mtr. Internal: 1,100,000 sq. mtr. | |

Lighting Capacities (Million Pieces p.a)

| | |
|------------------------|------|
| LED Bulbs | 90 |
| LED Streetlights | 3.60 |
| LED Tubes and Fittings | 10 |
| GLS | 200 |

TECHNOLOGY CAPITAL

Comprises investments made towards equipping the facilities with modern machineries, technological upgrades as well innovation and R&D activities.

- ▶ Investments made in technological upgrades/R&D: ₹ 3.17 crore

HUMAN CAPITAL

Comprises investments made for the people on the board by way of training and development; also includes investments on new recruits during the year.

- ▶ No of people on board: 3,539

RELATIONSHIP CAPITAL

Comprises investments made towards strengthening relationship with the distributors and dealers/retailers.

NATURAL AND SOCIAL CAPITAL

Comprises investments towards conserving natural resources as well as promoting community well-being in the areas of health, skill development and education (through Surya Foundation).

- ▶ Spent on CSR: ₹ 2.57 crore

VALUE-ENABLERS

STRONG CORPORATE

VALUE-CREATION STRATEGIES

- ▶ Offering diversified product portfolio across the two distinct businesses. These products find its applications across the areas having strong future growth potential.

Lighting & Consumer Durables

- Range of LED lightings for consumers (trade)
- Range of lighting series for Luminaire Business Group (LBG)
- Fans
- Range of Home Appliances
- PVC Pipes

Steel Pipes & Strips

- ERW Steel Pipes (Galvanized (GI), Black, Hollow Section)
- API and Spiral Pipes
- CR Sheets / Strips
- ▶ Strengthening dealer and distribution network
- ▶ Promoting brand capital for a stronger customer recall
- ▶ Concentrating on adding new product lines and fresh capacities to address the upcoming markets opportunities
- ▶ Developing strong foothold in the organised segment
- ▶ Leveraging shift from convention products to smart lighting
- ▶ Practicing strong fiscal prudence
- ▶ Driving profitability through focus on value-added products, plant efficiencies, control on overheads, rejections and reprocessing

VISION AND VALUES

GOVERNANCE

7Ps OF MANAGEMENT PRINCIPLES FOR A PROFITABLE GROWTH



Professionalism



Product Development



Productivity and Perfection



Promotions



Performance Evaluation



Payback



Profitable Growth

EFFICIENT RISK MANAGEMENT

OUTPUT

TURNOVER

Volumes in 2018-19

| Steel Pipes & Strips Turnover | Lakh MT per annum |
|-------------------------------|-------------------|
| ERW Pipes (including GI) | 5.84 |
| API & Spiral Pipes | 0.68 |
| CR Strips | 1.00 |
| Others | 0.60 |
| Total | 8.12 |

| Turnover of Major Lighting & Consumer Durable Products | Million pieces per annum |
|--|--------------------------|
| LED Bulbs | 58.09 |
| LED Tubes and Fittings | 8.21 |
| LED Street Lights | 2.01 |
| FTL | 31.22 |
| GLS | 150.54 |
| Fans & Appliances | 2.41 |

VALUES CREATED

- ▶ Doubled revenues and profitability over the past few years with the lowering levels of debt equity ratio; Key financial performance indicators reflect the financial robustness
- ▶ Diversified product portfolio with strong market leadership in the organised segment
- ▶ Strong bonding with distributors and dealers/retailers leading to large market share
- ▶ Pan India reach, with strong rural presence
- ▶ Strong brand - well-accepted across India and globally
- ▶ Satisfied and motivated team, with large proportion of the people employed for over 20 years
- ▶ Reduced energy usage through continuous energy conservation initiatives
- ▶ Reduced carbon emissions through installation of solar energy
- ▶ Positively impacting the community and uplifting their quality of life

Actively engaged in offering diversified product portfolio across two distinct businesses. These products find its applications across the areas having strong future growth potential.



Lighting & Consumer Durables

LED lightings for consumers (trade)

- ▶ LED lamps
- ▶ LED downlighters
- ▶ LED luminaries
- ▶ Conventional lamps – GLS, FTL, CFL and HID
- ▶ Value-added offerings like colour-changers, smart lighting auto-dimming and app-based lights

Lighting series for Luminaire Business Group (LBG)

- ▶ Indoor commercial series
- ▶ Industrial series
- ▶ Roadway lighting series
- ▶ Flood lighting series
- ▶ Landscape lighting series
- ▶ Solar lighting series
- ▶ Accessories
- ▶ HID lamps
- ▶ Light sources

Government programmes

- ▶ **Street Lighting National Programme (SLNP):** Replacing street lights with LED lamps
- ▶ **Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY):** To improve electrical supply in rural India
- ▶ **Bijli Har Ghar Yojana (Saubhagya):** To electrify 40 million families in rural and urban areas
- ▶ **Unnat Jyoti (UJALA):** To provide affordable LED for all

Future optimism

80%

LED market share in the total lighting industry by 2020

Source: ELCOMA



Fans

- ▶ Ceiling fans (includes value-added products like anti-dust and energy-efficient BLDC fans)
- ▶ Table, pedestal and wall fans (TPW)
- ▶ Domestic & Industrial exhaust fans



Home Appliances

Food preparation & cooking

- ▶ Juicer, mixer & grinder
- ▶ Max chop chopper
- ▶ Cooktop
- ▶ Induction cooktop
- ▶ Sandwich maker/toaster
- ▶ Pop-up toaster

Garment care

- ▶ Dry iron
- ▶ Steam iron

Heating appliances

- ▶ Storage water heater
- ▶ Instant water heater
- ▶ Immersion water heater

Climate control

- ▶ Air cooler
- ▶ Oil filled radiator
- ▶ Heat convector
- ▶ Halogen heater
- ▶ Quartz heater



PVC Pipes

Applications:

- ▶ Water management ▶ Housing sector ▶ Agriculture & irrigation system ▶ Domestic and industrial drainage system – cold / hot water plumbing ▶ Industrial process lines ▶ Swimming pool ▶ Salt water lines



Actively strengthening the dealer and distribution network

The 'Surya' brand has grown from strength to strength. Thanks to the Company's best quality, strong brand promotions, customer relationship, consistent efforts by employees and ever evolving relationship with the RTFs. The Company's active involvement across each layer of its distribution network further leads to building direct relationship with the retailers.

Some of the key drivers of this strong relationship with the distribution channel include:

- ▶ Transparent and attractive policies & schemes
- ▶ Decentralised branch/depot network system leading to seamless logistical movements, prompt deliveries, efficient after sales services and customer feedback system
- ▶ Attractive incentive schemes, dealer engagement activities and holding out-of-India dealer conferences – leading to loyalty and strong engagement

Today, Surya Roshni has built one of the most extensive Pan-India FMEG distribution network with strong presence in the rural area.

3,00+
RTFs

2,500+
Dealers & Distributors

2,50,000
Retail outlets



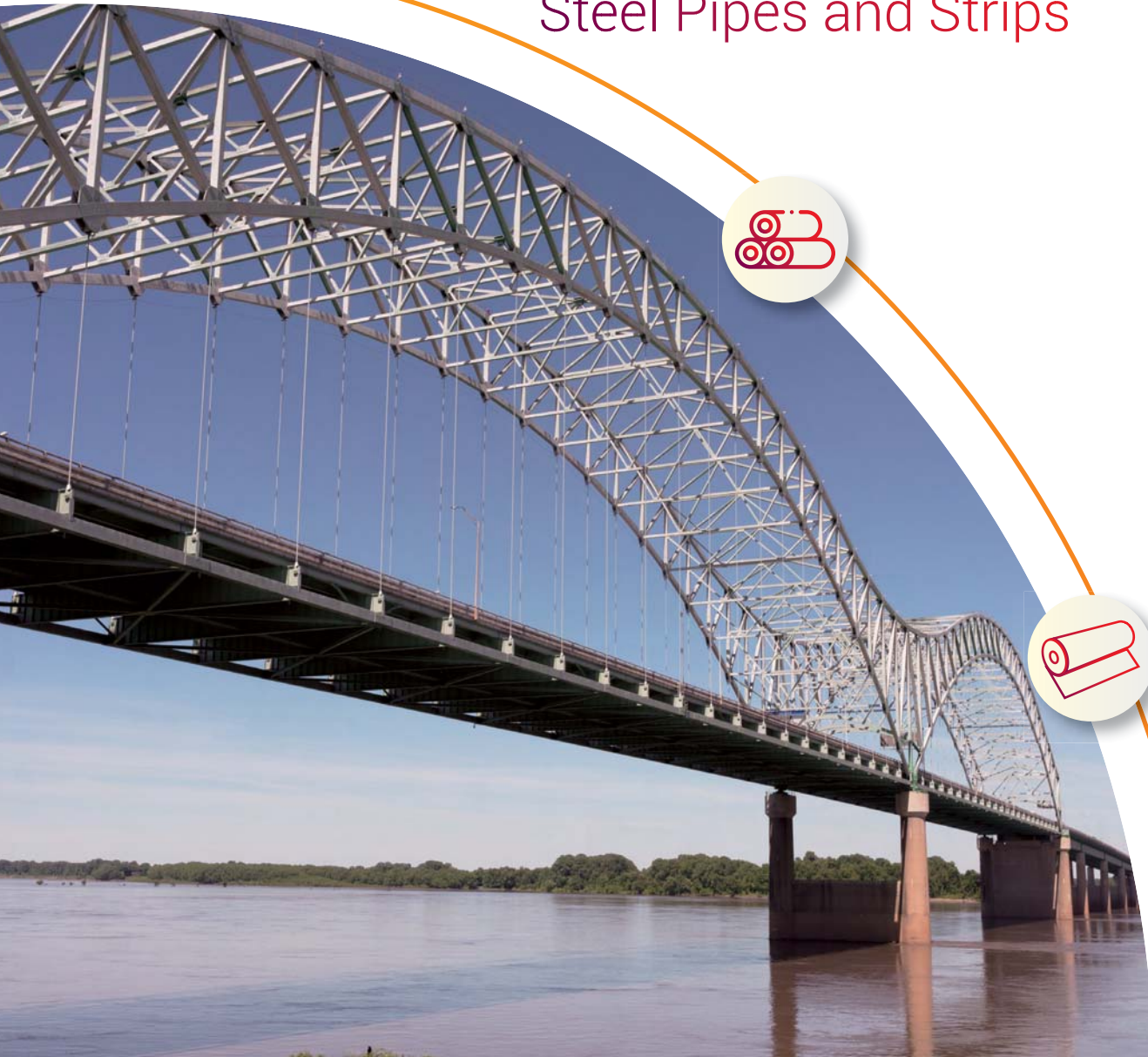
Mr. Raju Bista addressing the dealers at the dealers meet in New Delhi



Dealer conference in Australia



Steel Pipes and Strips



ERW Steel Pipes (Galvanised (GI), Black, Hollow Section)

Applications:

- ▶ Plumbing, irrigation and agriculture ▶ Fire-fighting application
- ▶ Water transportation ▶ Casing and tubing ▶ Industrial applications
- ▶ Power plants (ash and water handling system) ▶ Scaffolding and structural purposes ▶ Urban development like airport terminals, metro stations and railway stations ▶ Construction – buildings and stadiums
- ▶ Electric pole and telecom towers ▶ Green houses ▶ Building material
- ▶ Engineering and architectural structures



API & Spiral Pipes

Applications:

- ▶ Oil and Gas pipelines ▶ Oil well casing and tubing ▶ City gas distribution ▶ Pipelines for potable water, sewerage, industrial water lines and plant piping ▶ Piping pile foundation for high-rise buildings



Recently Commissioned 3LPE Coating Manufacturing Unit

- ▶ Installed 3LPE Coating manufacturing unit in Anjar, Gujarat in 2018
- ▶ Established track record, obtained accreditations, certifications of ISO 9001, 14001 & 18001
- ▶ Specialised API Pipe with 3LPE Coating, used in transportation of Oil and Gas, City Gas Distribution and Pipelines for Potable water, Industrial water Lines and Plant Piping
- ▶ High growth area – special thrust from Government on building modern infrastructure with low cost transportation
- ▶ Higher capacity utilisation of the Spiral/API Pipe manufacturing facilities
- ▶ Forward integration



GP Pipes

Applications:

- ▶ Infrastructure in coastal areas



CR Sheets

Applications:

- ▶ Auto components ▶ Motor stamping
- ▶ Furniture and fittings ▶ Domestic appliances ▶ Drums and barrels
- ▶ Cycle rims ▶ Engineering applications





Fire fighting infrastructure

Future optimism

Sectors driving the demand

▶ Oil & Gas ▶ City gas distribution ▶ Agriculture ▶ Water transportation ▶ River inter-linking ▶ Fire fighting ▶ Infrastructure and construction ▶ Airport ▶ Railways



Airport terminal infrastructure



Oil pipeline infrastructure



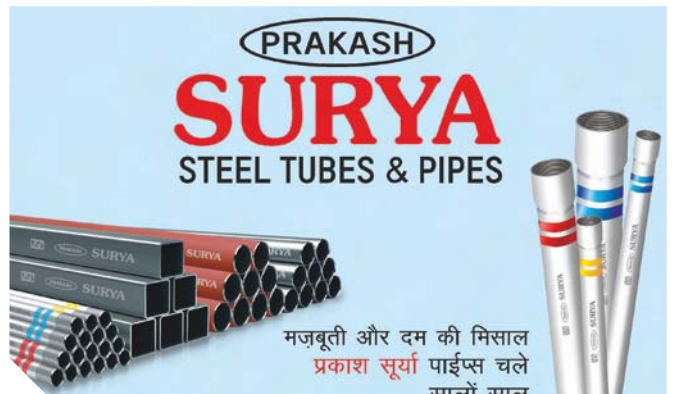
Tube railway infrastructure

Actively promoting brand visibility to capitalise upon the future opportunities.

The Company has also been consistently spending on its brand visibility by means of advertisements, hoardings, print media, participation in international trade fairs and jersey sponsorship of Team Rajasthan Royals in IPL 2019.



Principal Sponsor Rajasthan Royals, IPL 2019



Surya Steel Tubes & Pipes Advertisement in local print media



TV Advertisement, 'Golmaal Again' Hindi



TV Advertisement for Prakash Surya Steel Pipes



TV Advertisement for Surya Water Heater



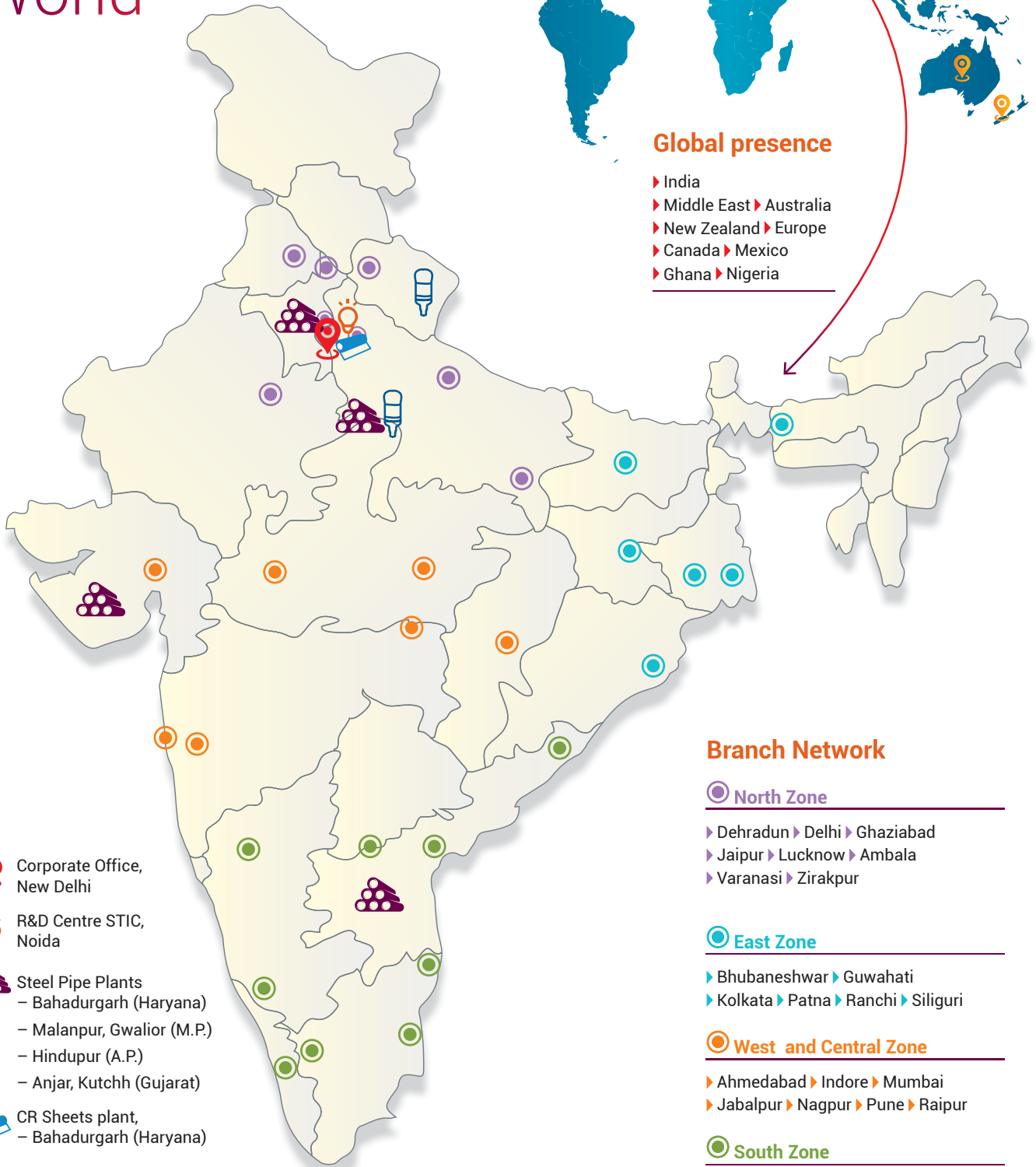
The International Tube and Pipe Trade Fair, Germany, April 2018

Active across India and the World



Global presence

- ▶ India
- ▶ Middle East ▶ Australia
- ▶ New Zealand ▶ Europe
- ▶ Canada ▶ Mexico
- ▶ Ghana ▶ Nigeria



Branch Network

North Zone

- ▶ Dehradun ▶ Delhi ▶ Ghaziabad
- ▶ Jaipur ▶ Lucknow ▶ Ambala
- ▶ Varanasi ▶ Zirakpur

East Zone

- ▶ Bhubaneswar ▶ Guwahati
- ▶ Kolkata ▶ Patna ▶ Ranchi ▶ Siliguri

West and Central Zone

- ▶ Ahmedabad ▶ Indore ▶ Mumbai
- ▶ Jabalpur ▶ Nagpur ▶ Pune ▶ Raipur

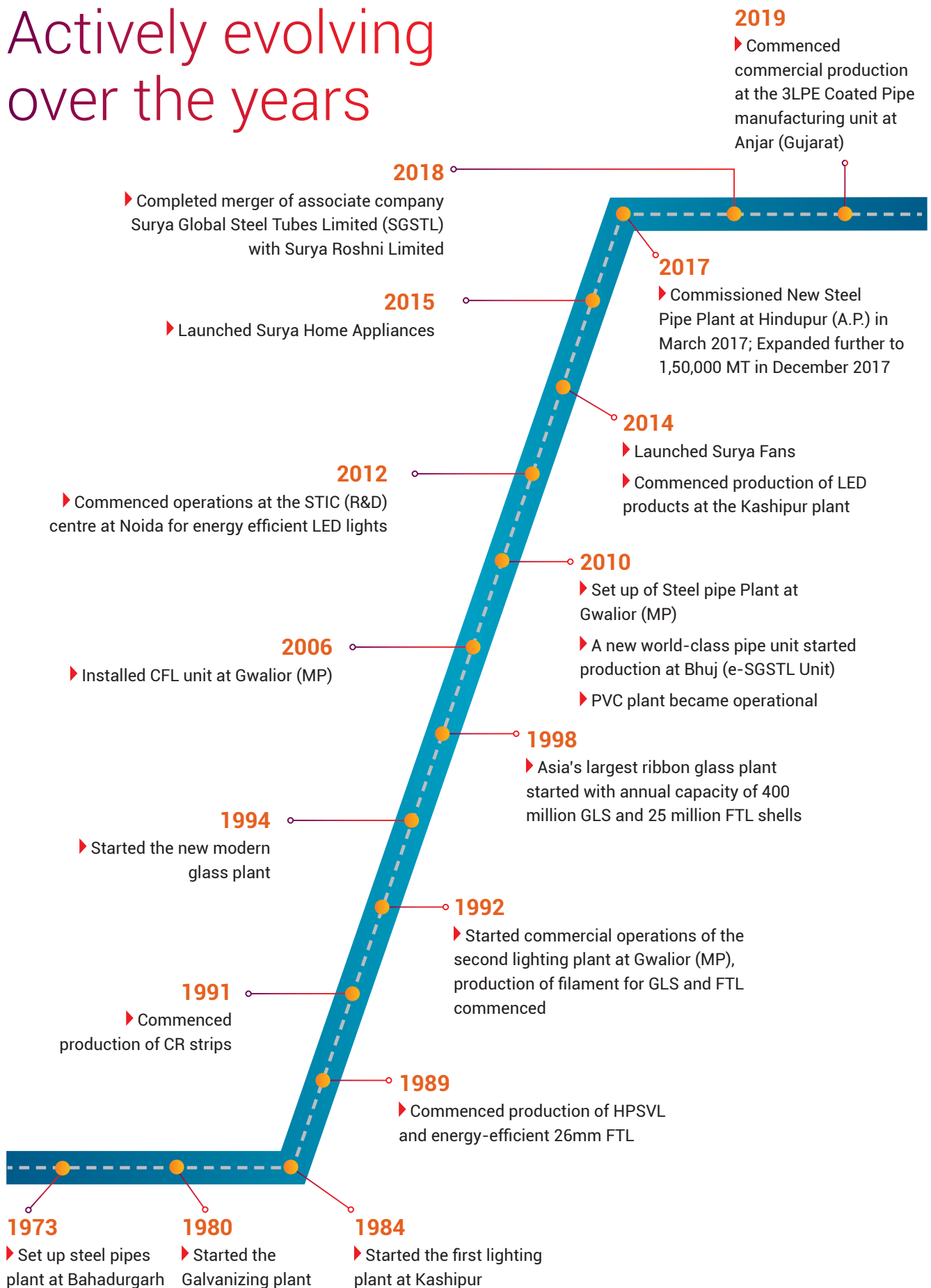
South Zone

- ▶ Bengaluru ▶ Chennai ▶ Coimbatore
- ▶ Hubli ▶ Kochi ▶ Madurai ▶ Vizag
- ▶ Secunderabad ▶ Vijayawada

- Corporate Office, New Delhi
- R&D Centre STIC, Noida
- Steel Pipe Plants
 - Bahadurgarh (Haryana)
 - Malanpur, Gwalior (M.P.)
 - Hindupur (A.P.)
 - Anjar, Kutchh (Gujarat)
- CR Sheets plant, Bahadurgarh (Haryana)
- Lighting Plants
 - Kashipur (Uttarakhand)
 - Malanpur, Gwalior (M.P.)

Disclaimer: This map is a generalized illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its Directors, Officers or Employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

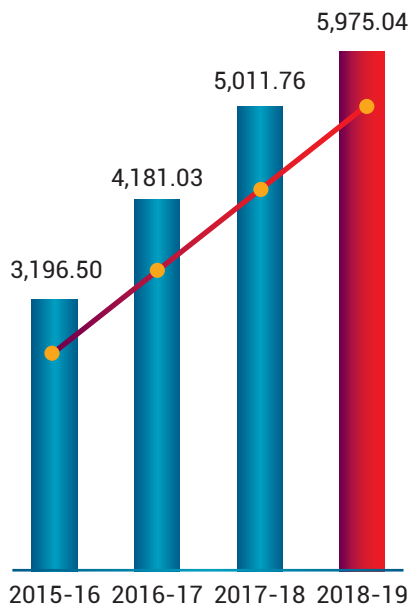
Actively evolving over the years



Key Performance Indicators

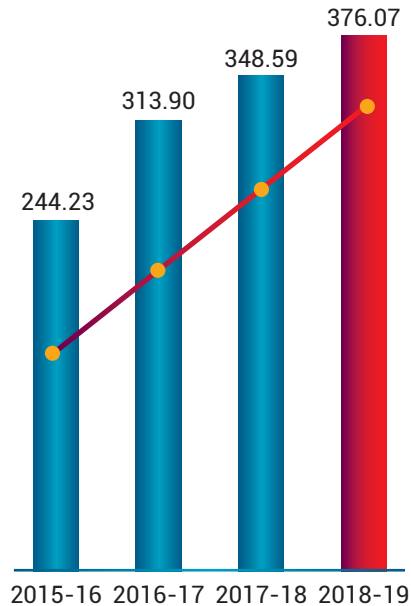
Revenues From Operations

(₹ crore)



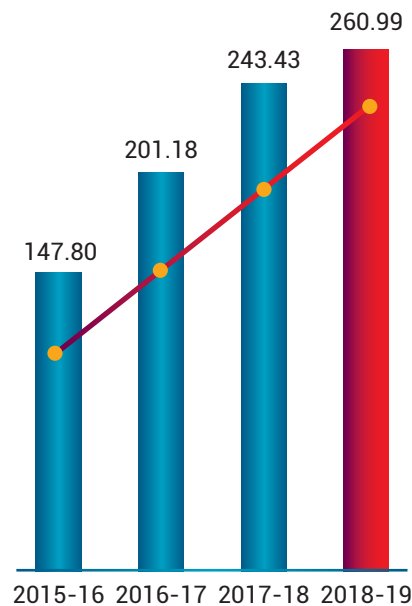
EBITDA

(₹ crore)



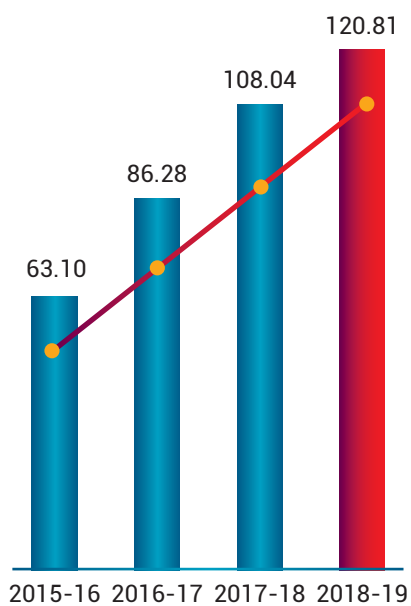
PBDT – Cash Profit

(₹ crore)



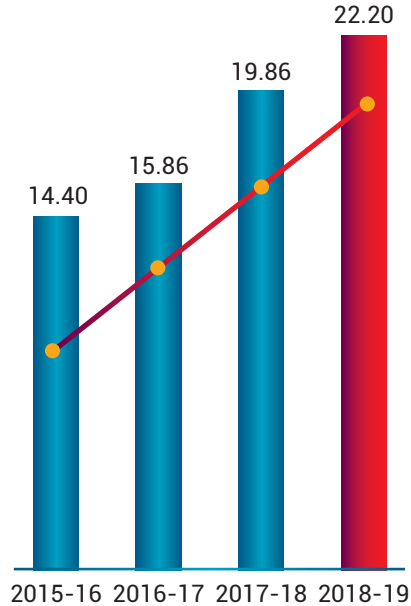
PAT

(₹ crore)



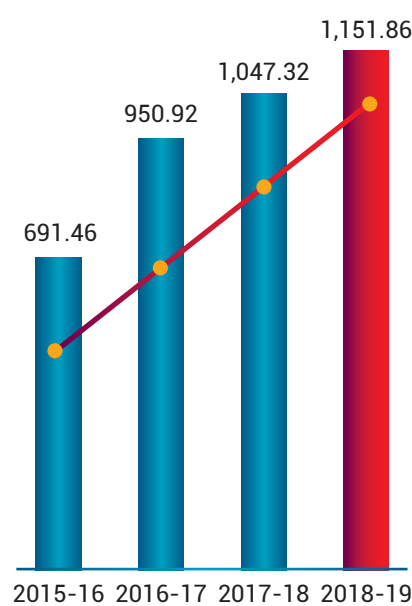
EPS

(₹)



Net Worth

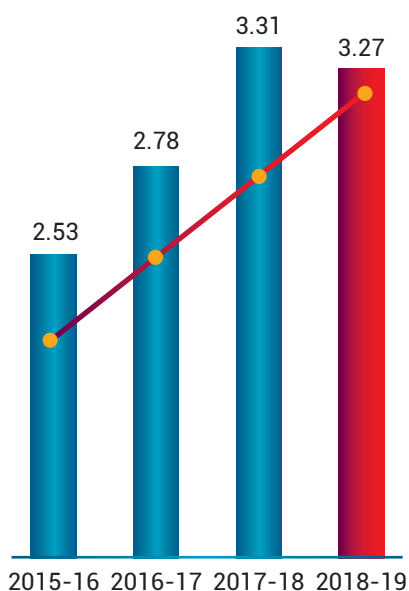
(₹ crore)



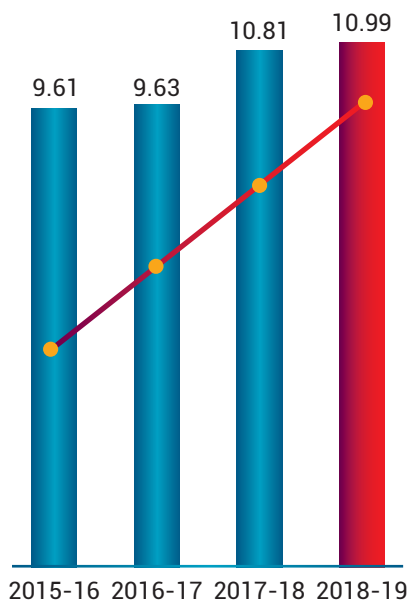
Notes:

1. Figures of FY 2019 are consolidated one and the figures of FY 2018, FY 2017 and FY 2016 are standalone, since the sole subsidiary was incorporated on 21st January, 2019.

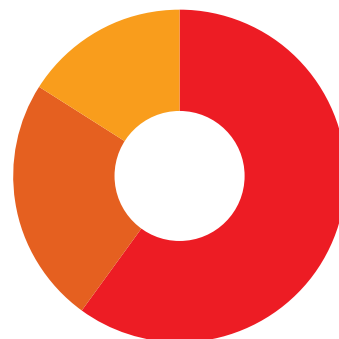
Interest Coverage Ratio



ROE (%)

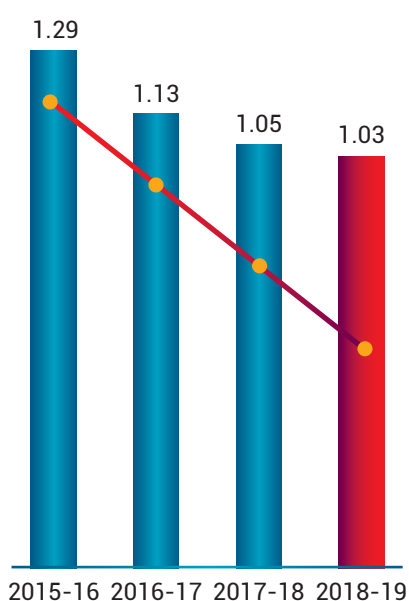


Lighting and Consumer Durables: Product wise revenue

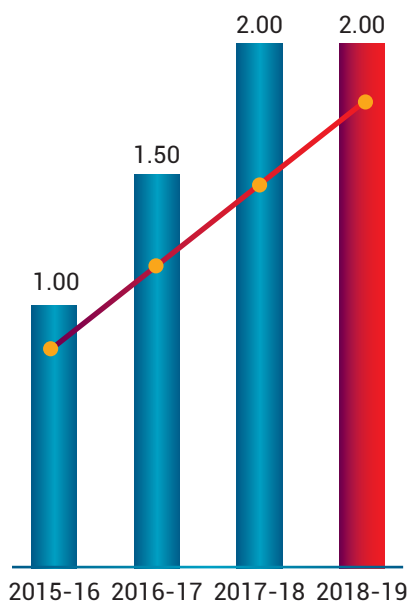


| | |
|-----------------------|-----|
| LED Lighting | 60% |
| Conventional Lighting | 24% |
| Consumer Durables/PVC | 16% |

Debt Equity



Dividend (₹)



Steel Pipes and Strips: Product wise revenue



| | |
|--------------------|-----|
| GI Pipes | 32% |
| Section Pipes | 17% |
| CR Sheets | 12% |
| Round Pipes | 23% |
| API & Spiral Pipes | 11% |
| Others | 5% |

2. As per requirement of IND AS Revenue for the period(s) up to 30th June, 2017 were reported inclusive of Excise Duty and the revenue from the 1st July, 2017 onwards are reported net of GST.



Chairman's Statement



We have positioned ourselves at the forefront of the industry developments to enable futuristic growth and sustained value-creation originating from the favourable industry dynamics.



Dear Shareholders,

2018-19 has been a benchmark year for Surya Roshni. We achieved highest volumes in Steel Pipes business and further continued to strengthen our growth in the Lighting business. Over the past few years we have taken strategic decisions like foraying into fans and home appliances, strengthening capabilities in the LED segment to capture the industry transformation and building the 3LPE coating facility at Anjar. Our continuous efforts in bringing the strategies into action have been well on target and have started yielding results now. Today, we are actively pursuing our future prospects to meet the aspirations of an ever-evolving

consumer demand and rapidly changing industry dynamics.

Strong macro fundamentals

India is still a beacon of growth and the most exciting economy in the world as of today.

Several structural changes in the previous fiscal have promoted organised sector growth and business opportunities, giving impetus to the overall economic activity. Low inflation, accommodative monetary policy and Government income support to farmers will further support domestic economic activity. The Government

has set itself an ambitious aim of becoming a \$5 trillion economy over the next five years, which has necessitated the country to adopt infrastructural upgradation and modernisation of public utilities with strong focus on smart city development, city gas distribution and water transportation. This in turn translates into a strong optimism for the Company to grow ahead.

The industry optimism

There are several developments happening within the industry. There has been a thrust on building gas pipelines and new import facilities to increase use of the fuel. Moreover,

New Exploration Licensing policy (NELP) and Hydrocarbon Exploration Policy (HELP), have strongly emphasised on enhancing the domestic exploration of oil and gas to attain self-sufficiency. There is already a significant demand uptake as well as improvement in the overall tender activity by the Government-run oil and gas companies, which will significantly contribute to the growth. Over USD 300 billion investments are estimated over the next decade in setting up of refineries, oil and gas pipelines and expansion of city gas distribution network. The Indian Government's focus on agriculture and irrigation sector will further generate demands for water pipes, drainage set-ups, and irrigation systems going ahead.

Globally, economies are shifting from oil to gas. Several natural gas distribution companies have revived their investment plans, which include construction of new pipelines as well as replacement of aging pipelines. These upcoming projects are expected to increase the opportunities in the global pipe industry by many folds.

The Indian lighting industry is expected to grow tremendously, even over the long term, on account of the demand for a smart, connected lifestyle and energy-efficient products. According to ELCOMA, the industry is expected to reduce energy consumption for lighting from the present 18% of total power consumption to 13%. The lighting market in India is evolving rapidly, moving from using conventional products to LEDs. This transition is driven by an increasing number of

government initiatives for energy conservation, rising consumer awareness about energy-efficient products, affordable pricing and product innovations that are in sync with the overall trend of digitisation. Smart lights are steadily appearing on many buyers' must-have lists because of its ability to improve security and comfort and with significant reduction in the energy costs. The Government is also facilitating wide scale implementation of replacing the conventional lights with LED bulbs and streetlights through its ambitious programmes like Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Street Lighting National Programme (SLNP).

The softer aspect

Each day is a day to deliver at Surya Roshni. Everyday, I see how the dedication and hard work of my colleagues are quietly transforming the face of the Company – making it future ready. Our belief is that it is the empathy, the trust and the simplicity that will make us a preferred brand. Our sharply customer-centric approach will ensure we continue to chart a differentiated, accelerated and disciplined path to growth. We embrace the best corporate governance practices, empower communities, focus on preserving the natural environment, and ensure the progress and well-being of people.

Our CSR arm – Surya Foundation is committed in elevating the level of weaker sections of the society by empowering them in the areas of health, education and social upliftment.

Strong Foundation

At Surya Roshni, our legacy, ethics and culture are more agile and futuristic. We are constantly building efficiencies in our operations along with investments in future-positive businesses. We have onboarded industry-best professionals that will drive our operations and system implementations. Besides, we continue to monitor developments across each of our departments and adopt best practices in Corporate Governance as per the new age business environment. The Board places great importance in providing clear and transparent reporting across all its communication and ensures that it is fair, balanced and understandable.

Before concluding my letter, I would like thank all the employees and our dedicated Management Team for their efforts and achievements over the past year I would also acknowledge our Board Members for their constant guidance towards driving Surya Roshni's vision in the right direction. Going ahead, we will continue to scout for opportunities to deploy capital and deftly manage our fiscal priorities, in line with our organisational objectives.

I also extend my sincere gratitude towards our stakeholders, bankers and customers for the deep faith they have imposed on us.

Best Wishes,

Jai Prakash Agarwal
Chairman



Managing Director's Message



We have strategically invested in building our capacities and capabilities. Our disciplined execution has translated into both improved financial performance as well as developing a strong foundation for an optimistic future ahead of us.



Dear Shareholders,

I am delighted to report that we have performed tremendously well in FY2018-19. Our Group turnover touched around ₹ 6,000 crore (US\$ 850 million) mark as we continued demonstrating the success of our business model and strong brand image created across India and 50 countries globally.

Operational review – Steel Pipes and Strips

Our operational revenues from the steel pipes and strips segment witnessed 25% growth with 10% increase in volumes. We commenced commercial production at our newly set-up 3LPE coated pipe manufacturing unit at Anjar (Gujarat).

During the year we received over ₹ 500 crore worth of orders for API pipes for Oil & Gas transportation and CGD from IOCL, Bharat Gas and several other CGD companies. These orders will lead to full capacity utilisation of 3LPE Coated pipe manufacturing unit in FY 2019-20. The Hindupur unit has further strengthened our market share in the premium markets of South India. As a result of which, we are further ramping up the annual capacities to 2,00,000 MTPA by the end of the current financial year.

Operational review – LED Lighting

The operational revenues from the LED lighting witnessed 36% growth. Our LED offerings continued to

retain strong market share in the organised segment. The LED Lighting Systems are emerging as wonderful, flexible and versatile products with strong energy-savings and high aesthetic quotient. With continuous technological innovations, the LED is undergoing yet another transformation from being 'conventional' to 'connected'. This will further broad-base the application areas. The next generation LED will offer smart solutions that will adjust to your needs and requirements. It can be part of a data network and can be controlled remotely via an app, making lives easier. Our advanced lighting research and development centre (R&D), Surya Technology & Innovation Centre (STIC) at Noida

Actively committed towards stakeholders value creation



Shareholders

We aim to provide competitive returns on our shareholders' investments.



Customers

Customers benefit from products and services that offer value in terms of price and quality, and that meet high health, safety and environmental standards.



Employees

Our people are able to progress their careers, in a dynamic and fast-moving company.



Suppliers and distributors

Our suppliers are able to grow their businesses alongside our own.



Society

Society benefits from the energy efficiency of our LED lighting, reducing demand for power generation and the emission of greenhouse gases.

(NCR) continues to develop disruptive product offerings to cater to the 'smart' requirements of tomorrow.

During the year, we had the privilege of illuminating the entire 'Kumbh Mela', the largest religious gathering in India. We installed over 25,000 high power street lights and flood lights luminaries at this event. The lights were specially designed to provide high illumination levels with high energy savings and long life. It further helped the Government save energy, reduce waste and cut costs. We have also completed a number of turnkey, large-scale LED lighting projects including installation of High Power LED Flood Lights at Kandla Port, IOCL's refinery at Panipat, Kolkata

Airport Terminal, Varanasi Bypass and lighting up India's longest Rail-Road Bridge, the 4.94 Km 'Bogibeel' in Assam.

Active execution. Ready for the next wave of growth

At Surya Roshni, we have strategically invested in building our capacities and capabilities. Our disciplined execution has translated into both improved financial performance as well as developing a strong foundation for an optimistic future ahead of us. With India continuing on a strong growth path, it is vital to identify the areas that will drive our growth over the near term.

▶ India being a densely populated

country, its infrastructure needs are humongous. This will lead to a strong demand for pipes from the construction of new homes; it will also generate demand for API pipes for oil and gas transportation to these households. With robust investments plans of the leading players in the oil & gas segment, the demand for our products is clearly visible over the next decade.

▶ The second important driver is India's alarming water scarcity. According to Niti Aayog's 2018 Composite Water Management Index (CWMI), over 600 million people in our country live in extreme water crisis. It further stated that in 2014-15, just



Rural India, which contributes more than 50% of our sales shall continue to be our focal points owing to strong Government measures towards uplifting their quality of life.



13.3% of India's 17.8 crore rural households had piped water connection. This has gone up by just 5% in five years! The Centre's next big focus is on making piped water available to these households. Initiatives of river linking project and 'Har Ghar Nal ka Jal' Yojna will drive demand for water transportation pipelines going ahead.

- ▶ In the lighting segment, we will continue to focus on the consumer side LED sales driven by higher acceptability, affordability and awareness of LEDs. Besides, there would be an increasing thrust on downlighters, batons and LED fittings based on smart lighting concepts which will eventually increase the number of light points and drive our volumes. Besides, we will continue exploring institutional opportunities for illuminating major public attractions.

- ▶ We will continue to capitalise on the Government orders through EESL, and keep illuminating the nation. We are also expecting an uptick in demand for lighting from connecting points of roads into primary and rural roads. Smart Cities mission will provide funds for energy efficient ecosystem in 98 cities across the country boosting the demand for 'connected' lightings from this segment.

Strengthening operationally

Operationally, our focus on efficiency improvement through cost and energy rationalisation measures and de-bottlenecking of capacities will continue. Our focus on value-added pipes like primer coated, heat treated, alkaline, rust-preventive and sewage-ended pipes will drive premium across niche markets. In the lighting and consumer durables business, we will continue to enhance our innovative and premium offerings

and encourage cross selling through our distribution channel. We will also continue to invest in publicity to enhance visibility of our products. All these initiatives will strengthen our margins going ahead. We will further drive our sales force through transparent policies, competitive channel financing and performance-linked incentives, foreign tours and increase our customer touch points going ahead.

We thank you for your interest and support and, on behalf of all of our employees and Directors, I promise you that we will apply ourselves wholeheartedly and diligently to capitalise the encouraging growth prospects going head.

Best wishes,

Raju Bista
Managing Director



Conference on futuristic intelligent lighting by ELCOMA

Board of Directors



Jai Prakash Agarwal

Executive Chairman

Driving force behind creating Surya as one of the most reputed, trusted and successful Company in both business verticals viz. Steel Pipe & Strips and Lighting & Consumer Durables.



Raju Bista

Managing Director

Young, dynamic with 33 years of age, has been the growth engine for the Company. His discipline, dedication, visionary power and relentless efforts has helped in achieving the overall growth of the Company. He is President of ELCOMA. He is also the Member of Parliament.



Urmil Agarwal

Women Director

Woman director of the Company, having sound business acumen & understanding of both the businesses of the Company.



Vinay Surya

Whole-time Director

Possesses vast experience of over 21 years in Marketing, Export, Commercial, Financial & Operational field. He has done an M.B.A. from Swinburn University, Australia.



T S Bhattacharya

Independent Director

Ex-MD of SBI has an illustrious professional career of 44 years.



Ravinder Kumar Narang

Independent Director

Ex-Chairman of IOCL with vast experience in the field of Operations, Project Development & Marketing Network.

Board of Directors (contd.)



Krishan Kumar Narula

Independent Director

Ex-Chief General Manager from SBI Chandigarh (LHO). He is also the Chairman of the Audit Committee.



Surendra Singh Khurana

Independent Director

Ex-Chairman of Railway Board and Ex-officio Principal Secretary to Government of India.



Sudhanshu Kumar Awasthi

Independent Director

Ex-Managing Director of PNB Capital.



Sunil Sikka

Independent Director

A post graduate in Management (FMS Delhi) and an Ex-President of Havells (India) Limited and advisor at ELCOMA. During his tenure, he led multiple initiatives to accelerate growth in marketing of consumer electrical and lighting in India.



Kaustubh N Karmarkar

Whole time Director

Possesses vast experience of over 21 years in the field of Management & Human Resources and Planning

Key Management Personnel



R. N. Maloo

Executive Director & Group CFO

A qualified CA with 33 years experience in Corporate Affairs, Finance, Commercial & Taxation. He held CFO positions in renowned companies and also in CA practice as partner with M/s Kalani & Co, Jaipur.



Shri Tarun Baldua

CEO – Steel Operations

A qualified Chartered Accountant with 34 years of experience in Commercial, Operations and Administration of various businesses across industries.



Ramanjit Singh

CEO – Lighting Operations

A qualified MBA-operation with 34 years of experience in Operational and served on the post of Sr. Director at Philips India. He led multiple initiatives to accelerate innovation & growth in lighting and home appliances industry.



B. B. Singal

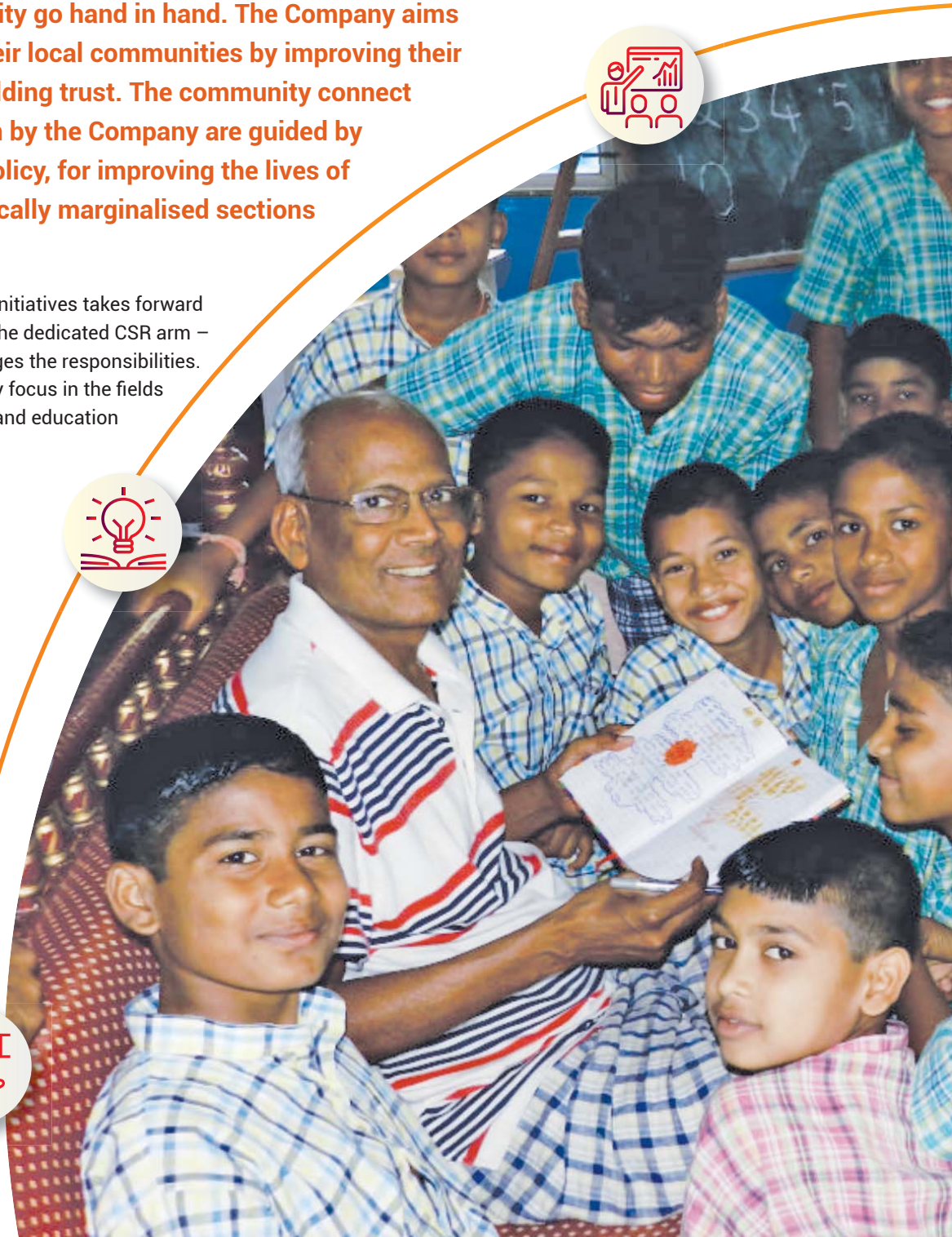
Sr. Vice President & Company Secretary

A qualified CA, Company Secretary and Cost Accountant having a rich experience of over 24 years in Secretarial Function, Corporate Laws, Accounts, Direct Tax & Investor Relationship.

Our sensitivity to all stakeholders is reflected in our community initiatives.

At Surya Roshni, responsible business sustainability and corporate responsibility go hand in hand. The Company aims to create value for their local communities by improving their quality of life and building trust. The community connect initiatives undertaken by the Company are guided by 'affirmative action' policy, for improving the lives of socially and economically marginalised sections of society.

The community betterment initiatives takes forward the legacy of Surya Group. The dedicated CSR arm – Surya Foundation – discharges the responsibilities. The operational areas largely focus in the fields of health, skill development and education



Projects:

► Bal Vikas Kendra

The Company's "Bal Vikas Kendra" are established in the remote and far-flung interior rural villages across 15 states in India. They focus on imparting moral education and values by training young school going children and dropouts. Besides, they also teach yoga and meditation and inculcate the spirit of patriotism in them to develop them into responsible citizens of the country.

The impact is visible in the form of improvement behaviour improvement amongst the children and improvement in their educational knowledge and outcome.



► Development of preventive and cost-effective health systems of naturopathy and yoga

The Company proactively promotes naturopathy and yoga across India through the dedicated wing, the International Naturopathy Organization (INO). The Company organises awareness camps and seminars throughout the year across various locations across India. The foundation also conducts Naturopathy Doctors and Management Training Programme for practitioners from India as well as abroad.



► Personality Development of Youth

The Company dedicatedly promotes personality improvements of today's youth through various personality development programmes. It conducts training sessions on personality development and soft skills, the outcome of which is quite remarkable.



₹ 2.57 crore

CSR spends in 2018-19

Corporate Information

REGISTERED OFFICE

Surya Roshni Limited
Prakash Nagar, Sankhol,
Bahadurgarh - 124507 (Haryana)
Corporate Identity Number
(CIN) - L31501HR1973PLC007543
Website : www.surya.co.in
Phone : 01276 - 241540
Fax : 01276 - 241886

HEAD OFFICE

Padma Tower - 1, 2nd Floor,
5 Rajendra Place, New Delhi - 110008
email : cs@surya.in

WORKS - STEEL DIVISIONS

- ▶ Rohtak Road, Sankhol
Bahadurgarh -124507 (Haryana)
email : surya@suryasteelpipe.com
- ▶ Plot No. P-1 to P-20, Ghirongi Industrial Area,
Malanpur, District Bhind (Madhya Pradesh)
- ▶ 57, Golapuram Industrial Area, Hindupur,
Dist. Ananthapuram (A.P.) - 515201
- ▶ Survey No. 188,189 & 190/1,
Village Bhuvad Taluka –Anjar, Distt-Kutchh
Anjar – (Kutchh) Gujarat - 370130

WORKS - LIGHTING DIVISION

- ▶ 7k.m. Stone, Kashipur - Moradabad Road
District Udham Singh Nagar,
Kashipur - 244713 (Uttarakhand)
- ▶ J - 7, 8 & 9 Malanpur Industrial Area
Malanpur, District Bhind (Madhya Pradesh)
- ▶ Plot No. 9-13, Balaji Industrial Estate,
Mahuakheraganj, Kashipur,
District U.S. Nagar, Uttarakhand

STATUTORY AUDITORS

Ashok Kumar Goyal & Company
Chartered Accountants

COST AUDITORS

R. J. Goel & Co.

BANKERS

1. State Bank of India
2. HDFC Bank Limited
3. Bank of Baroda
4. Canara Bank
5. Punjab National Bank
6. IDBI Bank Limited
7. DCB Bank Limited
8. Export-Import Bank (EXIM)

AUDIT COMMITTEE

- ▶ Shri Krishan Kumar Narula, Chairman
- ▶ Shri Tara Sankar Bhattacharya, Member
- ▶ Shri Surendra Singh Khurana, Member

STAKEHOLDER'S RELATIONSHIP COMMITTEE

- ▶ Shri Krishan Kumar Narula, Chairman
- ▶ Shri Ravinder Kumar Narang, Member
- ▶ Shri Raju Bista, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- ▶ Shri Krishan Kumar Narula, Chairman
- ▶ Shri Jai Prakash Agarwal, Member
- ▶ Shri Raju Bista, Member

NOMINATION AND REMUNERATION COMMITTEE

- ▶ Shri Krishan Kumar Narula, Chairman
- ▶ Shri Ravinder Kumar Narang, Member
- ▶ Shri Surendra Singh Khurana, Member

COMMITTEE OF DIRECTORS

- ▶ Shri Krishan Kumar Narula, Chairman
- ▶ Shri Raju Bista, Member
- ▶ Shri Sunil Sikka, Member

Management Discussion and Analysis

Section 1

Company Overview

Amidst the journey from a subtle beginning to spearheading the technological revolution in the 21st century, Surya Roshni has exceedingly come a long way from being just another steel tube making unit back in 1973. Today, Surya Group has emerged into a colossal of ₹ 5,975 crore (US\$ 850 million) Indian manufacturing company, exporting products to over 50 countries across the globe. It has manifested, a strong brand image and created an irreplaceable mark onto the minds and consideration of customers.

Surya Roshni business interests are broadly aligned into two areas: **Steel Pipes & Strips and Lighting & Consumer Durables.**

In the **Steel Pipes & Strips** segment, the Company manufactures range of steel pipe products for Agriculture, Infrastructure, Oil & Gas and Construction Sectors. Its offerings for the Oil & Gas sector are approved by the American Petroleum Institute (API). The pipe manufacturing units are strategically located in Haryana, Gujarat, Andhra Pradesh and Madhya Pradesh that allows the Company to mark its presence across the length and breadth of the country and across the globe including the Middle East, Europe, Africa and Asia. The merger of its associate company e-Surya Global Steel Tubes Limited has further boosted the Company's positioning in the industry.

Surya's **Lighting Segment** which was initiated in 1984 with the dream of '**Lighting Every City Every Home**', three decades down the line, it is appraised as one of the leading brands in the Lighting industry. The LED technology has opened up a new frontier and is potentially acknowledged as the future of lighting technology. The Company ensures that the LEDs manufactured are energy efficient with extremely lower maintenance cost and comes with the facilitation of a remarkable life span. All these factors add to the advantages of LED lighting that will ensure that the revolution in the lighting industry is propelled forward.

Under **Lighting & Consumer Durables**, the Company offers a wide range of lighting products – from GLS to LEDs and LED luminaries. Under the **Consumer Durables**, it offers several models of Fans and Kitchen Appliances like – Mixer Grinders, Induction Cooktops, Toasters, Irons, Water Heaters and Air Coolers, among others. The Company's

lighting manufacturing units are located in Uttarakhand and Madhya Pradesh.

The Company is strongly positioned as one of **India's largest** exporter of ERW Pipes, largest producer of ERW GI pipes and **second largest** lighting company. Its **large distribution network** of over 2,500 distributors and 2,50,000 retailers countrywide drives the B2C business of the Company. Besides its B2B project business is equally gaining importance and driving revenues year on year. With ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 certifications under its belt, and products that are accredited with an international performance of safety standards, Surya stands tall on its commitment to deliver eco-friendly and quality products. Surya is also known for being one of the **most trusted** and **preferred brands** with various Govt. departments, institutions and international buyers. The Company has recently been awarded with '**Brand Excellence Award in Lighting Category**' in North India Best Brand Awards, 2018 and was also awarded with '**Champions of Rural Market**' award from the prestigious newspaper The Economic Times. The Company is geared up with fresh capacities and new product lines to cater to the underlying industrial opportunities. With strong fiscal prudence, enhanced focus on value-added products and increasing operational efficiency measures, the Company is all set to drive strong returns to stakeholders going ahead.

Section 2

Industry structure and developments

As India marches ahead on a solid growth trajectory to complete **75 glorious years of independence**, Indian industries remain committed to building a better India. Differences between rural and urban India will be reduced, making physical, digital and social infrastructure in rural areas at par with the best in the country, with a special focus on education and health. The Government has ambitions plans of making India a 5 trillion economy by 2025. This will be driven by shift in consumer behavior and expenditure patterns. With an enormous population,

favourable demographics and high catch-up potential due to low initial GDP per head India will continue to rise in the global GDP league table in the coming decades.



a. Steel Tubes and Pipes

Steel is one of the world's most essential materials. It is a fundamental to the growth of any nation as it forms the backbone of industrialisation. Steel demand in India is primarily driven by strong economic performance and investments in housing, infrastructure like railways, ports, roads, airports, etc. The industry has evolved significantly over the years and is further expected to continue its growth momentum.

Globally, Oil & Gas Industry is one of the largest consumers of Steel Tubes and Pipes. The demand remained comparatively lower over the past few years owing to subdued oil prices. Recently, with the pull-out of the US from the Iran nuclear deal sent oil prices to a four-year high, reaching \$80/barrel. Increasing prices will lead to surge in drillings leading to additional demand for new pipes. The steel tubes and pipes market is expected to reach an estimated \$97.7 billion by 2023 with a CAGR of 3.9% from 2018 to 2023. The major drivers for this market are increasing construction of new pipelines for oil and gas, water and wastewater, replacement of aging pipelines, and infrastructure development across the Middle East and North American markets.

The Indian Steel Tubes and Pipes industry has an enormous untapped growth potential. The industry offers seamless, SAW, ERW pipes, galvanised pipes, steel sections and steel panels. Today, India has evolved as the leading ERW steel tubes manufacturing hub in the world with the domestic demand levels of around 10 MTPA. It ranks amongst the top three manufacturing hubs in the global pipe industry, after Europe and Japan. The pipes are extensively exported to countries like the US, Europe, Malaysia, Thailand, the Middle East, and Indonesia owing to its competitive pricing, high quality and locational advantage.

Steel pipes demand is mainly driven by infrastructure activities like shipping, aviation, housing, roads & highways, power and oil & gas transportation, city gas distribution and railways & airport modernisation. Last three years have witnessed a significant demand uptake owing to an improvement in the overall tender activity by the government-run oil and gas companies. The industry is set to leverage opportunity from India's **\$10 billion** push to expand its natural gas network to more of its urban masses and cut pollution. Besides, low penetration of pipes and measures such as the setting up of the National Gas Grid, river water interlinking projects, revamping the water and sanitation infrastructure, and higher oil prices, will lead to a spurt in exploration and production investments and thereby higher demand for pipes.

Surya Roshni is the largest exporter of ERW pipes and largest producer of ERW GI Pipes in India. It manufactures ERW Steel pipes (Galvanised Black, Hollow section), API, Spiral and CR strips, having wide applications of its products in agriculture, infrastructure building, oil & gas and construction sectors. The positive industry optimism coupled with Government's reforms on formalizing the economy will drive demand for Company's products going ahead.

Gas Transmission

Globally, economies are shifting from oil to gas. Natural gas distribution companies have revived their

Factors that will drive the future demand for steel tubes and pipes



- ▶ The Indian Government offered 23 Oil & Gas and CBM blocks in the third round of Open Acreage Licensing Policy (OLAP). The fourth and fifth rounds are expected to offer another 50,000 sq km and 40,000 sq km of exploration acreage which will together enhance India's exploration acreage to 300,000 sq km.
- ▶ The Indian Government stipulated 15% value addition in India in bidding for projects above ₹ 500 mn which provides level playing field to domestic manufacturers.
- ▶ The Unified Gas Policy thrusts on unified pricing leading to laying of new oil and gas pipe lines and exploration of new gas fields.
- ▶ Increasing spends on ambitious infrastructure projects, river linking projects across the country, initiatives like 'Har Ghar Nal Ka Jal', affordable housing, and smart city development shall boost the demand for steel pipes.



investment plans, which include construction of new pipelines as well as replacement of aging pipelines. The Government's vision to achieve a gas-based economy needs a massive network of pipelines for transportation of natural gas to various corners of the country.

There has been an increasing concern over the pollution levels of major cities and towns across India. This necessitates the Indian Policy makers to consistently stress the role of natural gas in India's overall energy mix in the 21st century. This will not only lead to improvement in the environment but will also reduce the overall energy costs. At present, India has around 16,788 kms of operational natural gas pipeline and around 14,239 kms are under development. Major part of domestic production in India has been concentrated over western and southern region of the country and in absence of adequate natural gas pipeline infrastructure the northern and eastern region of the country are gas starved. However, to satiate the increasing demand and strengthen the domestic gas distribution within the country, the Centre has planned an initial spend of ₹ 70,000 crore to spread gas pipelines across the country. It further aims to increase the share of natural gas from the current levels of around 6% to 15% by 2022 and upto 20% by 2030. The demand at the same time is expected to grow to 746 MMSCMD by 2029-30.

City Gas Distribution

The Government has envisaged to develop the National Gas Grid and City Gas Distribution networks in the country to enhance the availability and accessibility of natural gas to public at large. City Gas Distribution (CGD) refers to transportation or distribution of natural gas to consumers in domestic, commercial or industrial and transport sectors through a network of pipelines. The current prominent method of delivery i.e. delivering gas through cylinders is energy intensive and tedious because of the needless involvement of intermediaries including gas agency, distributors etc. Piped supply, on the other hand, is more efficient, accessible and helps in maintaining a continuous supply in the event that the fuel is used in industries.

At present, 31 companies are developing CGD networks across 81 geographical locations in 21 states and Union territories, supplying clean cooking fuel in the form of piped natural gas to about four million households. The Government have ambitions plans to provide **10 million** PNG connections. Besides, CGD has been accorded the highest priority in gas allocation while allocating 100% domestic gas for the domestic PNG and CNG segments. On the regulatory front, the Petroleum and Natural Gas Regulatory Board (PNGRB) has reformed to a large extent the CGD authorisation regulations to address the impediments faced in previous bid rounds. Also, some state governments have introduced sector-specific policies/guidelines enabling overall growth of CGD network in India.

During 2018-19, India completed two rounds of city gas distribution auction. Both the bidding rounds saw more contracts awarded than ever, higher than all the previous 8 bidding rounds combined. That would extend the CGD coverage to over 400 districts equivalent to over 70 per cent of India's population. This will lead to development of massive CGD infrastructure of providing PNG connection to close to five crore homes, setting up about 8,000 to 10,000 CNG stations and laying of **25,000 km to 30,000 km** of steel pipeline in the next eight years.

According to Live Mint, investments as much as ₹ **1.1 trillion** is expected to pour into distribution projects over the course of the next decade

Surya Roshni is evenly poised to respond to the industrial opportunities stated above through its best-in-class quality offerings in its steel pipes and strips segment. The Company is geared up to achieve its business goals through adoption of latest technology, achieving operational efficiencies, providing excellent



customer services and launching innovative and diversified products and retain its prominent position in the Indian steel pipes Industry.

b. Lighting

The Indian lighting industry is evolving rapidly. There has been a shift from conventional Fluorescent Lighting (FTL and CFL) incandescent bulb and High Intensity Discharge (HID) lamps to LEDs owing to its energy efficiency. The conventional lighting has been on a decline mode since four years and the market is currently going through a visible demand shift. India is the second most populous country in the world and yet, is only the fifth largest electricity consumer – a situation that has led to an ever-widening demand-supply gap. However, the acceptance levels of the LEDs is now on a rise with higher demand being driven from the construction segment, replacement as well as rural India. There has been also a significant rise in the demand for battens, downlighters and smart lighting for households. The Electric Lamp and Component Manufacturers Association of India (ELCOMA) predicts that LED market will grow to ₹ **261 billion** by 2020, taking the LED Market share to **80%** of the total lighting Industry.

Key factors that are expected to boost the market include declining LED prices coupled with favourable government initiatives to provide LED lights at subsidised cost. Under Street Lighting National Programme (SLNP), EESL seeks to replace 3.5 crore conventional street lights with energy efficient LED lights across the country. At present, around 9 million street lights have been replaced with energy efficient LED lamps. The project is implemented across 23 States and Union Territories.

Additionally, other Government schemes introduced post 2014 include DDUGJY (Deen Dayal Upadhyaya Gram Jyoti Yojana) to improve electrical supply in rural India, Bijli Har Ghar Yojana (Saubhagya) to electrify **40 million** families in rural and urban areas and Unnat Jyoti (UJALA) to distribute **770 million** LEDs across 100 cities. Under UJALA over 350 million LED bulbs have been distributed to the consumers in India by the end of June 2019.

Going ahead, smart, connected LED lights are the next big thing in the LED lighting market. Lighting systems are getting smarter as autonomous, self-commissioning illumination systems are emerging. The industry has switched from analogue to digital systems as LED lighting allows users to control, monitor and measure lighting output. This transformation is taking place across public, home and professional lighting, and these smart connected LED lights will emerge as the most widely adopted IoT devices within the next few years. Control devices, dimmers and wireless lighting with advanced sensors will cater to the needs of modern consumers. Technology adoption and consumer price sensitisation will be the



key drivers of India's LED growth story. The industry offers innumerable opportunities for growth over the next decade. With Government's steady focus on promoting energy-efficient LEDs, the industry would gradually shift towards a consolidation of the organised segment.

c. Consumer Durables



1. Fans

The Indian Fan market is broadly classified into Ceiling fans, Table fans, Pedestal fans and Wall fans. While ceiling fans dominates the organised market in terms of volume, table fans, pedestal fans and wall fans follow also are gaining equal prominence. The unorganised sector is heavily dominated by ceiling fans and table fans. Much of the sale of organised sector is in the metro, tier I and tier II markets. Moreover, the export of fans from India has grown considerably in the last few years and is a testimony to the quality and development of fan industry in India.

Going forward it is projected that the Indian electric fans market will surpass \$2 billion by 2023. With the growing housing sector, increasing disposable incomes, higher number of organised outlets, rising preference for online sales and emergence of smart

fans (like dust free, LED), the demand for electric fans will continued to grow.



2. Home Appliances

The Indian Home Appliances Industry has consistently grown with current trends and reinventing old technologies to suit the consumer requirements of today. In today's day and age, consumers are looking for the convenience in the form of household appliances. Formerly known as 'appliances of the west', products like the vacuum cleaner, slow juicers, hand blenders, washing machines, etc have made its way into authentic Indian kitchens. The common factor driving the demand for such appliances is the proposition of convenience, time reduction on daily chores. The year 2018, revolutionised the home appliances industry with the introduction of innovations like smart appliances inclusive of energy saving tools, wireless, sensor-driven products, voice command for hand-free movement, digital features and mobile integration.

Over the years, the markets and consumers have changed considerably. Rising per capita disposable income of consumers, especially upper and lower middle income groups, aspiring millennials, growing working population and the ever-evolving consumer lifestyle are responsible to boost the home appliances industry in India. The industry is expected to witness a **13% CAGR** till 2023.

Section 3

Operational Review

1. Steel pipes and strips

| Particulars | 2018-19 | 2017-18 |
|-----------------------------------|---------|---------|
| Contribution to total revenue (%) | 74 | 72 |
| Net revenue (₹ crore) | 4,427 | 3,555 |
| PBT (₹ crore) | 74 | 64 |

The Company's state-of-the-art pipe producing units are situated in Haryana, Madhya Pradesh, Gujarat, and Andhra Pradesh. Each plant is equipped with high-end machines, slitting lines, pipe mills, galvanising units, finishing machines and fail-safe, high pressure hydro testing machines. Besides, each plant is also equipped

with adequate handling facilities. These pipes are sold under the brand 'Prakash Surya'. The ERW and Spiral welded pipes as well as API pipes are exported and widely accepted across 50 countries globally.

Products



A. ERW Steel Pipes (Galvanised (GI), Black and Hollow Section)

The Company's ERW Steel pipes are manufactured in the range of 1/2" to 16" diameter. These pipes are broadly used across Agriculture, Industry and Construction activities like scaffolding, casing and tubing in bore wells. It forms an important mode to transport water, gas, petroleum, chemicals and other liquids over long distance. These pipes possess the strengths to meet the difficult prerequisites of the industry. The quality of the pipes manufactured are as per national and international specified standards.

USPs

- ▶ No. 1 in India (ERW GI) and exports (ERW)
- ▶ Meets 8-10% of India's demand for GI pipes and comprises of 15% share in the organised segment
- ▶ Finds application in India's agriculture sector with over 40% market share in Northern states (Madhya Pradesh, Rajasthan, Maharashtra, Haryana) and around 60% market share in South (Karnataka, Andhra Pradesh and Kerala)
- ▶ Provides piping requirements for housing in the hilly regions like Jammu and Kashmir, Uttarakhand and Himachal Pradesh etc.
- ▶ Temperature-controlled processes for right shape and aesthetics





Applications and opportunities

Exports

GI Pipes

Middle East, Australia and New Zealand

▶ Construction segment and firefighting

Europe, Germany and UK

▶ Applications across railings, public places, railway stations and buildings, where aesthetics plays a big role

Opportunities:

A proven performer in the export markets. The Company stands to leverage the construction activities in its areas of operations. Besides, it will continue to cater to the requirements of the fire-fighting industry.

Domestic

GI Pipes

- ▶ Agriculture & irrigation
- ▶ Casing and tubing
- ▶ Water transportation/ plumbing and pipelines
- ▶ Green house
- ▶ Fire fighting
- ▶ Solar panels
- ▶ Spur lines– joining main line to home lines

Black

- ▶ Industrial infrastructure/construction works/fabrication
- ▶ Road transportation – side structures/fencing (section pipe, sign boards)
- ▶ Railways – platforms, bullet trains, metros
- ▶ Airports structures
- ▶ Smart Cities – new pipelines for water
- ▶ River connectivity and interlinking
- ▶ Door frames, window frames and furniture (section pipes)
- ▶ Scaffoldings

Hollow

- ▶ Engineering & architectural structures
- ▶ Airport, metros, railways
- ▶ Urban development
- ▶ Electrical poles / telecom towers
- ▶ Solar structure
- ▶ Sign boards

Opportunities:

With strong impetus on agricultural segment and water scarcity issues, water transportation is going to be the next big opportunity. Strong industrial development, infrastructure modernisation and smart cities will continue to drive demand for Surya Roshni products. With strong market leadership, the Company stands to leverage the opportunities.



B. API & Spiral

The Company manufactures world-class API pipes with different types of coatings like 3LPE, 3LPP, FBE (single & dual layer) and internal epoxy to provide rust-free properties to the pipe and enhance its durability. The Company has maintained high

quality standards of its products which is at par with the worldwide API line pipe manufacturers with internal and external coatings. Its high specification standards meets the requirements of both national and international markets, including that of American Petroleum Institute (API). It has the necessary accreditations and certifications of 9001, 14001 and 18001. Diverse pipes details, such as, EN, BS, AUSTRALIA and ASTRA GRADE are likewise produced by the Company.

The spiral and welded pipes are manufactured in the range of 18" to 105" with maximum thickness of 1' (25.4 mm). The internal and external coating is done for pipes ranging from 4" to 64" in diameter.

Applications and opportunities

Applications

▶ Oil pipelines ▶ Natural gas ▶ Oil well casing (ONGC) ▶ City gas distribution ▶ Water pipelines - mains, sewerage, industrial water lines and ▶ Plant piping

Opportunities:

Demand for cross country pipelines through the expansion City Gas Distribution Network. Strong investments by hydrocarbon majors will further drive piping demand for oil & Gas.



C. Cold rolled strips and sheets

The Company's cold rolled strips and sheets find extensive application as critical input across auto segments, motor stamping, furniture, and fittings, domestic appliances, drums and barrels, cycle rims, umbrella tubes and tears and rips and engineering applications. Owing to the stringent specifications of these applications, the steel strips have intrinsic quality standards, surface finish and close resistance on dimensions. The Company is adequately equipped to meet the testing needs of the markets through its cold rolled plant at Bahadurgarh (established in 1991 and later upgraded in 2008). The plant serves NCR and different markets of north India, particularly concentrating on the automobile sector with an installed plant capacity of 1,15,000 MT per annum.

The Company's state-of-the-art pipe producing units are situated in Haryana, Madhya Pradesh, Gujarat, and Andhra Pradesh. Each plant is



equipped with high-end machines, slitting lines, pipe mills, galvanising units, finishing machines and fail-safe, high pressure hydro testing machines. Besides, each plant is also equipped with adequate handling facilities. These pipes are sold under the brand 'Prakash Surya'. The ERW and Spiral welded pipes as well as API pipes are exported and widely accepted across 50 countries globally.

Steel pipes and strips Capacities (p.a)

9,00,000 MT

ERW Pipes (including GI capacities of 2,50,000 MT)

2,00,000 MT

Spiral (including offline capacities of 1,40,000 MT)

1,15,000 MT

CR Sheets

3 LPE Coating Facilities

External: **1,850,000 sq. MTR.**

Internal: **1,100,000 sq. MTR.**

Highlights 2018-19

What has the Company achieved

- ▶ Commenced commercial production of the newly set-up 3LPE Coated Pipe manufacturing unit at Anjar-Kutchh (Gujarat) and established record of receiving accreditations and certifications.
- ▶ Established Hindupur facility in 2017 with 2017-18 being the first year of commercial operations – a part of our regional expansion strategy of serving the South Indian markets. During 2018-19 the initial capacity got completely utilised and the unit went for expansion in the second year of operation itself.
- ▶ Received over ₹ 500 crore orders for 3LPE from various oil & gas and CGD players

Long-term benefits

- ▶ Enhance presence in Oil & Gas sector (including CGD) as well as large dia pipe for water supply infrastructure
- ▶ Higher capacity utilisation of its existing ERW and Spiral API Pipe facilities
- ▶ Savings in logistic & coating charges
- ▶ Improvement in top-line and bottom-line
- ▶ Economies of scale at lower capital cost
- ▶ Increased market share in the premium market of South India

Opportunities and demand drivers

City Gas Distribution

The gas economy and pipeline industry move in tandem. Higher the expansions in the sector, larger will be the demand for pipeline. The Government of India's thrust to double the share of natural gas in India's energy mix by 2030, provides around **US\$ 10 billion** impetus to the pipe manufacturers. Besides, in the recently concluded country's biggest city gas distribution network auction, which ambitiously aims to link over 10 million households to the gas grid by 2020, shall provide ample scope of growth of API steel pipe business.

Replacement of aging pipes

Revamping of water pipes to ensure equitable distribution of water and the sanitation infrastructure. The pipe tends to get more corrosive over a long term which may get contaminated with water affecting the health of the citizens.

River interlinking projects

The Government has planned ambitious projects to interlink over **60 rivers** across India. It will deal with the problem of drought and floods afflicting different parts of the country, while decreasing farmers' dependency on uncertain monsoon rains. It is a large-scale civil engineering project to link rivers through a network of **30 canals** and **3,000 small and large reservoirs** across India. This project will generate higher demand for diameter pipes.

Water scarcity

The Government had launched National Rural Drinking Water Programme (NRDWP) in April 2009 to provide piped water connection to 35% of rural households by 2017. However, the scheme could penetrate across barely 18.3% of rural households by end of 2018-19. To make the matter worse, the number of new connections witnessed a decline. As a result, the centre is strongly focussing on providing piped water to households across rural India through its schemes like 'Har Ghar Nal Ka Jal' yojna.



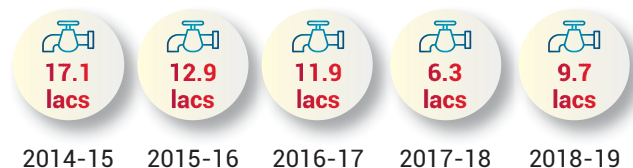
How India stays thirsty

Only 18% of India's 17.9 mn rural homes have tap water

| Year | Rural household (mn) | With piped water supply (%) |
|---------|----------------------|-----------------------------|
| 2014-15 | 17.8 | 13.3 |
| 2015-16 | 17.7 | 13.6 |
| 2016-17 | 17.6 | 15.6 |
| 2017-18 | 17.9 | 17.0 |
| 2018-19 | 17.9 | 18.3 |

The number of new connections in a year has staggered from 17 lacs in 2014 to 9.7 lacs last year

New connections



Development of smart cities, housing for all and modernisation

The Government aims to build 100 smart cities with latest urban infrastructure to provide the best quality of life. Its 'Housing for all' scheme aims to construct over **3 crore homes** for weaker sections of the society. Besides that, many Tier II and III cities are also getting modernised, necessitating the growing needs for water, gas and sewage supply. This will generate demand for pipes.

Rural India

The Government's push to support agriculture sector by transferring, setting minimum set price for commodity, encourage e-trade and strengthen the irrigation and lab facility will ultimately lead to saving cost, improving yield and higher consumption of tubes and pipes in the region.

Growth in different sector

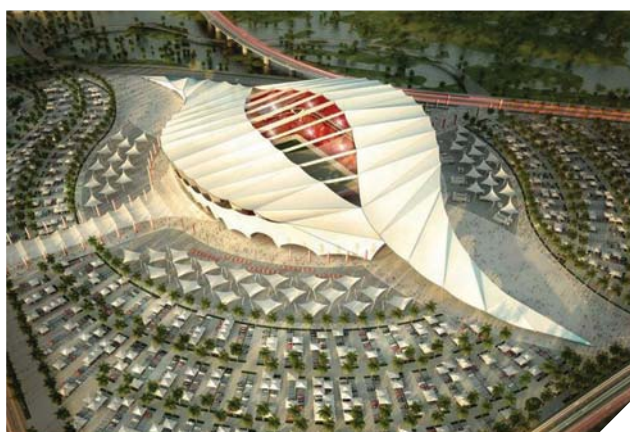
There has been growing need for CR strips in different sectors ranging from auto components to home appliances to engineering sector. India has now become self-dependent for auto component and several other CR sheets applications. Besides, there has been strong traction from exports, which will encourage higher CR strips demand from the Indian companies.

International events

The Company would leverage its positively evolving international reputation of its brand 'Prakash Surya' to benefit from the upcoming major events like **Expo 2020** in Dubai and **FIFA 2022** in Qatar.



Al-Shamal Stadium, Qatar



Al-Khor Stadium, Qatar

Outlook

Going ahead, the Oil and Gas Companies are tendering aggressively for laying new pipelines for transportation of Oil and Gas, accordingly sizeable investment opportunity is anticipated for the expansion of API cross country line. The Government's thrust to strengthen the agricultural and rural economy, promote metro railways, elevated tracks for Railways, City gas projects, infrastructure development and schemes such as Bharatmala Pariyojana and Awas Yojna will ultimately boost the Steel Pipes business.

With strong capacities, benefits of economies of scale, locational advantage and strong presence across the nation, the Company is set to deliver more robust growth ahead.

2. Lighting and Consumer Durables

| Particulars | 2018 - 19 | 2017 - 18 |
|-----------------------------------|-----------|-----------|
| Contribution to total revenue (%) | 26 | 32 |
| Net revenue (₹ crore) | 1554 | 1382 |
| PBT (₹ crore) | 98 | 92 |



Lighting

Overview

Surya Roshni is India's second largest lighting company with a dominating presence in the Tier 2 & Tier 3 cities and rural areas. In the past few years, the Company has upgraded its lighting portfolio by phasing out CFL sales and bringing in diverse LED-based solutions. It has achieved exponential growth in volumes to compensate for falling LED prices and has significantly marked its presence in both B2C and B2B segments. Besides, it has consistently driven innovation by launching LED lighting range of downlighters, battens, lamps, street sights, flood lights and decorative luminaires.

Being a pioneer in presenting quality productive lighting arrangements, Surya Roshni has been giving inventive and safe lighting to its clients. Its state-of-the-art integrated facilities in Kashipur (Uttarakhand) and Gwalior (M.P) ensures every product are extensively checked for a noteworthy life expectancy. A Compulsory Registration Scheme (CRS) of Deity/BIS for LED products mandates standards safety checks of LED products. The Company's manufacturing plants have CRS approval from the Bureau of Energy Efficiency (BIS). It also provides star rating plan for LED lamps which further enhances the luminous efficacy of lamps. Its R&D facility – Surya Technology and Innovation Center (STIC) at Noida – propels best-

SURYA

in-class lighting lab and research focus on LED-based innovations and offerings. The Company enjoys a Pan-India presence through its 2,500 vendors and 2.50 lakh retailers. It also exports to over 40 nations, including the Middle East and U.K (GE, Osram and Tungsum).

The Company has also marked a selective presence in supply to the EESL orders which generated 21% of the Lighting Revenue during 2018-19. Currently, out of 8.7 million Street Lights replaced under SLNP, Surya contributed 2.7 million; out of 350.0 million LED Bulbs distributed by EESL, Surya contributed 39.5 million; out of 7.0 million LED Tube Lights distributed by EESL, Surya contributed 2.6 million. This segment is going to play a very important role in giving a very high surge to LED business in India.

Highlights 2018-19

- ▶ Ranked amongst the most respectful and trusted brand for lighting product in India and awarded with 'Brand Excellence Award in Lighting Category' in North India Best Brand Awards, 2018; also awarded with Champions of Rural Market award from the prestigious newspaper The Economic Times
- ▶ Incorporated a wholly owned subsidiary namely 'Surya Roshni LED Lighting Projects Limited' on 21st January 2019 as SPV for implementation of Greenfield Public Street Lighting Systems in the State of Odisha under LOA for ₹ 59 crore
- ▶ Received orders from EESL aggregated to ₹ 255.18 crore for supply of LED Lightings

Innovation-driven offerings

The past three years have witnessed radical changes through de-growth in conventional lighting products, stabilisation in LED prices and fast phasing out of CFL, leading to exponential growth in LED Lighting. The Company's R&D centre, STIC, is one of the best lighting R&D Centres in Asia that delivers innovation and best-in-class environmental friendly LEDs. The centre is equipped with Mirror Gonio-photometer from LMT-Germany, used for developing new generation energy saving luminaries. In addition, the Company also provides Photometric Optical Testing facility for all kinds of luminaries. Some of the innovative offerings include:

- ▶ High-beam angle LED lamps
- ▶ Colour changer LED lamps
- ▶ New range downlighters and LED battens
- ▶ LED torch with dry cell battery & rechargeable
- ▶ Rechargeable lantern
- ▶ Solar LEDs

Lighting Capacities (p.a)

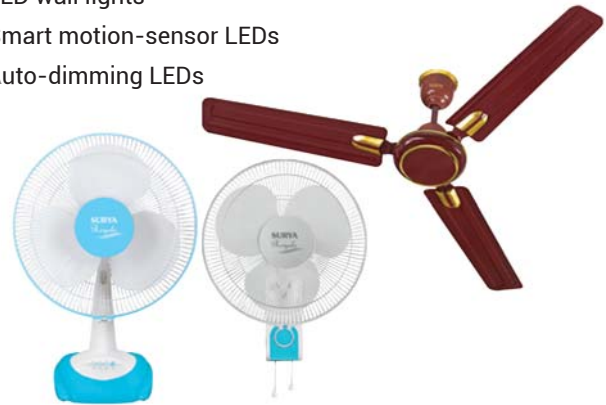
90
Million pieces
LED Bulbs

3.60
Million pieces
LED Streetlights

10
Million pieces
LED tubes & fittings

200
Million pieces
GLS

- ▶ Spotlights
- ▶ LED wall lights
- ▶ Smart motion-sensor LEDs
- ▶ Auto-dimming LEDs



Fans

Overview

The Company's fan business has evolved strongly since its entry into the market in 2014. Within a short time-span, it has achieved sixth ranking in the organised fan segment. Staying relevant to the markets, the Company constantly innovated to launch a wide category of designer and colourful ceiling, pedestal and wall mounting fans along with a wide range of domestic exhaust fans. It has been further expanding its base in this category by launching new variants of energy efficient fans, plated fans, kids fans and under-lite fans, among others.



Home Appliances

Overview

The Company expanded its Consumer Durables portfolio to include other contemporary electrical appliances (mainly brown goods) like – water heaters, room heaters, dry irons, steam irons and immersion heater and kitchen appliances like mixer grinder, induction cookers and toasters, among others. The Company would leverage its existing distribution strength to penetrate deeper into the home appliances segment. During the year, division has achieved a growth of 35% and has successfully launched range of glass cooktops.



PVC Pipes

Overview

The Company's inhouse manufacturing unit develops range of PVC pipes which find its applications across water management, housing sector, agriculture & irrigation system, domestic & industrial drainage system – cold/hot water plumbing, industrial process lines, swimming pool and salt water lines, among others. With capacities in place, the Company stands to benefit from the sizeable business opportunity derived out of the Government's mission to provide access to drinking water under the newly launched 'Har Ghar Nal Ka Jal' by 2024 under the Jal Jeevan Mission.

Opportunities and demand drivers

Macro-economic fundamentals

According to a World Economic Forum Report, India is poised to become the third-largest consumer market after US and China. The consumer spending in is expected to grow from **USD 1.5 trillion** at present to nearly **USD 5 trillion** by 2025. India's **top 40 cities** will form a **USD 1.5 trillion** opportunity by 2030, many thousands of small urban towns will also drive an equally large spend in aggregate. In parallel, there will be an opportunity to unlock nearly USD 1.2 trillion of spend in developed rural areas by improving infrastructure and providing access to organised and online retail. These factors will strongly drive the need of consumer durables.

Government initiatives

Under the government energy efficiency programmes, more than 21 crore LED lights were distributed in the nation which brought about savings of ₹ **11,000 crore** for the buyers with reduction in the electricity bills. The Government has reduced the prices of LED bulbs to encourage the affordability of the less power consuming lights. Moving forward, Under Domestic Efficiency Lighting Program, the government wants to replace all the **77-crore** conventional bulb sold in India with LED bulb.

Organised sector growth

Improved GST collection growth is an evident proof that the government has been successful in the formalisation of the economy. This is adding up to the growth in lighting, fans and home appliances space for organised sector, as the price differential with the unorganised segment is gradually reducing.

Rising disposable income and easy access to credit

Rising Disposable income and easy access to credit influences consumer's buying decision. Lenders' kiosks have been set up in almost every electronic outlet in India

in a bid to encourage aspirational and price-sensitive consumers to buy products at minimal or no interest costs without furnishing any collateral that makes it significantly hassle free to own these goods.

Growing real estate segment

With the implementation of affordable housing, RERA, rising tourism, changing buying behaviour and improvisation in literacy rate has led to growth in the residential, retail, hospitality and commercial space which will ultimately drive the demand for lighting and consumer durable industry.

Energy efficiency and premiumisation

The market for energy-efficient products, for example, LED lighting is going to develop with riding on the initiative that encourage the utilisation of LED lights. As, LED is not only having longer life span, but it tends to operate well at different temperature. Further the attention on smart city projects, and changing lifestyle of the consumer along with rising disposable income will also play a vital role in purchase of premium product. India being the second most populous country in the world and still it is only the fifth largest electricity consumer – a situation that has led to a widening demand-supply gap. With young and working population this demand-supply gap is going close with rise in the usage for home appliances.

Rural India

The Government's initiatives like 'Housing for All', rural electrification and 'Power For All' have been able to cover the previously underserved/unserved regions of India pretty considerably. Schemes like 'Saubhagya plan' to ensure power supply to unelectrified household and 'Deen Dayal Upadhyaya Gram Jyoti Yojana' to strengthen the electricity infrastructure in rural areas will help the company in the lighting segment. This has resultantly led to a shift of source of lighting from kerosene to bulb/LED. Rural Indian household have enough surplus to purchase the fan. Further to this, major fan sales happened in 2002-2006. This will lead to strong replacement demand as life span of the fan is 10-15 years.

Increasing use of plastic money

The growing use of 'plastic money' i.e. credit and debit cards has resulted in an increased spending amongst the consumers thereby fuelling the demand in the durables sector. With the acceptance of plastic money by almost all the retailers in the organised segment, the number of outstanding plastic cards in the country is on a rise. The incentives such as cash-back offer or discounts on selected sales linked to the plastic money have lured the Indian consumer to experience the pleasure of 'cashless shopping'. Also, with year round discounts on e-commerce, reduced tax rates and advancements in technology at lower costs, demand is further expected to get a boost.

Outlook

For Surya Roshni, customer experience encompasses every aspect of a company's offering— be it product, innovation, reach, quality, brand, packaging and reliability. With strong

foothold in rural and semi urban areas, the Company will look forward to accelerate growth by introducing more value-added premium range of LED Down-lighters, Battens, Lamps, Street Lights, Fittings and other decorative luminaires. Besides, it will leverage the technology to deliver efficient smart lighting products which will drive novelty to an indispensable daily companion through smart control devices.

Section 4

Competitiveness

Brand: Surya Roshni has established its reputation as one of the most reliable and credible brands of India as well as worldwide markets. The 'Prakash Surya' brand for the Steel Pipes and Strips segment goes synonymous with quality and robustness. While 'Surya' brand caters to lighting and customer durables segment, that has gradually captured the consumers' mindshare. Post GST implementation there has been a strong emphasis on the organised segment. Besides this, the Company has been consistently spending on its brand visibility by means of advertisements, hoardings and team jersey sponsorship for Rajasthan Royals in the recently concluded IPL 2019.

Localisation: To become a manufacturing nation, it is important for India to encourage localised production. With Government's 'Make in India' initiative, there has been a strong boost to the domestic made products. Surya Roshni stands to benefit directly owing to its reputation and strong manufacturing forte in delivering world-class products across both its business segments.

Locational advantage (Steel Pipes): The Company enjoys locational advantage with its plant strategically located near ports, national highway and across PAN India which will save the logistic cost for the Company. Also, it will ensure quicker delivery of products to the customers in the nearby vicinity.

| Location | Advantage |
|-------------|--|
| Bahadurgarh | Proximity to adjacent markets of North India, largely to the auto-components Segment |
| Anjar | Proximity to ports |
| Hindupur | Proximity to South Indian market |
| Gwalior | Proximity to UP, MP, Rajasthan and Chhattisgarh |

Quality: The Company has acquired quality certifications from the leading international agencies and has consistently built a track record of good quality outcome, best after sales services and healthy client relations. With ISO 9002:2008, ISO 14001:2004 & OHSAS18001:2007 accreditations added to its repertoire, the Company stands tall on its promise to deliver environment friendly and quality items.

Strong Distribution network (Lighting and Consumer Durables): The Company enjoys a Pan-India presence for its products through its wide network of over 2,500 distributors and 2,50,000 country wide retailers. This allows the Company to penetrate deeper into the Indian markets, including the rural areas and enhance its market share.

Raw Materials: The Company sources its raw material from reputed quality vendors like SAIL, JSW, Hindustan Zinc, Tata Steel and Essar Steel. The Company also imports HR Coils in super EDD grade & higher elongation from Posco, Angang, Sngang and Zaporzhstal, as per the requirements from the client.



3LPE coated pipes at Anjar Plant, Gujarat



Spiral Pipes at Anjar Plant, Gujarat



Dealer conference at Dubai

Experiences: The Company's management has over four decades of experience in the Steel Pipe Industry and nearly three decades of experience in the Lighting industry, thus bringing in the necessary experience and expertise that drives the future vision of the Company.

Section 5

Financial Review

(₹ in crore)

| Particulars | Standalone | | Consolidated |
|--|------------|-----------|--------------|
| | 2018 - 19 | 2017 - 18 | 2018 - 19 |
| Revenue from Operations | 5,977.04 | 5,011.76 | 5,975.04 |
| Other Income | 4.11 | 2.66 | 4.11 |
| Total Revenue | 5,981.15 | 5,014.42 | 5,979.15 |
| EBITDA | 376.16 | 348.59 | 376.07 |
| Finance costs | 115.07 | 105.16 | 115.08 |
| Cash Profit | 261.09 | 243.43 | 260.99 |
| Depreciation and amortisation expenses | 88.51 | 87.31 | 88.51 |
| Net Profit Before Tax | 172.58 | 156.12 | 172.48 |
| Tax Expenses | 51.70 | 48.08 | 51.67 |
| Net Profit After Tax | 120.88 | 108.04 | 120.81 |
| Other Comprehensive Income | (3.15) | (3.72) | (3.15) |
| Total Comprehensive Income | 117.73 | 104.32 | 117.66 |
| EPS | 22.22 | 19.86 | 22.20 |

The Company maintained its leadership in the manufacturing of ERW GI Steel Pipes & Strips and continued to be a strong contender in the Lighting industry. In the fiscal year under review:

- ▶ The revenue from the Company's operations registered an increase of 19.26% and was reported at ₹ 5,977.04 crore as compared to ₹ 5,011.76 crore in the previous year.
- ▶ EBITDA increased 7.90% to ₹ 376.16 crore as compared to ₹ 348.59 crore in the previous year
- ▶ Profit before tax increased 10.54% to ₹ 172.58 crore as compared to ₹ 156.12 crore in the previous year
- ▶ Profit after tax increased 11.87% to ₹ 120.88 crore as compared to ₹ 108.04 crore in the previous year

Key Financial Ratios

| Particulars | Standalone | | Consolidated |
|--|------------|-----------|--------------|
| | 2018 - 19 | 2017 - 18 | 2018 - 19 |
| Debtors Turnover (Days) [§] | 54 | 52 | 54 |
| Inventory Turnover (Days) ^{§§} | 52 | 60 | 52 |
| Interest Coverage Ratio ^{&} | 3.27 | 3.31 | 3.27 |
| Current Ratio [*] | 1.33 | 1.33 | 1.33 |
| Debt Equity Ratio ^{**} | 1.03 | 1.05 | 1.03 |
| Operating profit margin (%) [#] | 6.22% | 7.02% | 6.23% |
| Net Profit profit margin (%) | 2.02% | 2.16% | 2.02% |
| Return on Net Worth [@] | 10.99% | 10.81% | 10.99% |

[§] Debtors (including unbilled revenue and non current receivables) / (Revenue from operations / 365)

^{§§} Inventory / (Revenue from operations / 365)

[&] Interest (Finance cost) / EBITDA

^{*} Current Assets / Current Liabilities (including Current maturity of long term borrowings)

^{**} Debt (Working capital + Long Term Debts including Current maturity of long term loans) / Equity

[#] Operating profit (excluding other income) / Revenue from operation

[@] Profit for the year / Average Net Worth

There are no significant changes in the key financial ratios and return on Net worth as compared to immediately previous financial year.

The overall performance is the result of operational excellence in both the segments which also improved ROCE and ROE.

Note: 1. Consolidated figures and ratios of previous year are not applicable since the sole subsidiary was incorporated on 21st January, 2019.

Credit Ratings: The Company's credit rating has improved consistently over the past few years and at present has A+ rating for long-term bank facilities. The CP rating of the company (A1+SO) reflects relatively stronger credit quality and higher degree of safety regarding timely payment of financial obligations.

Section 6

Risk Management

Like any other business organisation, the Company is exposed to internal as well as external risks, categorised into operational, financial, regulatory etc. The Company's robust Risk Management Policy is adopted to build a strong mitigation network. The key objective of the policy is to ensure sustainable business growth with stability and to promote an upbeat approach towards risk management and mitigation. The key objectives include:

- ▶ Identification of the current and future material risk exposures of the Company and ensure they are appropriately mitigated, minimised and managed.
- ▶ Protecting brand value through strategic control and operational policies
- ▶ Establishing framework for the Company's risk

management process and to ensure company-wide implementation

- ▶ Ensuring systematic and uniform assessment of risks related to different functions of the Company
- ▶ wherever applicable, through the adoption of best practices

The Company has laid down a strong foundation for a successful risk management process. The key roles and responsibilities around major business processes are assigned to process owners. The major steps in the Risk framework include:

- a. identification of risks under various categories like operational, financial, regulatory, technological and related to human resources
- b. assessment of risks in terms of severity of impact and likelihood of occurrence,

- c. assignment of responsibilities,
- d. development of mitigation plans which create value for business and
- e. monitoring and reporting.

The Board of the Company periodically reviews and evaluates the risk management system of the Company so that the management controls the risks through a properly defined network. The Head of the Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

No risks threatening the existence of the organisation have been identified. However, there are other risks against which adequate mitigation plans are prepared. Following are some risks and their mitigation measures:

| RISK TYPE | RISK DEFINITION | RISK MITIGATION |
|-------------------------------|---|--|
| Technology Risk | The ever-evolving technology with continuous updation may lead to product obsolescence, if not addressed regularly. | The Company makes all efforts in innovating and staying abreast with the best technological know how and development of new products. The Company has state-of-the-art R&D facilities in Lighting segment. In Steel business, the experienced team of technical staff takes care of development of products. Regular updation takes place in both businesses to achieve best quality at competitive costing. |
| Financial Risk | The policy rates have started showing increasing trend in view of inflationary pressures, which may impact profitability. | As the credit rating of the Company has improved consistently over the last three years, the impact will be restricted. The Company has always been exploring cheaper financial products like commercial papers, WCDL, Export Packing Credit, Foreign Currency Loan at lower spread (Fully Hedged), to keep the cost of funds to minimum level. |
| Regulatory Risk | Non-compliance to stringent regulatory and environment norms may result in liabilities and loss of brand reputation. | The Company strictly complies with all statutes applicable to its operations. There are trained staff members entrusted with regulatory responsibilities which are monitored and reported at the highest levels. The Company also uses services of legal and regulatory consultants. |
| Forex Fluctuation Risk | The Company deals in exports / imports of products in business and borrowings which are subjected to currency fluctuations. | To counter exposure to foreign exchange volatility, the Company has formulated foreign exchange hedging policy to protect the trading and manufacturing margins by 100% hedging against forex. |
| Human Resources Risk | The Company needs adequate talent to run the business. There is a risk labour unrest and maintaining good industrial relations. | The Company has developed and acquired trained manpower to run its operations. The company periodically reviews its senior management team to ensure continuity in leadership. The HR policies ensure to attract and retain the best talents and maintain attrition at low level. The industrial relations are managed through incentivising, training and counselling of labour. The Company Board has also approved ESOP scheme. |
| Commodity Price Risk | Company sources several commodities for use as inputs in its businesses and their price fluctuations may lead to losses. | In order to manage the Commodity Price Risk, company has a comprehensive risk assessment framework to manage the risks arising out of the inherent price volatility associated with commodities. This includes robust mechanisms for monitoring market dynamics on an ongoing basis towards making informed sourcing decisions and continuous tracking of positions. |

Further, the Company has in place a mechanism whereby the Audit Committee of the Board defines risk exposures, measuring them and defining appropriate actions to control the risk.

Section 7

Internal control systems

The Company has a proper and adequate system of internal control system commensurate with the size and nature of business. It is an integral component of the Company's corporate governance. The Company has in place a strong and independent Internal Audit Department responsible for assessing and improving the effectiveness of internal control and governance. Internal Audit focuses on operational as well as systems audit. The function is also strengthened by hiring the expert professionals. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. Extensive programme of risk and transaction based internal audits cover all divisions, plants, branches and the different areas of operations. The Audit Committee of the Board is updated periodically on major internal audit observations, compliances with accounting standards, risk management and control systems. The Audit Committee assesses the adequacy and effectiveness of inputs given by the internal audit and suggests improvement for strengthening the control systems. Further, the Company has an extensive budgetary control system, which is regularly examined by the management. Surya Roshni has well defined Management Information System with clear organisational structures and authorisation levels for business transactions. The Company's internal financial controls are adequate and operate effectively which ensures orderly and efficient conduct of its business, including adherence to its policies, safeguard its assets, prevent and detect frauds & errors, maintain accuracy and completeness of its accounting records and further enable it in the timely preparation of reliable financial information. Surya also undertakes external audit for efficient audit and control for its branches and depots and also for specialised functions like taxation.

Section 8

Material developments in human resources/industrial relations

Surya Roshni recognises the importance of its human capital and continues to focus on holistic human resource development. The Company firmly believes that engaged and competent employees are critical to fulfil its business objectives and hence, all HR initiatives are aimed at creating alignment and stimulation so that employees can fulfil their potential and deliver value to the Company.

The Company continuously aims to offer career advancement and growth opportunities to its people. The employee friendly HR policies create an environment of learning and development, while promoting internal talent and developing cross-functional expertise. The Company

has embarked on several human resource initiatives to enhance organisational productivity and that of each individual. It has also invested a high emphasis on driving an effective and transparent performance culture. Top performers and achievers are recognised in the 'Surya Parivar' for their exemplary performance in the rewards and recognition program.

The Company continued to maintain amicable industrial relations by focusing on increased worker-level engagement through formal and informal communication and training forums. As on 31st March 2019, the Company had direct 3,539 employees on its payroll.

Section 9

Corporate Social Responsibility

The CSR movement in Surya Roshni is based on the core belief of compliance of social and ecological responsibilities. Corporate social responsibility is basically a continuous ongoing process whereby the Company contributes to the betterment of society and a cleaner and greener environment.

The key objectives of Surya Roshni CSR policy are mentioned in Annexure V to Board's Report. To attain the Company's Corporate Social Responsibility objectives in a professional and integrated manner, the Company discharged its responsibilities through the Surya Foundation. In pursuance of this objective, the Foundation is working in the areas of Adarsh Gram Yojana, development of preventive and cost effective health systems of naturopathy and yoga and Ideal Village Projects with emphasis on Literacy and Personality Development of Youth.

During the year under review, the Company on consolidated basis spent ₹ 2.57 crore on corporate social activities, being two percent of the average net profits of the company made during the three immediately preceding financial years.

Cautionary statement

This report contains forward-looking statements about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expressions for future are forward-looking statements. Forward-looking statements should be viewed in the context of many risk issues and events that could cause the actual performance to be different from that contemplated in the Directors' Report and Management Discussions and Analysis Report, including, but not limited to, the impact of changes in oil, steel prices worldwide, technological obsolescence and domestic, economic and political conditions. The Company cannot assure that the outcome of these forward-looking statements will be realised. The Company disclaims any duty to update the information given in the aforesaid reports.



Board's Report & Financial Section

Board's Report

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BOARD'S REPORT

To the Members,

The Board of Directors hereby submits the Forty Sixth report of the business and operations of the Company along with the audited financial statements, for the financial year ended March 31, 2019. The Consolidated performance of the Company and its wholly –owned subsidiary has been referred to wherever required.

1 RESULTS OF OPERATIONS AND STATE OF AFFAIRS:

| Particulars | (₹ in crore) | | |
|--|------------------------------|---------|------------------------------|
| | Standalone | | Consolidated |
| | For the year ended March 31, | | For the year ended March 31, |
| | 2019 | 2018 | 2019 |
| Revenue from Operations | 5977.04 | 5011.76 | 5975.04 |
| Other Income | 4.11 | 2.66 | 4.11 |
| Total Revenue | 5981.15 | 5014.42 | 5979.15 |
| EBITDA | 376.16 | 348.59 | 376.07 |
| Finance costs | 115.07 | 105.16 | 115.08 |
| Cash Profit | 261.09 | 243.43 | 260.99 |
| Depreciation and amortisation expenses | 88.51 | 87.31 | 88.51 |
| Net Profit Before Tax | 172.58 | 156.12 | 172.48 |
| Tax Expenses | 51.70 | 48.08 | 51.67 |
| Net Profit After Tax | 120.88 | 108.04 | 120.81 |
| Other Comprehensive Income | (3.15) | (3.72) | (3.15) |
| Total Comprehensive Income | 117.73 | 104.32 | 117.66 |
| EPS | 22.22 | 19.86 | 22.20 |

Standalone Financial Highlights:

In the fiscal year under review, the revenue from operations of the Company is ₹ 5977.04 crore as compared to ₹ 5011.76 crore last year register an increase of 19.26%, EBITDA to ₹ 376.16 crore from 348.59 crore register an increase of 7.90%, Profit before tax stands at ₹ 172.58 crore as compared to ₹ 156.12 crore last year, registered an increase of 11.05% and Profit after tax stood at ₹ 120.88 crore as compared to ₹ 108.04 crore last year, registered an increase of 11.88%. The overall performance is the result of Operational excellence, higher returns with efficiency in manufacturing cost in both the segments, which further improved ROCE and ROE.

Consolidated Financial Highlights:

The Sole wholly-owned subsidiary company namely SURYA ROSHNI LED LIGHTING PROJECTS LIMITED has been incorporated on 21st January, 2019 as Special Purpose

Vehicle (SPV). As the company has been incorporated during the year under review, previous year Consolidated figures are not applicable. However, respective standalone figures may be referred for the same.

In the fiscal year under review, the revenue from operations of the Group is ₹ 5975.04, EBITDA to ₹ 376.07 crore, Profit before tax stands at ₹ 172.48 crore and Profit after tax stood at ₹ 120.81 crore.

STEEL PIPES & STRIPS SEGMENT

Steel Industry has witnessed stupendous performance during the year world-wide. In India, Steel consumption significantly depends on the overall performance of the economy (GDP) and more specifically on investments made in fixed assets such as housing, infrastructure like railways, ports, roads, airports, etc. Anticipated increase in GDP will result in higher consumption and demand of steel products.

Surya being the largest exporter of ERW pipes and largest producer of ERW GI Pipes in India. manufactures ERW Steel pipes (GI Black, Hollow section), API & Welded pipes, Spiral, 3LPE Coated pipes & CR strips having wide applications of its products in agriculture, infrastructure, oil & gas and construction sectors. Company products are approved by API (American Petroleum Institute) for Oil & Gas sector. During the year, the steps taken by the company for new products development has further strengthened its operations resulted into increased volume of steel pipes. During the year under review, the gross revenue from operations of the Segment stood at ₹ 4426.70 crore as compared to ₹ 3,623.40 crore last year, registered an increase of 22.17% (volume increased by 20%) and Profit before tax (PBT) increased by 15.25% to ₹ 74.28 crore from ₹ 64.45 crore from the corresponding period last year.

The better performance of the segment is derived on account of Hindupur plant at A.P. Seeing the awesome response in South Indian Markets, the company has further enhanced the installed capacity of ERW Steel Pipe & Strips Unit at Hindupur, A.P. by 12,000 M.T per annum i.e from 1,50,000 MTPA to 1,62,000 MTPA during the year under review.

The segment has gained enormous strength with the start of Commercial production at its newly set-up 3LPE Coated Pipe Manufacturing Unit at Anjar-Kutchh (Gujarat) by higher capacity utilisation of its existing ERW and Spiral API Pipe facilities, savings in logistic & coating charges, leading to creation of a larger and stronger steel pipes business of the company at economy of scale.

ANJAR (KUTCH)

The merger of unit (e-SGSTL) with the Company resulted in economy of scale and also open additional avenues of growth in terms of volume, new products, improved profitability and edge of doing business. It also leads to consolidation of steel pipes business, optimal utilisation of resources and bringing the benefits of overall synergy, common management, reduced finance cost, improved credit rating and other benefit of integration.

The Unit which is established in the year 2010 on 92 Acres are in close proximity to two major Kandla and Mundra port gives strategic advantage in exports and imports. The unit has successfully manufactured API 5L X – 70 PSL2 Grade pipe for Oil & Gas Industry.

The Company has established world's one of the best 3LPE Coating facility having latest technology from Selmer, Netherland at its unit and has commenced Commercial Production on November 05, 2018 for 3LPE Coated Pipe Manufacturing Unit with an installed capacity of 18,50,000 Sq. mtr. for External and 11,00,000 Sq. mtr. Internal Coating for pipes ranging from 4" to 64" diameter. With the commencement of the aforesaid unit, the Company will be benefitted by higher capacity utilisation of its existing Spiral and API Pipes facilities, achieve savings in logistic & coating charges which will further strengthen the presence of the Company in the Domestic as well as Global 3LPE Coated Steel Pipes Segment for Oil, Gas (including CGD) and Infrastructure Sector, leading to improvement in top and bottom line of the Company's Steel Pipe & Strips Segment.

Climbing the ladder of success very fast, the company has received during the current year an order of ₹ 231.18 crore (GST Extra) from IOCL for API Grade pipes. Further, in the last reported financial year, Company has received orders aggregate amounted to ₹ 190.62 crore for supply of 3LPE Coated API line pipes for CGD & CNG and ERW pipes from Government and State institutions and the same are under execution as per schedule

The Company continued to maintain its supremacy in the domestic market and is now at par with all the leading global pipe manufacturers in terms of supplying high quality of API line pipes with internal & external coating. Different types of coating like 3LPE, 3LPP, FBE (single & dual layer) and internal epoxy coating are carried to safeguard the pipe from rusting and also increases the life of the pipe. Different other pipes specifications such as EN, BS, AUSTRALIA & ASTRA GRADE are also manufactured by the Company.

Bhuj Plant, being situated at coastal location with nearby two major ports, exports 70% of its production as it is having strategic advantage in exports and imports.

The wide acceptance of Company's steel pipe products are evident with its expanding market share and brand preference. As world-class quality products of the Company are being sold by 250 dealers and 21,000 retailers across India and are also being exported to more than 50 countries across the globe namely UAE, Australia, Egypt, EU, Canada, US etc.

Upbeat by Government policies at the centre and in particular its recent National Steel Policy 2017, will further boost sentiments of steel pipe sector in a big way. Government programs such as Development of 100 Smart Cities, Skill India, Renewal and revival of road / rail infrastructure projects will further provide a big boost to the Company's Steel Segment in times to come.

LIGHTING & CONSUMER DURABLES SEGMENT

The segment registered much improved performance on account of increasing sales of LED lights leading to an increase of 11.37% in Revenue from Operations (net of taxes) to ₹ 1553.69 crore from ₹ 1395.01 crore, EBITDA increased by 7.83% to ₹ 149.28 crore from ₹ 138.43 crore and Profit Before tax (PBT) increased by 7.23% to ₹ 98.30 crore from ₹ 91.67 crore during the corresponding last year. Further for the year under review, consolidated gross revenue from operations of the divisions stood at ₹ 1553.41 crore and Profit before tax (PBT) to ₹ 98.20 crore

Strong growth of 19% registered in Q4FY19 as compared to Q4FY18. LED Lighting registered 35% growth with continuously increasing share in overall revenue, constitutes 75% of lighting revenue during Q4FY19 as compared to 69% during Q4FY18.

Ranked as one of the most respectful and trusted brand for lighting product in India, Surya, manufacture all the LED products in-house, backed by strategic marketing initiatives and strong trade channel followed by orders of Street lights received from EESL, Company posted a growth of 36% in LED lights during the year. To further accelerate the growth, the Company has introduced more premium range of LED Down-lighters, Battens, Lamps, Street Lights, Flood Lights, other decorative luminaires and will continue to participate aggressively in the tendering of Street Lights orders of EESL.

The Company feels immense pleasure by successfully completing the LED Lighting installation at 'Kumbh Mela' with specific recognition by the media. Aggressive advertisements, sponsorships and sales promotion activities has improved the Brand visibility across India.

The Company became the first lighting company in India to introduce energy-efficient lighting solutions. Today, Surya ranked as one of the most respected and trusted brand in India for its Lighting products. Surya, offers wide range of LED products ranging from 0.5w to 25w Lamps,

Down-lighters, LED Panels, LED Street lights & LED Hi-bays for Indoor, Commercial and Industrial Lighting sectors which are produced in-house after extensive R&D at its Noida based R&D Centre to suit Indian conditions. Many new products such as High Beam Angle LED Lamps, Color Change LED Lamps, New Range Down lighters, LED Torch with Dry Cell Battery Rechargeable etc. will also be introduced in near future to cater to the growing demand of the customers. This gives Surya an edge over its competitors.

The LED products add a great amount of colour & class as well as complimenting the existing range of company products which include CFL, Tube Light, GLS, Luminaries and Accessories, High Mast Lighting Systems, Lighting Poles etc.

The Company's Lighting and Consumer Durables Segment is not limited to Lighting Products only but also includes Fans, Home Appliance and Consumer Durables in its segment. The acceptance of the brand Surya fans, Home Appliances and Consumer Durables was overwhelming amongst distributors, retailers as well as customers. Surya, added value added and premium range of fans such as Plated fans, Kids fans, Under-lite fans, Ventura, Metallica all in premium Plated finish and even fans with LED in more than 15 designs during the year. Further, Surya ventured into Room Coolers and sold decent quantity, totally against advance payment.

With government initiatives like building smart cities across India and structural shift in the lighting industry towards LEDs the company is poised to grow by leaps and bounds in years to come.

FUTURE PROSPECTS

STEEL PIPES & STRIPS SEGMENT

Development of India is closely linked to the growth of its Steel Industry. Steel plays a vital role in the development of modern economy and consumption of steel widely taken to be an indicator of economic development. India has become the world's 2nd largest Steel producer surpassing Japan. Steel Pipe Industry continues to have a strong demand in traditional sectors such as construction, housing, transportation, agriculture, boring, firefighting, Infrastructure, Oil & Gas sector and river interlinking etc. The industry will serve as the backbone of industrialisation of our country. The benefits of having a functional steel industry will translate to a functional country. Drastic steps have been taken by the Govt. of India to improve overall steel production, consumption and exports.

Demand of steel pipes has been increased all around the sectors like water transportation, agriculture, boring, firefighting, Infrastructure and Oil & Gas sector. Government has ambitious plans to improve network of Gas & oil pipes lines all over India. About 7 lakh tonnes of API line pipe

orders are in the pipeline for the next two years' time. Like this about 5 lakh tonnes of large dia pipes required for connecting rivers for water transportation in the State of Gujarat alone which is also to be supplied during next one year time. River water transportation system has enormous scope all over India.

Government of India through Oil and Gas Companies are tendering aggressively for laying new pipe lines for transportation of Oil and Gas, accordingly sizeable investment opportunity is anticipated for the expansion of API cross country line. In order to increase domestic output and to cut imports, Indian Government has offered further 23 oil and gas and CBM blocks covering over 31,000 sq. km for bidding in the third round of Open Acreage Licensing Policy (OALP). With the launch of entire bidding so far in three rounds, more than 1,20,000 sq. km of area has now been made available for exploration.

The Company will reap benefits of the same as 3 LPE Coating Pipe manufacturing unit commenced commercial production with an installed capacity of 18,50,000 square meter external coating and 11,00,000 square meter internal coating for the pipes having diameter between 4" to 64" at its existing campus of Anjar-Bhuj (Gujarat). With this coating facilities, the Company's presence in supply of pipes in Oil & Gas Sector increases, which will also lead to higher capacity utilisation of API & Spiral pipes in times to come.

India has become the global pipe manufacturing hub primarily due to the benefits of its lower cost, high quality and geographical advantages. The global accreditations and certifications that the Indian companies possess have made them preferred suppliers for many leading oil and gas companies in the world and particularly those in Middle East, North America and Europe. Since the global economy returned to sustained growth, the domestic pipe industry is expected to accelerate into high growth trajectory.

Surya is the largest ERW GI pipe manufacturer and the largest exporter of ERW pipes in India. Surya continuously assess the requirement of its customers and develop the products accordingly. Surya developed and supplied GI pipe up to 24" dia pipe during the year. Surya has good presence in Fire Fighting, Agriculture, Section and API pipes required for infrastructure, household plumbing uses and Oil & Gas sector.

Looking to the brand image of "Prakash Surya", the demand & supply scenario in South Indian market, the Company's state of the art ERW Pipe Manufacturing Mill at Hindupur (A.P) for production of Black, Section and GI pipes also started yielding results. Further, the Company derives benefits of economies of scale at lower capital cost and increased market share in the premium market of South India, leading to savings in logistic cost and strengthening the overall Steel Pipe business of the Company.

With emphasis through the National Steel Policy and Government thrust to strengthen the agricultural and rural economy, increasing the capacity of steel sector, generating solar power, wind power, housing for all, elevated tracks for Railways, City gas projects, infrastructure development for Expo 2020 at Dubai and 2022 FIFA World Cup in Qatar, substantial demand will be generated for the Steel Pipe products and provides ample scope of growth for Steel Pipes manufacturing units.

LIGHTING & CONSUMER DURABLES SEGMENT

The lighting Industry in India is evolving rapidly through the replacement of conventional products by LEDs driven by increasing government initiatives for energy conservation, rising consumer awareness for energy efficient products and innovative products offered by the industry in sync with the mega trend of digitisation of information.

India being the second most populous country and fifth major electricity consumer, has been witnessing ever widening demand vs supply gap in electricity. Consequently, the market for energy efficient products such as LED Lighting Products is bound to grow on the initiatives encouraging use of LED lights and increasing focus on smart city projects, efficient public distribution system and ever increasing need for smart, connected lifestyle and energy efficiency measures. The Electric Lamp and Component Manufacturers Association of India (ELCOMA) predicts that LED market will grow to ₹ 261 billion by 2020 making the LED Market share 80% of the total lighting Industry.

India's LED Lighting market is projected to grow at a CAGR of 26.6% during 2017-23. The Government of India launched an initiative in 2016 to replace conventional lights by LED lights by deploying 770 million bulbs and 35 million street lights by 2019. Further, under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), 273 lakhs LED bulbs have to be distributed to BPL households. The Government has a target of 100 per cent electrification of villages to be achieved by 2019 & houses for all by 2022. Government drives to build Smart Cities will provide further opportunities for growth.

We, at Surya Roshni, manufacture all the LED products in-house. The LEDs manufactured at its fully integrated plants in Kashipur (Uttarakhand) and Gwalior (Madhya Pradesh), supported by Surya Technology & Innovation Centre (STIC) at Noida – an advanced state-of-the-art lighting and research centre with specific focus on LED ensure products are energy-efficient with extremely lower maintenance cost, high brightness, soothing light effect, high-power factor, and wide operating voltage range,

operation in extreme temperatures – which ensure energy savings and comes with the facilitation of a remarkable lifespan. The group, manufactures quality LED products with a world class manufacturing infrastructure.

The LED lamps assembly process is equipped with automatic head assembly machines at Kashipur and Gwalior Plants. These machines are developed in-house by competent team members with an innovative approach. It is the most production friendly and deliver the best quality of products. Surya Roshni established PCB Assembly Unit at Gwalior & Kashipur plants with state-of-the-art automatic component insertion machines for both types of Axial and SMD components. We have a world class setup having Surface Mount Technology (SMT)/AI machines of FUJI/JUKI/Yamaha for assembly of driver/MCPCBs for LED lamps/T-8 LED Tube Lights and Street Lights. All the SMT machines are fine pitch machines being used to insert chip components of all packages using SMT. These machines are used for mounting chip components for CFL and LED driver/MCPCBs. We are adhering to the best quality practices to deliver a zero defect product so as to meet our customer's expectation.

Surya, manufacture all the LED products in-house, backed by strategic marketing initiatives and strong trade channel along with orders of Street lights received from EESL

With strong foothold in energy efficient lighting, Surya is all set to move towards Smart LED Lighting. This technology is transforming from a novelty to an indispensable daily companion through smart control devices. These devices utilise wireless controls for dimming, colour changing and can be managed from anywhere. Together with advanced sensors, smart cameras and other device these smart lighting devices constitute an ecosystem which can enrich the lives of modern consumers who can command and control these device by using simple voice commands or apps.

A good turnover was realised through EESL's (Energy Efficiency Services Limited) LED Lighting program.. We have also made in-roads in prestigious projects like Smart Cities, Metros and Airports.

LED Business continues to contribute 75% of total lighting products and with new range of Architectural Façade Lighting, Decorative Indoor, Industrial and Stadium Lighting luminaire range promises to add a vertical growth from specifiers and architect segment.

Surya, ranked among the most respectful and trusted brand for lighting product in India has been awarded with "Brand Excellence Award in Lighting Category" in North

India Best Brand Awards, 2018 and earlier during the year was awarded with Champions of Rural Market award from the prestigious newspaper The Economic Times. With strong foothold in rural and semi urban areas, the Company is also now focusing on Tier-I cities to accelerate growth and introducing more value added premium range of LED Down-lighters, Battens, Lamps, Street Lights, Fittings and other decorative luminaires.

With continuous focus and energised teams along with Company's established dealer & service network, we are well poised to achieve new heights with healthy growth in top line and bottom line.

RESEARCH AND DEVELOPMENT CENTRE

Surya Roshni is amongst the market leader in Lighting Industry in India. This has been possible partly due to the strong focus on development and introduction of new LED products and technologies. Surya Technology and Innovation Centre (STIC) is at the heart of this growth and has contributed immensely towards achieving the position presently enjoyed by the company.

For the last few years, STIC has been involved in the research and development of LED Luminaires with several unique and first-in-class features. STIC has invested in various resources required for the mechanical, electronics and optical development. Company experienced Mechanical engineers equipped with CAD workstation design new lights ensures that the lights meet the best manufacturing and quality standards. Thermal management is done using thermal simulations during design stage to ensure that it is optimum for the long life of the LED luminaires.

The Company design and develop its own electronic drivers for use in its vast range of LED lights. High quality and reliability of the drivers is ensured right from the design stage. Advanced features of drivers like dimmable drivers, DALI drivers, programmable drivers coupled with various types of sensors ensure that we remain at the forefront of LED technology. Thermal, mechanical and environmental tests are performed on the Luminaires during development. All kinds of electrical and safety tests are available and are performed on the products to, so that the luminaires keep functioning during the most adverse conditions.

STIC also houses the most advanced Photometric Laboratory in India with a High speed Mirror Gonio photometer (Type C) from LMT, Germany – the best equipment available for measurement of luminous output and intensity distributions of light sources, luminaires and for testing of optical design of lighting system. The centre is also equipped with a 2m Integrating sphere and carry out measurements for light distribution pattern,

illuminance, luminous flux, chromaticity, color temperature, color rendering index of light sources and luminaires. The Photometric Testing Laboratory is also NABL accredited.

STIC has been recognised as an R & D Centre by DSIR (Department of Scientific & Industrial Research, Ministry of Science & Technology). It has been also listed as one of the best testing laboratories in India by BEE (Bureau of Energy Efficiency), for the measurement of complying BIS Standard/International standards of LED Lighting systems.

Thus, STIC is actively enabling Surya Roshni to provide the most energy efficient, safe, reliable and environment-friendly lighting products with its ability to do the best-in-class research, design and development and thus contributing towards Green India.

FAN DIVISION

Saving energy is the mantra for today as the nation requires power for development and energy saved is energy generated. Energy efficient fans are the order of day today. Today Surya, is the name reckoned for energy efficient domestic and commercial fan solution market which have started its journey in fans division five years ago.

Surya Fans is one of the fastest growing brand in Indian fans Industry. Being associated member of India Fans Manufacturers Association (IFMA), Company has achieved sales 20 Lacs fans units in 2018-2019. Company has presence across the segment in Domestic customers, CSD –CPC and Government institutions with focus to expand business through E- commerce during the year.

Surya Premium Ceiling fan range offers the variety of choices for customer with different colour combinations and unique decoration to suits the interior of home. Development of new range is more focused towards the Premium and decorate range with few model with IOT enabled which will help in further growth

HOME APPLIANCES AND CONSUMER DURABLES

Surya entry in to the Small Domestic Appliances business during the last 3 years have been noteworthy and have created higher brand image and consumer satisfaction. The products and services it offers are unique, innovative in design, superior in product performance and exceptional value to consumers. The footprint of the business have been expanded to Pan India and have been instrumental in increasing the retail presence in the market. Water Heaters product group remains major contributor in sales, key models have been Qubo and Arctic series which have been again promoted through the TV campaign, as result it witnessed this segment to grow by 32% to 70000 units in 2018-19.

Room Coolers range was further expanded and all new designer range of Arctic Room Coolers was launched which was received well in the market, the capacity of this series was 70L and 100L, the demand of this product have been overwhelming and with excellent product performance due to special features like Ice Chill Tray, Power full motor with T.O.P and robust body. Room Coolers product category was promoted with a brand new TV Campaign, which led to higher excitement in the trade and consumers. This product segment shall be witnessing a double digit growth in the next 5 years and Surya intends to be a major player in this category.

Surya also ventured in Stainless Steel Cook Tops segment in an effort to expand the product portfolio and to cater to wide consumer base so as to offer best in class material and design to its consumers, two models Blaze and Spark were launched which were received well in the market.

Surya plan to further strengthen this business group by expanding into new products and markets, this business witnessed 35% growth over last year and further shall continue the growth momentum to 45% in the FY 2020 as well. All products like Mixer Grinders, Steam and Dry Irons, Electric Kettles, Toasters, Induction Cooktops and Glass Cooktops have been able to create a niche in the market due to product design, workmanship and performance. The customer care team also responded by further appointing service franchises across the country in order to offer exceptional customer care service experience in this business segment.

Surya also plans to further leverage E commerce which have become a big contributor in sales, with exclusive models to offer to its consumers. Appliances Business shall be looking forward to new product groups and shall be expanding the current models in Room Heaters as well.

2 EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

As per the provisions of Section 134(3)(i) of the Companies Act, 2013, no material changes or commitment affecting the financial position have been occurred between the end of the financial year of the Company to which the financial statements relates to the date of the report.

3 CHANGE IN THE NATURE OF BUSINESS , IF ANY :

There was no change in the nature of business of the Company during the year under review.

4 DIVIDEND:

The Board considering the Company's performance and financial position for the year under review, recommended a dividend pay-out of ₹ 2.00 per equity share for the year ended 2018-19 subject to approval from the shareholders at the ensuing AGM.

Together, with Corporate tax on dividend, the total outflow on account of equity dividend will be ₹ 13.12 crore.

The dividend on equity shares, if approved at the Annual General Meeting, will be payable to those shareholders whose names appear on the Company's register of members on 28th August, 2019. In respect of shares held in dematerialised form, the dividend shall be payable on the basis of beneficial ownership as at 28th August, 2019, as per the details furnished by National Securities Depository Limited/ Central Depository Services (India) Limited for the purpose, as on that date.

5 BOARD MEETINGS:

Under the Law, the Board of Directors must meet at least once in a calendar quarter and four times a year, with a maximum time gap of 120 days between any two meetings to consider amongst other business, the quarterly performance of the Company and financial results.

During the last financial year, our Board met four times, on 18th May, 2018; 10th August, 2018; 14th November, 2018 and 14th February, 2019.

6 DIRECTORS AND KEY MANAGERIAL PERSONNEL :

Re-appointment of Director

As per Article 101 of the Articles of Association of the Company, Smt Urmil Agarwal retire by rotation and, being eligible, offer herself for reappointment.

Change in Directorship:

Mr. Mukesh Tripathi, Executive; Non-Independent Director of the Company (having DIN-01951272) had resigned from the Board of the Company w. e. f 18th May, 2018 on account of his ill health. Your Directors placed on record the high sense of appreciation for the wise counsel and valuable services rendered by Mr. Mukesh Tripathi during his tenure on the Board.

Mr. Utpal Kumar Anil Kumar Mukhopadhyay, Independent Director of the Company (DIN-02766045) had resigned from the Board of the Company on 2nd June, 2018 on account of his ill health. He later expired on 20th June, 2018. Your Directors placed on record the high sense of appreciation for the wise counsel and valuable services rendered by Mr. Utpal Kumar Anil Kumar Mukhopadhyay during his tenure on the Board and express deep condolence on the sad demise of the ex-director.

Smt. Shivani Singla, Nominee Director of IDBI Bank Ltd has resigned from the Board of the Company w. e. f 5th March, 2019 as IDBI Bank Limited withdrawn the nomination from the Board of the Company. Your Directors placed on record the high sense of appreciation for the wise counsel and valuable services rendered by Ms. Shivani Singla during her tenure on the Board.

Appointment of Director

The Board of Directors on the recommendation of Nomination and Remuneration Committee (NRC) at its meeting has appointed Mr. Vinay Surya having DIN – 00515803 as an Additional Whole-time Director of the Company w.e.f 18th May, 2018 and subsequently approved the appointment by the Shareholders at the AGM held on 28th September, 2018 as per the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors on the recommendation of Nomination and Remuneration Committee (NRC) at its meeting has appointed Mr. Kaustubh Narsinh Karmarkar having DIN – 00288642 as an Additional Whole-time Director of the Company w.e.f 10th August, 2018 and subsequently approved the appointment by the Shareholders at the AGM held on 28th September, 2018 as per the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Appointment of Key Managerial Personnel (KMPs)

As per the provisions of section 203 of the Companies Act, 2013, following officials as named below are Key Managerial personnel of the Company during the year under review

| Name of the official(s) | Key Managerial Personnel (KMPs) |
|-------------------------|---|
| Sh. Raju Bista | Managing Director |
| Sh. R N Maloo | ED & Group Chief Financial Officer |
| Sh. Tarun Baldua | C.E.O – Steel & Strips Operations |
| Sh. Ramanjit Singh | C.E.O – Lighting & Consumer Durables Operations |
| Sh. B B Singal | Sr. V.P & Company Secretary |

During the year, under review, there was no change in Key Managerial Personnel of the Company.

7. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6) of the Companies Act, 2013.

FAMILIARISE PROGRAMME FOR INDEPENDENT DIRECTORS

In view of the provisions of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, a familiarization programme for Independent Directors was organised during the year to make them update on the recent amendments in the provisions of the SEBI and Corporate Laws. A detailed familiarisation programme was presented by representative of Corporate Professional, leading firm of Corporate Law Consultants of the amendments / newly inserted regulations in the SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from 1st April, 2019 and other recent legal updates, which was keenly participated by every Director on the Board of the Company and express happiness over the same. The detailed familiarisation programme for Directors was uploaded on the website of the Company at the following link: <http://www.surya.co.in/Content/Images/uploaded/familiarization-programme-for-independent-directors/Recent-Legal-Updates.pdf>



8. COMPOSITION OF AUDIT & OTHER COMMITTEES

The Audit Committee comprises of three Directors. The names along with categories of the members at the meeting was as follows :

| Names of the Members | Director Identification No. | Category |
|-------------------------------------|-----------------------------|-------------------------------------|
| Mr. Krishan Kumar Narula | 00098124 | Chairman ; Independent – Director |
| Mr. Tara Sankar Sudhir Bhattacharya | 00157305 | Member ; Independent – Director |
| Mr. Surendra Singh Khurana* | 02126149 | Member ; Independent – Director |
| Mr. Utpal K Mukhopadhyay** | 02766045 | Member ; Independent – Director |
| Mr. Mukesh Tripathi *** | 01951272 | Member ; Non Independent – Director |

* Inducted by re-constitution of the Committee by the Board of Directors w.e.f 18th May, 2018.

** Resigned from the Directorship on 2nd June, 2018 due to ill health and later expired on 20th June, 2018.

*** Resigned from the Board of the Company on 18th May, 2018

All members of audit committee are financially literate and have accounting and related financial management expertise. Audit Committee as formed above meet the criteria as provided in Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also meet the provisions of Section 177 of the Companies Act, 2013.

The Audit Committee is responsible for overseeing of the Company's financial reporting process, reviewing the quarterly/half-yearly/ annual financial statements, reviewing with the management on the financial statements and adequacy of internal audit function, recommending the appointment / re-appointment of statutory auditors and fixation of audit fees along with reviewing and monitoring the auditor's independence and performance, reviewing the significant internal audit findings / related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operation. Matters to be included in Director's Responsibility Statement form part of the Board Report, compliance with listing and other legal requirements relating to financial statements, scrutiny of inter-corporate loans and investments, valuation of undertaking or assets of the Company. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The

Committee discussed with the external auditors their audit methodology, audit planning and significant observations / suggestions made by them. The Committee also discussed major issues related to risk management and compliances and review the functioning of Whistle Blower mechanism.

As per Rule 6A of the Companies (Meeting of Board and its Powers) Rules, 2014 and in compliance to regulation 23(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 committee to recommend to grant Omnibus approval for proposed related party transactions which are foreseen and for unforeseen transactions as per the framed specified criteria on an annual basis

In addition, the Committee has discharged such other role/function as envisaged under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred to as 'Listing Regulations' with the Stock Exchange) and the provisions of Section 177(4) of the Companies Act, 2013. Audit Committee of the Company discharged its role and duties with great commitment and further any recommendations made by the Audit committee within the terms of its reference is considered and approved by the Board accordingly. No recommendation of the Audit Committee is turned down during the year under review.

NOMINATION AND REMUNERATION COMMITTEE

The composition of the Committee is as follows:

| Name of the Member | DIN | Position | Category |
|----------------------------|----------|----------|----------------------------|
| Mr. Krishan Kumar Narula | 00098124 | Chairman | Non-Executive, Independent |
| Mr. Ravinder Kumar Narang | 02318041 | Member | Non-Executive, Independent |
| Mr. Surendra Singh Khurana | 02126149 | Member | Non-Executive, Independent |

The Nomination and Remuneration Committee is responsible for-

- Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors and review its implementation and compliances.
- Fixation of the remuneration of the directors, key managerial personnel (KMP's) and one level below the KMPs.

In addition, the Committee discharged such other role/function as envisaged under Regulation 19 read with Part D clause A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the provisions of Section 178 of the Companies Act, 2013.

Remuneration Policy

Remuneration Policy as framed by the Committee and approved by the Board keeping in view the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D clause A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy inter alia provides for the following :

- attract, recruit and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes and independence of the directors of the Company;
- ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognizes their merits and achievements and promotes excellence in their performance;
- ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective, excellence in their performance;
- fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency and sustained long term value creation for its stakeholders.

EVALUATION CRITERIA

As per the provisions of section 178(2) of the Companies Act, 2013 and Clause VII & VIII of Schedule IV of the Act read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Nomination and Remuneration committee carried out annual performance evaluation of Director's according to their roles and duties on the Board of the Company and in particular considered the following aspects -

- The skills, relevant experience, expertise and personal qualities that will best complement the position;
- Potential conflicts of interest, and independence;
- Detailed background information and performance track record;
- the ability to exercise sound business judgment;
- availability to attend Board and Committee meetings; and
- appropriate experience and/or professional qualifications.

Stakeholder's Relationship Committee

Composition / name of members and chairperson

The Committee headed by Mr. Krishan Kumar Narula (Non-executive – Independent Director) has the mandate to review and redress stakeholder grievances. The Composition of the committee is as follows :

| Names of the Members | DIN | Position | Category |
|---------------------------|----------|----------|----------------------------|
| Mr. Krishan Kumar Narula | 00098124 | Chairman | Non-Executive, Independent |
| Mr. Ravinder Kumar Narang | 02318041 | Member | Non-Executive, Independent |
| Mr. Raju Bista | 01299297 | Member | Executive, Non-Independent |

9. WHISTLE BLOWER POLICY (VIGIL MECHANISM) :

As per the provisions of Section 177(9) &(10) of the Companies Act, 2013, read with 4(2)(d)(iv) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Company has a Whistle Blower Policy (Vigil mechanism) wherein the directors and employees are free to report violations of laws, rules, regulations or unethical conduct, actual or suspected fraud or violation of the Company's code of conduct or ethics policy to the nodal officer. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. The Company will oversee the mechanism through the Audit Committee and no personnel have been denied access to the Audit Committee. The Whistle Blower policy of the Company has been posted on the website of the Company at the following link: <http://www.surya.co.in/Content/Images/uploaded/whistle-blower-policy/whistle-blower-policy.pdf>



10. DIRECTOR'S RESPONSIBILITY STATEMENT :

In pursuance of section 134 (5) of the Companies Act, 2013

The Board of Directors of the Company confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;

- b) the Directors had selected such accounting policies and applied them consistently and made judgements 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 this Act 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.

Details in respect of frauds reported by auditors under section 143(12) of the Companies Act, 2013

During the year under review, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

11 MAINTENANCE OF COST RECORDS

As per the provision of Section 148(1) of the Companies Act, 2013 and Companies (Accounts) Rules, 2014 read with Ministry of Corporate Affairs circular G.S.R 725(E) dated 31.07.2018, we hereby states that the Company has made and maintained Cost Records as per Companies (Cost Records and Audit) Rules, 2014 as amended from time to time.

12. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE WHOLLY-OWNED SUBSIDIARY COMPANY:

During the year under review, Company has incorporated on 21ST January, 2019 vide Certificate of Incorporation dated 23rd January, 2019 a non-listed Indian Wholly-Owned Subsidiary namely SURYA ROSHNI LED LIGHTING PROJECTS LIMITED (CIN –U31200DL2019PLC344720) with an authorized capital of Rupees Four crore and initial paid-up capital of Rupees Five lakh as Special Purpose Vehicle (SPV) in compliance to the terms of the LOA for the execution of the awarded Orissa project to the Company through novation.

Orissa Project is for execution of design, manufacture, procure, supply and, implementing, operating and maintaining the Greenfield Public Street Lighting System along with other infrastructure including CCMS and automation in 21 Urban Local Bodies representing Cluster C by the Housing and Urban Development, Government of Odisha, vide their letter of award (LOA) dated 14th November, 2018 aggregating to Rupees 59.00 crore as detail described in their request for proposal (RFP) dated 22nd May,2018 for the "Implementation of Greenfield Street Lighting Project for 113 Urban Local Bodies in Odisha on PPP basis. Thereafter, Supply Installation Operation and Maintenance (SIOM) Agreement was executed on 29th December, 2018.

Statement containing salient features of the financial statement of wholly-owned subsidiary Company in Form AOC – 1 form part of the Annual Report and marked as **Annexure - I**. Further during the year under review except above, no Company have become / ceased to be its subsidiary / Associate Company.

13 EXTRACT OF ANNUAL RETURN:

As per the provisions of section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual return in MGT 9 as per **Annexure – II** forms part of this Board Report.

14 AUDITORS AND AUDIT REPORT:

STATUTORY AUDITORS:

Pursuant to the provisions of section 139 of the Companies Act, 2013, the members at the Annual General Meeting of the Company held on 29th December, 2017 appointed M/s Ashok Kumar Goyal & Co, Chartered Accountants (firm registration No. – 002777N) as Statutory Auditors of the Company from the conclusion of 44th Annual General Meeting till the conclusion of 49th Annual General Meeting, covering one term of five consecutive years, subject to ratification by the members at each intervening annual general meeting.

In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7th May, 2018 ratification of auditors' appointment is no longer required. However, under section 142 of the Companies Act, 2013, members at the Company at the 44th Annual General Meeting authorised the Board of Directors of the Company to fix Auditors' remuneration for the period of their appointment as deem fit and proper.

The Statutory Audit Report for the year 2018-19 does not contain any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors.

APPOINTMENT OF OTHER AUDITORS

COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013, the Board has appointed M/s R J Goel & Company (a Cost auditor firm) as Cost Auditors for conducting the audit of the cost records of the Company for the financial year 2018-19.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Messrs S G S Associates, a firm of Company Secretaries in Practice, to conduct Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith and marked as **Annexure III** to this report. The Secretarial Audit Report(s) does not contain any qualification, reservation or adverse remark.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

Information on Conservation of Energy, technology absorption, foreign exchange earnings and outgo, is required to be given pursuant to the provisions of section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are annexed hereto and marked as **Annexure – IV** and form part of this report.

16 DETAILS RELATING TO DEPOSITS:

The Company has not accepted deposits under Chapter V of the Companies Act, 2013 and as per the provisions of Section 74(1)(b) of the Companies Act, 2013, Company had made pre- payments, repayments or outstanding unclaimed deposits on or before 31st March, 2015 to all the public depositor of the Company. At the close of the year 226 depositors aggregating to ₹ 17.34 lakh to whom prepayment and Interest cheques were issued but not cleared.

17 SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

During the year under review, there were no significant and material orders passed by the regulators or courts or Tribunals, which may impact the going concern status of the Company and its operations in future.

18 INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:

SURYA, Internal financial controls with reference to the financial statements are adequate and operate effectively and ensures orderly and efficient conduct of its business including adherence to its policies, safeguard its assets, prevent and detect frauds and errors, maintain accuracy and completeness of its accounting records and further enable it in timely preparation of reliable financial information. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

The Company is having an independent Internal Audit Department assisted by external professionals for assessing and improving the effectiveness of internal financial control with reference to financial statements and governance. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee

19 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

As per the provisions of section 186(4) read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014, Company has not granted any loan, Guarantee or security provided or made any investments during the year under review.

20 RISK MANAGEMENT POLICY :

In line with the provisions of Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company have developed a Risk Management Policy for ensuring sustainable business expansion with stability and to promote an upbeat approach towards risk mitigation and minimization. The main objectives of the Risk Management Policy are:

- To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed.;
- To protect brand value through strategic control and operational policies;
- To establish a framework for the Company's risk management process and to ensure Company- wide implementation;
- To ensure systematic and uniform assessment of risks related with different functions of the Company;

- To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

Board assess several types of risks which the Company is exposed to from time to time which include the following:

- Technology Risk:** The ever-evolving technology with continuous updation may lead to product obsolescence, if not addressed regularly.
- Financial Risk:** The policy rates have started showing increasing trend in view of inflationary pressures, which may impact profitability.
- Business Competition Risk:** Both business segments face competition in the market from many established as well as unorganised players.
- Operational Risk:** Price fluctuation in HR Coils may lead to loss in value of inventory held. Reduction in prices of LED lamps may lead to loss of inventory valuation.
- Regulatory Risk:** Non-compliance to stringent regulatory and environment norms may result in liabilities and loss of brand reputation.
- Forex Fluctuation Risk:** The Company deals in exports /imports of products in business and borrowings which are subjected to currency fluctuations.
- Human Resources Risk:** The Company needs adequate talent to run the business. There is a risk labour unrest and maintaining good industrial relations.
- Commodity Price Risk:** Company sources several commodities for use as inputs in its businesses and their price fluctuations may lead to losses.

Adequate Mitigation plans are prepared in respect of above stated risk and are not threatening the existence of the organisation.

At Surya, the Risk Management is being integrated with setting of Business Strategies. Risk management is managing all material risks in an appropriate manner by designing and implementation of policies and systems around major business processes and assigning roles and responsibilities to process owners. Major steps in the framework are as under :

- Planning & Strategizing
- Identification of Major Risks
- Assessment of Risks and Assignment of Responsibilities
- Development of Mitigation Plans
- Monitoring & Reporting

The Board of the Company periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network. Head of Departments shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

21 CORPORATE SOCIAL RESPONSIBILITY POLICY :

To attain Company's Corporate Social Responsibility objectives, Board has constituted Corporate Social Responsibility Committee (referred to as "CSR Committee") as per the provisions of Section 135 of the Companies Act, 2013.

Composition / Category / name of members and chairperson

The Corporate Social Committee comprises of three Directors. The names along with categories of the members at the meeting was as follows :

| Sr. No. | Name of the Member | DIN | Category |
|---------|--------------------------|----------|----------|
| 1 | Mr. Jai Prakash Agarwal | 00041119 | Member |
| 2 | Mr. Raju Bista | 01299297 | Member |
| 3 | Mr. Krishan Kumar Narula | 00098124 | Chairman |
| 4 | Mr. Mukesh Tripathi* | 01951272 | Member |

* Resigned from the Board of the Company w.e.f 18th May, 2018

During the last financial year four CSR Committee meetings were held on 18th May, 2018; 10th August, 2018; 14th November, 2018 and 14th February, 2019.

To attain the objectives of Corporate Social Responsibility in a professional and integrated manner CSR Committee framed the Corporate Social Responsibility Policy of the Company (referred to as "CSR Policy").

"Surya Roshni Limited CSR Policy" framed as per the provisions of Section 135 and Schedule VII of the Companies Act, 2013 , describes and contains the Company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines, process and mechanisms for undertaking socially useful programmes for welfare and sustainable development of the community at large. The key objective is to eradicating hunger, poverty and malnutrition; Promoting health care; making available safe drinking water & Sanitation; Promoting education; enhancing vocational skills & livelihood enhancement projects; Women empowerment;

Promoting of home and hostels for women and orphans; Reducing inequality faced by socially and economically backward groups; Animal welfare / animal care; Promoting Art & Culture; Contribution to Prime Minister Relief Fund; Rural development projects; and addressing environmental issues.

Company discharged its responsibilities through Surya Foundation a social NGO established in 1992 with established track record of more than 26 years, to undertake CSR related activities and further is an eligible implementing agency in accordance with the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR projects or programs or activities undertaken by the Company as per the Company's CSR Policy in India only, which includes Adarsh Gram Yojana, Naturopathy, Health Camps. The Company prefer to take up projects for spending the amount earmarked for CSR at local areas and regions where the Company operates.

During the year under review, Company spends ₹ 2.57 crore on corporate social activities being two percent of the average net profits of the Company(s) made during the three immediately preceding financial years as required under the provisions of Section 135(5) of the Companies Act, 2013. No amount was left unspent during the year under review on corporate social responsibility activities. Annual Report on CSR activities is annexed as **Annexure V** to the Board's Report.

All expenses and contributions for CSR activities are made after approval from the Chairman of the CSR Committee, which are placed before the CSR committee. The Chairman ensures that the expenses/contribution made are in compliance with the CSR Policy

22 RELATED PARTY TRANSACTIONS :

Particulars of contracts or arrangements or transactions at arm's length basis with Related parties referred to in Section 188(1) in Form AOC- 2 is provided in **ANNEXURE – VI** to the Board's Report.

As per the requirements of section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 6A of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revised policy on Materiality of Related Party Transactions and also on dealing with Related Party Transaction has been framed, to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

All contracts / arrangements / transactions entered by the Company during the financial year with related

parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The revised policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the following link: <http://www.surya.co.in/Content/Images/uploaded/related-party-transaction-policy/Related%20Party%20Transaction%20Policy.pdf>



Your Directors draw attention of the members to Note No. 49 to the standalone financial statement which sets out related party disclosures.

23 ANNUAL EVALUATION OF DIRECTORS AND BOARD AS A WHOLE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause VII of Schedule IV of the Act and in compliance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable regulations referred to as "Listing Regulations", Nomination and Remuneration Committee ("the Committee") has formulated "Nomination and Remuneration Policy" for performance evaluation of Independent Directors, Board, Committees and other Individual Directors

On the basis of the recommendation received from Nomination and Remuneration Committee in regard to performance evaluation of Non- executive Directors including the chairman of the Company and the Board as a whole, Independent directors at its meeting review the -

- ✓ Evaluation of the Performance of the Non – Independent Directors and the Board as a Whole.
- ✓ Evaluation of the performance of the Board Committees including Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Other Compliance Committees.
- ✓ Evaluation of the Performance of the Chairman of the Company taking into account the views of Executives and Non-Executive Directors.
- ✓ Evaluation of the quality, content and time lines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

A separate exercise was carried out to evaluate the performance of every individual director including the Chairman and Independent Directors and evaluate the Boards Performance, Board Committees performance by the Nomination and Remuneration Committee and submit its recommendation for review at the Independent Directors meeting.

Based on the recommendations of the Nomination and Remuneration Committee, Independent directors at their meeting held on 19th January, 2019 review and evaluate the performance of Non-Independent Directors including the Chairman and further review and evaluate the Boards Performance, Board Committees performance and submit its report to the Chairman of the Company for assessment.

The performance evaluation as carried out by the Nomination and Remuneration committee and Independent Directors at their respective meetings were based on Feed – back form received from Directors. Feed-back form carried a structured questionnaire prepared after taking into consideration various aspects of the Board's functioning and submit their report accordingly.

Pursuant to the provisions Section 134(3)(p) and Clause VIII of Schedule IV of the Companies Act, 2013 other applicable provisions of the Act and in compliance with the provisions of Regulation 17(10), 19 and 25(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017 on Guidance Note on Board evaluation, formal annual evaluation has been made by the Board after reviewing each and every parameter of Performance evaluation of Board as a whole, its Committees and that of every individual director (including Independent Directors) in detail and after taking into consideration the report submitted by NRC and Independent Directors on performance evaluation, collectively submit Comprehensive Annual Evaluation Performance Report in regard to its own performance, its Committees viz. Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility Committee and other Compliance Committees and that of individual directors including its Chairperson, Managing Director, Independent Directors and Non-independent directors accordingly. Directors expressed deep satisfaction with the entire performance evaluation process.

24 LISTING WITH STOCK EXCHANGES:

The equity shares of the Company were listed on the following Stock Exchanges during the financial year 2018-19:

| The Stock Exchange, Mumbai | The National Stock Exchange of India Ltd. |
|---|---|
| Rotunda Building, Dalal Street, Fort, Mumbai – 400 001. | Exchange Plaza, Bandra-Kurla Complex, Bandra, Mumbai – 400 051. |

Stock Code

| | National Stock Exchange | Bombay Stock Exchange | ISIN |
|-----------------------------|-------------------------|---|--------------|
| Equity Shares-Symbol / Code | SURYAROSNI | 500336 (Dematerialised) 336 (Physical) | INE335A01012 |

The Company has paid the Annual Listing Fees to both the Stock Exchanges for the Financial Year 2018-19 and 2019-20.

25 CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Company has taken adequate steps to adhere to all the stipulations laid down in Clause 17 to 27 read with Schedules of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations". A report on Corporate Governance is provided in **Annexure – VII** and form part of this Report.

Certificate from the Statutory Auditors of the Company confirming the compliance with the conditions of Corporate Governance as stipulated under Regulations read with Schedules of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report.

BOARD DIVERSITY

The Company recognises and embraces the importance of a diverse Board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, industrial experience, age, ethnicity, gender which will help us to retain our competitive advantage. The Board as recommended by Nomination and Remuneration Committee has adopted the Board Diversity Policy which set out the approach to diversity of the Board of Directors.

26 GENERAL

- In compliance with section 62 (1)(b) and other applicable provisions of the Companies Act, 2013, the members at the 45th Annual General Meeting of the Company held on 28th September, 2018 has authorized the Board of Directors to allot Equity Shares upto 8,00,000 (Eight lakh) of ₹ 10/- each

under "SRL Employee Stock Option Scheme – 2018" ("Scheme") routed through "Surya Roshni Limited Employees Welfare Trust". No further steps have been taken till date by the Company post approval from the members at the AGM in regard to the said Scheme for its implementation.

- ii. Your Directors state that during the year under review, there was no cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- iii. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the Listing Regulations with the Stock Exchanges, the compliance certificate from Chairman, Managing Director and Executive Director & Group CFO is given and marked as **Annexure – VIII** to the report.

27 PARTICULARS OF EMPLOYEES :

The information required pursuant to Section 197 (12) read with rule 5 of the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is enclosed as per **Annexure IX**.

28 ACKNOWLEDGEMENTS

The Board places on record their appreciation for the continued support from Financial Institutions, Bankers, Central and State Government Bodies, Legal Advisers, Consultants, Dealers, Retailers, other Business Constituents and Investors.

The Board also wish to place on record once again, their appreciation for the contribution made by the workers, staff and executives at all levels, to the continued growth and prosperity of the Company. The overall industrial relations remained cordial at all the establishments.

for and on behalf of the Board of Directors

Place: New Delhi
Dated: 21st May, 2019

J P Agarwal
Chairman
DIN- 00041119

ANNEXURE – I TO BOARD'S REPORT

FORM NO. AOC - 1

(Pursuant to the first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures.

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹.)

| | |
|--|--|
| 1. Sl. No. | 1 |
| 2. Name of the Subsidiary | SURYA ROSHNI LED LIGHTING PROJECTS LIMITED (CIN –U31200DL2019PLC344720) |
| 3. The date since when subsidiary was acquired | 21st January, 2019 |
| 4. Reporting period for the subsidiary concerned, if different from the holding Company's reporting period | 21st January, 2019 to 31st March, 2019 |
| 5. Reporting currency and Exchange rate as on last date of the relevant financial year in the case of foreign subsidiaries | Not Applicable |
| 6. Share Capital | 50,000 Equity Shares of ₹. 10/- each fully paid-up |
| 7. Reserve and Surplus | (7,07,225) |
| 8. Total assets | 2,53,90,513 |
| 9. Total liabilities | 2,53,90,513 |
| 10. Investments | - |
| 11. Turnover | - |
| 12. Profit before Taxation | (9,55,709) |
| 13. Provision for taxation | 2,48,484 |
| 14. Profit after taxation | (7,07,225) |
| 15. Proposed Dividend | Nil |
| 16. Extent of shareholding (in %) | 100% (Wholly-owned Subsidiary) |

Notes: The following information shall be furnished at the end of the statement:

- Names of the subsidiaries which are yet to commence operations: Nil
- Names of the subsidiaries which have been liquidated or sold during the year: Nil

PART B ASSOCIATE AND JOINT VENTURE

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

| Sl. No. | Name of Associate or Joint Venture | Name1 | Name2 | Name3 |
|---------|--|-------|-------|-------|
| 1. | Latest audited Balance Sheet Date | Nil | | |
| 2. | Date on which the Associate or Joint Venture was associated or acquired | | | |
| 3. | Shares of Associates or Joint Ventures held by the Company on the year end | | | |
| | No. | | | |
| | Amount of Investment in Associate or Joint Venture | | | |
| | Extent of Holding (in %) | | | |
| 4. | Description of how there is significant influence | | | |
| 5. | Reason why the associate / joint venture is not consolidated | | | |
| 6. | Networth attributable to shareholding as per latest audited Balance sheet | | | |
| 7. | Profit or Loss for the year | | | |
| | i Considered in Consolidation | | | |
| | ii Not Considered in Consolidation | | | |

- Names of the associates or Joint ventures which are yet to commence operations: Nil
- Names of the associates or joint ventures which have been liquidated or sold during the year: Nil

for and on behalf of the Board of Directors

J P Agarwal

Chairman

DIN-00041119

Place : New Delhi

Dated: 21st May, 2019

ANNEXURE – II TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

| | |
|--|--|
| i) CIN | L31501HR1973PLC007543 |
| ii) Registration Date | 17th October, 1973 |
| iii) Name of the Company | SURYA ROSHNI LIMITED |
| iv) Category / Sub-Category of the Company | Manufacturing |
| v) Address of the Registered office and contact details | Prakash Nagar, Sankhol, Bahadurgarh – 124507 Haryana |
| vi) Whether listed company | Yes |
| vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | Mas Services Limited T- 34, 2nd floor Okhla Industrial Area, Phase – II, New Delhi – 110020 Tel No. – (011) 26387281 /82 /83 Email : info@masserv.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Pipes & Tubes | 24106 | 65.05% |
| 2 | CR Strips | 24105 | 9.02% |
| 3 | Lighting Products | 27400 | 21.80% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| S I No. | Name and address of the Company | CIN | Holding/Subsidiary /Associate | % of Share Held | Applicable Section |
|---------|--|-----------------------|-------------------------------|-----------------|--------------------|
| 1. | SURYA ROSHNI LED LIGHTING PROJECTS LIMITED, Flat No. 404, 4th floor, 5 Rajendra place, Padma Tower -1, Delhi (India) – 110008 | U31200DL2019PLC344720 | Wholly-owned Subsidiary | 100% | 2(87) |

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I) Category wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|--------------------------|---|----------|-----------|-------------------|---|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individuals/HUF | 26,82,690 | - | 26,82,690 | 4.93 | 26,82,690 | - | 26,82,690 | 4.93 | - |
| (b) Central Government | - | - | - | - | - | - | - | - | - |
| c) State Government | - | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|--------------|--------------------|-------------------|---|--------------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| d) Bodies Corporate | 3,15,41,054 | - | 3,15,41,054 | 57.97 | 3,15,41,054 | - | 3,15,41,054 | 57.97 | - |
| e) Banks /Financial Institutions | - | - | - | - | - | - | - | - | - |
| f) Any other (specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total (A) (1) | 3,42,23,744 | - | 3,42,23,744 | 62.90 | 3,42,23,744 | - | 3,42,23,744 | 62.90 | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | - |
| d) Banks /Financial Institutions | - | - | - | - | - | - | - | - | - |
| e) Any other (specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total (A) (2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter (A) = (A) (1)+(A)(2) | 3,42,23,744 | | 3,42,23,744 | 62.90 | 3,42,23,744 | - | 3,42,23,744 | 62.90 | - |
| (B) Public shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 495 | 875 | 1,370 | 0.00 | 495 | 800 | 1,295 | 0.00 | (-) |
| b) Alternate Investment Funds | 11,59,522 | - | 11,59,522 | 2.13 | 12,13,372 | - | 12,13,372 | 2.23 | 0.10 |
| c) Banks / Financial Institutions | 37,112 | 1,050 | 38,162 | 0.07 | 93,153 | 1,050 | 94,203 | 0.17 | 0.10 |
| d) Central Government(s) | - | - | - | - | - | - | - | - | - |
| e) State Government(s) | - | - | - | - | - | - | - | - | - |
| f) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| g) Insurance Companies | - | 3,000 | 3,000 | 0.01 | - | 3,000 | 3,000 | 0.01 | - |
| h) Foreign Institutional Investors | 6,09,656 | - | 6,09,656 | 1.12 | 7,08,921 | - | 7,08,921 | 1.30 | 0.18 |
| i) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| j) Any other (specify) : Foreign Institutional Investors | 6,500 | 250 | 6,750 | 0.01 | - | 250 | 250 | 0.00 | (0.01) |
| Sub-Total (B) (1) | 18,13,285 | 5,175 | 18,18,460 | 3.34 | 20,15,941 | 5,100 | 20,21,041 | 3.71 | 0.37 |
| (2) Non-institutions | | | | | | | | | |
| (a) Bodies Corporate | | | | | | | | | |
| i) Indian | 83,01,216 | 2,634 | 83,03,850 | 15.26 | 71,03,969 | 2,394 | 71,06,363 | 13.06 | (2.20) |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals - | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 57,80,367 | 5,63,489 | 63,43,856 | 11.66 | 59,32,717 | 4,50,043 | 63,82,760 | 11.73 | 0.07 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 30,23,211 | - | 30,23,211 | 5.56 | 39,83,225 | - | 39,83,225 | 7.32 | 1.76 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|--|---|-----------------|--------------------|-------------------|---|-----------------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| c) Any other (specify) | | | | | | | | | |
| NBFC Registered with RBI | 70,974 | - | 70,974 | 0.13 | 34,359 | - | 34,359 | 0.06 | (0.07) |
| NRI's/OCB | 3,30,430 | 5,027 | 3,35,457 | 0.62 | 3,44,182 | 5,027 | 3,49,209 | 0.64 | 0.03 |
| Clearing Members | 1,24,709 | - | 1,24,709 | 0.23 | 1,43,000 | - | 1,43,000 | 0.26 | 0.03 |
| Trust | 15,200 | - | 15,200 | 0.03 | 200 | - | 200 | 0.00 | (0.03) |
| Unclaimed Suspense or Escrow Account | 1,49,513 | - | 1,49,513 | 0.27 | 1,65,073 | - | 1,65,073 | 0.30 | 0.03 |
| Sub-Total (B) (2) | 1,77,95,620 | 5,71,150 | 1,83,66,770 | 33.76 | 1,77,06,725 | 4,57,464 | 1,81,64,189 | 33.38 | (0.37) |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 1,96,08,905 | 5,76,325 | 2,01,85,230 | 37.10 | 1,97,22,666 | 4,62,564 | 2,01,85,230 | 37.10 | - |
| (C) Shares held by Custodians for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| GRAND TOTAL (A)+(B)+(C) | 5,38,32,649 | 5,76,325 | 5,44,08,974 | 100.00 | 5,39,46,410 | 4,62,564 | 5,44,08,974 | 100.00 | - |

(II) Shareholding of Promoters:

| Sl. No. | Shareholders Name | Shareholding at the beginning of the year | | | | | Shareholding at the end of the year | | | | | % change in shareholding during the year |
|---------|--|---|----------|---------------------|----------------------------------|--|-------------------------------------|----------|---------------------|----------------------------------|--|--|
| | | Demat | Physical | Total No. of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares | Demat | Physical | Total No. of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares | |
| 1 | Diwakar Marketing Private Limited | 56,37,500 | - | 56,37,500 | 10.36 | 5.514 | 56,37,500 | - | 56,37,500 | 10.36 | 9.190 | - |
| 2 | Cubitex Marketing Private Limited | 48,61,000 | - | 48,61,000 | 8.93 | - | 48,61,000 | - | 48,61,000 | 8.93 | - | - |
| 3 | Shreyansh Mercantile Private Limited | 31,78,000 | - | 31,78,000 | 5.84 | - | 31,78,000 | - | 31,78,000 | 5.84 | - | - |
| 4 | Sahaj Tie-up Private. Limited | 31,25,087 | - | 31,25,087 | 5.74 | 3.492 | 31,25,087 | - | 31,25,087 | 5.74 | 3.492 | - |
| 5 | Dicord Commodeal Private. Limited. | 22,65,610 | - | 22,65,610 | 4.16 | - | 22,65,610 | - | 22,65,610 | 4.16 | - | - |
| 6 | Shirin Commodeal Private Limited | 21,16,189 | - | 21,16,189 | 3.89 | 3.775 | 21,16,189 | - | 21,16,189 | 3.89 | - | - |
| 7 | S M Vyapaar Private Limited | 19,83,920 | - | 19,83,920 | 3.65 | 2.206 | 19,83,920 | - | 19,83,920 | 3.65 | 2.206 | - |
| 8 | Goel Die Cast Limited | 19,27,962 | - | 19,27,962 | 3.54 | - | 19,27,962 | - | 19,27,962 | 3.54 | - | - |
| 9 | Jai Prakash Agarwal | 23,05,723 | - | 23,05,723 | 4.24 | 0.004 | 17,61,723 | - | 17,61,723 | 3.24 | 0.004 | (1.00) |
| 10 | Zatco Vyapar Private. Limited. | 14,03,455 | - | 14,03,455 | 2.58 | - | 14,03,455 | - | 14,03,455 | 2.58 | - | - |
| 11 | Sadabahr Tradecomm Private. Limited. | 12,78,179 | - | 12,78,179 | 2.35 | - | 12,78,179 | - | 12,78,179 | 2.35 | - | - |
| 12 | Jits Courier & Finance Private Limited | 10,01,499 | - | 10,01,499 | 1.84 | - | 10,01,499 | - | 10,01,499 | 1.84 | - | - |
| 13 | Pankaj Investments Limited | 9,69,348 | - | 9,69,348 | 1.78 | - | 9,69,348 | - | 9,69,348 | 1.78 | - | - |
| 14 | B M Graphics Private. Limited. | 9,61,078 | - | 9,61,078 | 1.77 | - | 9,61,078 | - | 9,61,078 | 1.77 | - | - |

| Sl. No. | Shareholders Name | Shareholding at the beginning of the year | | | | | Shareholding at the end of the year | | | | | % change in shareholding during the year |
|--------------|---|---|----------|---------------------|----------------------------------|--|-------------------------------------|----------|---------------------|----------------------------------|--|--|
| | | Demat | Physical | Total No. of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares | Demat | Physical | Total No. of shares | % of total shares of the Company | % of shares pledged/encumbered to total shares | |
| 15 | Gargiya Finance & Investment Private. Limited | 5,22,487 | - | 5,22,487 | 0.96 | - | 5,22,487 | - | 5,22,487 | 0.96 | - | - |
| 16 | Viksit Trading & Holding Private Limited | 2,37,346 | - | 2,37,346 | 0.44 | - | 2,37,346 | - | 2,37,346 | 0.44 | - | - |
| 17 | Urmil Agarwal | 2,10,431 | - | 2,10,431 | 0.39 | - | 2,10,431 | - | 2,10,431 | 0.39 | - | - |
| 18 | Jaivardhan Surya U/G Vinay Surya | - | - | - | - | - | 1,81,400 | - | 1,81,400 | 0.33 | - | 0.333 |
| 19 | Parinistha Surya U/G Vinay Surya | - | - | - | - | - | 1,81,300 | - | 1,81,300 | 0.33 | - | 0.333 |
| 20 | Vasudha Surya | - | - | - | - | - | 1,81,300 | - | 1,81,300 | 0.33 | - | 0.333 |
| 21 | Vinay Surya | 1,66,536 | - | 1,66,536 | 0.31 | - | 1,66,536 | - | 1,66,536 | 0.31 | - | - |
| 22 | Lustre Merchants Private. Limited. | 72,394 | - | 72,394 | 0.13 | - | 72,394 | - | 72,394 | 0.13 | - | - |
| TOTAL | | 3,42,23,744 | - | 3,42,23,744 | 62.901 | 14.991 | 3,42,23,744 | - | 3,42,23,744 | 62.901 | 14.891 | - |

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

| Sl. No | Name of the Promoter / Promoter Group | Shareholding at the beginning of the year | | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer/bonus/ sweat equity etc.) | | | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) | |
|--------|---------------------------------------|--|----------------------------------|--|-------------------------------------|-------------------|--|----------------------------------|
| | | No. of Shares at the beginning (01-04-2018) and end of the year (31-03-2019) | % of total shares of the Company | Date | Increase / Decrease in shareholding | Reason | No. of Shares | % of total shares of the Company |
| 1 | Diwakar Marketing Private Limited | 56,37,500 | 10.361 | 1-Apr-2018 | - | - | 56,37,500 | 10.361 |
| | | No Movement during the Year | | | | | | |
| | | 56,37,500 | - | 31-Mar-2019 | - | - | 56,37,500 | 10.361 |
| 2 | Cubitex Marketing Private Limited | 48,61,000 | 8.934 | 1-Apr-2018 | - | - | 48,61,000 | 8.934 |
| | | No Movement during the Year | | | | | | |
| | | 48,61,000 | 8.934 | 31-Mar-2019 | - | - | 48,61,000 | 8.934 |
| 3 | Shreyansh Mercantile Private Limited | 31,78,000 | 5.841 | 1-Apr-2018 | - | - | 31,78,000 | 5.841 |
| | | No Movement during the Year | | | | | | |
| | | 31,78,000 | 5.841 | 31-Mar-2019 | - | - | 31,78,000 | 5.841 |
| 4 | Sahaj Tie-up Private. Limited | 31,25,087 | 5.744 | 1-Apr-2018 | - | - | 31,25,087 | 5.744 |
| | | No Movement during the Year | | | | | | |
| | | 31,25,087 | 5.744 | 31-Mar-2019 | - | - | 31,25,087 | 5.744 |
| 5 | Dicord Commedeal Private. Limited. | 22,65,610 | 4.164 | 1-Apr-2018 | - | - | 22,65,610 | 4.164 |
| | | No Movement during the Year | | | | | | |
| | | 22,65,610 | 4.164 | 31-Mar-2019 | - | - | 22,65,610 | 4.164 |
| 6 | Shirin Commedeal Private Limited | 21,16,189 | 3.889 | 1-Apr-2018 | - | - | 21,16,189 | 3.889 |
| | | No Movement during the Year | | | | | | |
| | | 21,16,189 | 3.889 | 31-Mar-2019 | - | - | 21,16,189 | 3.889 |
| 7 | S M Vyapaar Private Limited | 19,83,920 | 3.646 | 1-Apr-2018 | - | - | 19,83,920 | 3.646 |
| | | No Movement during the Year | | | | | | |
| | | 19,83,920 | 3.646 | 31-Mar-2019 | - | - | 19,83,920 | 3.646 |
| 8 | Goel Die Cast Limited | 19,27,962 | 3.543 | 1-Apr-2018 | - | - | 19,27,962 | 3.543 |
| | | No Movement during the Year | | | | | | |
| | | 19,27,962 | 3.543 | 31-Mar-2019 | - | - | 19,27,962 | 3.543 |
| 9 | Jai Prakash Agarwal | 23,05,723 | 4.238 | 1-Apr-2018 | - | - | 23,05,723 | 4.238 |
| | | | | 9-Apr-2018 | (5,44,000) | Inter-se Transfer | 17,61,723 | 3.238 |
| | | 17,61,723 | 3.238 | 31-Mar-2019 | - | - | 17,61,723 | 3.238 |
| 10 | Zatco Vyapar Private. Limited. | 14,03,455 | 2.579 | 1-Apr-2018 | - | - | 14,03,455 | 2.579 |

| Sl. No | Name of the Promoter / Promoter Group | Shareholding at the beginning of the year | | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer/bonus/ sweat equity etc.) | | | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) | | |
|--|--|--|----------------------------------|--|-------------------------------------|-------------------|--|----------------------------------|--|
| | | No. of Shares at the beginning (01-04-2018) and end of the year (31-03-2019) | % of total shares of the Company | Date | Increase / Decrease in shareholding | Reason | No. of Shares | % of total shares of the Company | |
| | | | | No Movement during the Year | | | | | |
| | | 14,03,455 | 2.579 | 31-Mar-2019 | - | - | 14,03,455 | 2.579 | |
| 11 | Sadabahr Tradecomm Private. Limited. | 12,78,179 | 2.349 | 1-Apr-2018 | - | - | 12,78,179 | 2.349 | |
| | | | | No Movement during the Year | | | | | |
| | | 12,78,179 | 2.349 | 31-Mar-2019 | - | - | 12,78,179 | 2.349 | |
| 12 | Jits Courier & Finance Private Limited | 10,01,499 | 1.841 | 1-Apr-2018 | - | - | 10,01,499 | 1.841 | |
| | | | | No Movement during the Year | | | | | |
| | | 10,01,499 | 1.841 | 31-Mar-2019 | - | - | 10,01,499 | 1.841 | |
| 13 | Pankaj Investments Limited | 9,69,348 | 1.782 | 1-Apr-2018 | - | - | 9,69,348 | 1.782 | |
| | | | | No Movement during the Year | | | | | |
| | | 9,69,348 | 1.782 | 31-Mar-2019 | - | - | 9,69,348 | 1.782 | |
| 14 | B M Graphics Private. Limited. | 9,61,078 | 1.766 | 1-Apr-2018 | - | - | 9,61,078 | 1.766 | |
| | | | | No Movement during the Year | | | | | |
| | | 9,61,078 | 1.766 | 31-Mar-2019 | - | - | 9,61,078 | 1.766 | |
| 15 | Gargiya Finance & Investment Private Limited | 5,22,487 | 0.960 | 1-Apr-2018 | - | - | 5,22,487 | 0.960 | |
| | | | | No Movement during the Year | | | | | |
| | | 5,22,487 | 0.960 | 31-Mar-2019 | - | - | 5,22,487 | 0.960 | |
| 16 | Viksit Trading & Holding Private Limited | 2,37,346 | 0.436 | 1-Apr-2018 | - | - | 2,37,346 | 0.436 | |
| | | | | No Movement during the Year | | | | | |
| | | 2,37,346 | 0.436 | 31-Mar-2019 | - | - | 2,37,346 | 0.436 | |
| 17 | Urmil Agarwal | 2,10,431 | 0.387 | 1-Apr-2018 | - | - | 2,10,431 | 0.387 | |
| | | | | No Movement during the Year | | | | | |
| | | 2,10,431 | 0.387 | 31-Mar-2019 | - | - | 2,10,431 | 0.387 | |
| 18 | Jaivardhan Surya U/G Vinay Surya | - | - | 1-Apr-2018 | - | - | - | - | |
| | | | | 30-Aug-2018 | 1,81,400 | Inter-se Transfer | 1,81,400 | 0.333 | |
| | | 1,81,400 | 0.333 | 31-Mar-2019 | - | - | 1,81,400 | 0.333 | |
| 19 | Parinistha Surya U/G Vinay Surya | - | - | 1-Apr-2018 | - | - | - | - | |
| | | | | 30-Aug-2018 | 1,81,300 | Inter-se Transfer | 1,81,300 | 0.333 | |
| | | 1,81,300 | 0.333 | 31-Mar-2019 | - | - | 1,81,300 | 0.333 | |
| 20 | Vasudha Surya | - | - | 1-Apr-2018 | - | - | - | - | |
| | | | | 30-Aug-2018 | 1,81,300 | Inter-se Transfer | 1,81,300 | 0.333 | |
| | | 1,81,300 | 0.333 | 31-Mar-2019 | - | - | 1,81,300 | 0.333 | |
| 21 | Vinay Surya | 1,66,536 | 0.306 | 1-Apr-2018 | - | - | 1,66,536 | 0.306 | |
| | | | | 9-Apr-2018 | 5,44,000 | Inter-se Transfer | 7,10,536 | 1.306 | |
| | | | | 30-Aug-2018 | (5,44,000) | Inter-se Transfer | 1,66,536 | 0.306 | |
| | | 1,66,536 | 0.306 | 31-Mar-2019 | - | - | 1,66,536 | 0.306 | |
| 22 | Lustre Merchants Private Limited | 72,394 | 0.133 | 1-Apr-2018 | - | - | 72,394 | 0.133 | |
| | | | | No Movement during the Year | | | | | |
| | | 72,394 | 0.133 | 31-Mar-2019 | - | - | 72,394 | 0.133 | |
| Total Promoter Holding as at 31-03-2019 | | 3,42,23,744 | 62.901 | - | - | - | 3,42,23,744 | 62.901 | |

(iv) Shareholding Pattern of Top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | Name of the top 10 shareholders | Shareholding at the beginning of the year | | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer/ bonus/ sweat equity etc.) | | | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) | | | |
|-----------|--|--|----------------------------------|---|-------------------------------------|--------------------|--|----------------------------------|--|--|
| | | No. of Shares at the beginning (01-04-2018) and end of the year (31-03-2019) | % of total shares of the company | Date | Increase / Decrease in shareholding | Reason | No. of Shares | % of total shares of the Company | | |
| 1 | VLS Finance Limited | 8,02,000 | 1.474 | 1-Apr-18 | - | - | 8,02,000 | 1.474 | | |
| | | | | 13-Apr-18 | (17,730) | Transfer | 7,84,270 | 1.441 | | |
| | | | | 20-Apr-18 | (20,600) | Transfer | 7,63,670 | 1.404 | | |
| | | | | 27-Apr-18 | (43,500) | Transfer | 7,20,170 | 1.324 | | |
| | | | | 4-May-18 | (8,500) | Transfer | 7,11,670 | 1.308 | | |
| | | | | 11-May-18 | 10,000 | Transfer | 7,21,670 | 1.326 | | |
| | | | | 18-May-18 | 16,254 | Transfer | 7,37,924 | 1.356 | | |
| | | | | 25-May-18 | 6,000 | Transfer | 7,43,924 | 1.367 | | |
| | | | | 6-Jul-18 | (1,041) | Transfer | 7,42,883 | 1.365 | | |
| | | | | 10-Aug-18 | (36,800) | Transfer | 7,06,083 | 1.298 | | |
| | | | | 17-Aug-18 | (4,000) | Transfer | 7,02,083 | 1.290 | | |
| | | | | 25-Jan-19 | (1,475) | Transfer | 7,00,608 | 1.288 | | |
| | | | | 15-Feb-19 | 1,000 | Transfer | 7,01,608 | 1.290 | | |
| | | | | 22-Feb-19 | (608) | Transfer | 7,01,000 | 1.288 | | |
| | | | | 1-Mar-19 | (9,500) | Transfer | 6,91,500 | 1.271 | | |
| 8-Mar-19 | (39,608) | Transfer | 6,51,892 | 1.198 | | | | | | |
| 15-Mar-19 | (5,250) | Transfer | 6,46,642 | 1.188 | | | | | | |
| | 6,46,642 | 1.188 | 31-Mar-19 | - | - | 6,46,642 | 1.188 | | | |
| 2 | Vikas Vijaykumar Khemani | 3,11,192 | 0.572 | 1-Apr-18 | - | - | 3,11,192 | 0.572 | | |
| | | | | 14-Sep-18 | - | Date of Separation | 3,11,192 | 0.572 | | |
| 3 | Bharat Taparia | 3,69,461 | 0.679 | 1-Apr-18 | - | - | 3,69,461 | 0.679 | | |
| | | | | 9-Nov-18 | 48,300 | Transfer | 4,17,761 | 0.768 | | |
| | | | | 16-Nov-18 | 95,216 | Transfer | 5,12,977 | 0.943 | | |
| | | | | 23-Nov-18 | 15,250 | Transfer | 5,28,227 | 0.971 | | |
| | | | | 7-Dec-18 | 6,068 | Transfer | 5,34,295 | 0.982 | | |
| | | | | 21-Dec-18 | 19,009 | Transfer | 5,53,304 | 1.017 | | |
| | | | | 15-Feb-19 | 2,000 | Transfer | 5,55,304 | 1.021 | | |
| | | | | 22-Feb-19 | 8,000 | Transfer | 5,63,304 | 1.035 | | |
| | | | | 8-Mar-19 | 71 | Transfer | 5,63,375 | 1.035 | | |
| | | | | 31-Mar-19 | - | - | 5,63,375 | 1.035 | | |
| 4 | India Whizdom Fund | 11,59,522 | 2.131 | 1-Apr-18 | - | - | 11,59,522 | 2.131 | | |
| | | | | No Movement during the year | | | | | | |
| | | | | 31-Mar-19 | - | - | 11,59,522 | 2.131 | | |
| 5 | Soyuz Trading Company Limited | 4,68,862 | 0.862 | 1-Apr-18 | - | - | 4,68,862 | 0.862 | | |
| | | | | No Movement during the year | | | | | | |
| | | | | 31-Mar-19 | - | - | 4,68,862 | 0.862 | | |
| 6 | Vibgyor Investors and Developers Private Limited | 4,00,000 | 0.735 | 1-Apr-18 | - | - | 4,00,000 | 0.735 | | |
| | | | | No Movement during the year | | | | | | |
| | | | | 31-Mar-19 | - | - | 4,00,000 | 0.735 | | |
| 7 | Raxon Motor Finance Private Limited* | 15,36,959 | 2.825 | 1-Apr-18 | - | - | 15,36,959 | 2.825 | | |
| | | | | No Movement during the year | | | | | | |
| | | | | 31-Mar-19 | - | - | 15,36,959 | 2.825 | | |
| 8 | Henco Commercials Private Limited* | 14,88,646 | 2.736 | 1-Apr-18 | - | - | 14,88,646 | 2.736 | | |
| | | | | 20-Apr-18 | (11,614) | Transfer | 14,77,032 | 2.715 | | |
| | | | | 27-Apr-18 | (39,000) | Transfer | 14,38,032 | 2.643 | | |
| | | | | 4-May-18 | (12,000) | Transfer | 14,26,032 | 2.621 | | |
| | | | | 11-May-18 | (13,000) | Transfer | 14,13,032 | 2.597 | | |
| | | | | 1-Jun-18 | 10,000 | Transfer | 14,23,032 | 2.615 | | |
| | | | | 8-Jun-18 | 15,500 | Transfer | 14,38,532 | 2.644 | | |

| Sl. No. | Name of the top 10 shareholders | Shareholding at the beginning of the year | | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer/ bonus/ sweat equity etc.) | | | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) | |
|---------|---------------------------------|--|----------------------------------|---|-------------------------------------|--------------------|--|----------------------------------|
| | | No. of Shares at the beginning (01-04-2018) and end of the year (31-03-2019) | % of total shares of the company | Date | Increase / Decrease in shareholding | Reason | No. of Shares | % of total shares of the Company |
| | | | | 15-Jun-18 | (800) | Transfer | 14,37,732 | 2.642 |
| | | | | 30-Jun-18 | 4,000 | Transfer | 14,41,732 | 2.650 |
| | | | | 6-Jul-18 | (4,000) | Transfer | 14,37,732 | 2.642 |
| | | | | 27-Jul-18 | (29,449) | Transfer | 14,08,283 | 2.588 |
| | | | | 3-Aug-18 | (25,143) | Transfer | 13,83,140 | 2.542 |
| | | | | 10-Aug-18 | (42,641) | Transfer | 13,40,499 | 2.464 |
| | | | | 17-Aug-18 | 276 | Transfer | 13,40,775 | 2.464 |
| | | | | 24-Aug-18 | 19,000 | Transfer | 13,59,775 | 2.499 |
| | | | | 31-Aug-18 | 14,500 | Transfer | 13,74,275 | 2.526 |
| | | | | 14-Sep-18 | 10,138 | Transfer | 13,84,413 | 2.544 |
| | | | | 21-Sep-18 | 13,250 | Transfer | 13,97,663 | 2.569 |
| | | | | 28-Sep-19 | 22,248 | Transfer | 14,19,911 | 2.612 |
| | | | | 29-Sep-19 | 1,007 | Transfer | 14,20,918 | 2.612 |
| | | | | 5-Oct-18 | 11,244 | Transfer | 14,32,162 | 2.632 |
| | | | | 12-Oct-18 | (140) | Transfer | 14,32,022 | 2.632 |
| | | | | 23-Nov-18 | 2,700 | Transfer | 14,34,722 | 2.637 |
| | | | | 14-Dec-18 | 5,053 | Transfer | 14,39,775 | 2.646 |
| | | | | 21-Dec-18 | (5,500) | Transfer | 14,34,275 | 2.636 |
| | | | | 11-Jan-19 | (1,500) | Transfer | 14,32,775 | 2.633 |
| | | | | 18-Jan-19 | (20,100) | Transfer | 14,12,675 | 2.596 |
| | | | | 1-Mar-19 | (42,678) | Transfer | 13,69,997 | 2.518 |
| | | | | 8-Mar-19 | (58,412) | Transfer | 13,11,585 | 2.411 |
| | | | | 15-Mar-19 | (28,000) | Transfer | 12,83,585 | 2.359 |
| | | | | 22-Mar-19 | 5,491 | Transfer | 12,89,076 | 2.369 |
| | | 12,89,076 | 2.369 | 31-Mar-19 | - | - | 12,89,076 | 2.369 |
| 9 | Prajin Barter Private Limited* | 7,05,599 | 1.297 | 1-Apr-18 | - | - | 7,05,599 | 1.297 |
| | | | | No Movement during the year | | | | |
| | | 7,05,599 | 1.297 | 31-Mar-19 | - | - | 7,05,599 | 1.297 |
| 10 | Ashika Credit Capital Limited | 4,19,600 | 0.771 | 1-Apr-18 | - | - | 4,19,600 | 0.771 |
| | | | | 6-Jul-18 | 35,000 | Transfer | 4,54,600 | 0.836 |
| | | | | 21-Sep-18 | (54,600) | Transfer | 4,00,000 | 0.735 |
| | | | | 29-Sep-18 | 45,000 | Transfer | 4,45,000 | 0.818 |
| | | | | 5-Oct-18 | (45,000) | Transfer | 4,00,000 | 0.735 |
| | | | | 5-Oct-18 | 45,000 | Transfer | 4,45,000 | 0.818 |
| | | | | 12-Oct-18 | (2,559) | Transfer | 4,42,441 | 0.813 |
| | | | | 26-Oct-19 | (5,000) | Transfer | 4,37,441 | 0.804 |
| | | | | 2-Nov-18 | (5,000) | Transfer | 4,32,441 | 0.795 |
| | | | | 16-Nov-18 | 20,000 | Transfer | 4,52,441 | 0.832 |
| | | | | 30-Nov-18 | 3,02,441 | Transfer | 7,54,882 | 1.387 |
| | | | | 30-Nov-18 | (3,02,441) | Transfer | 4,52,441 | 0.832 |
| | | | | 7-Dec-18 | (20,000) | Transfer | 4,32,441 | 0.795 |
| | | | | 14-Dec-18 | 5,000 | Transfer | 4,37,441 | 0.804 |
| | | | | 14-Dec-18 | (5,000) | Transfer | 4,32,441 | 0.795 |
| | | | | 21-Dec-18 | (45,000) | Transfer | 3,87,441 | 0.712 |
| | | | | 31-Dec-18 | (3,80,000) | Transfer | 7,441 | 0.014 |
| | | | | 31-Dec-18 | 3,80,000 | Transfer | 3,87,441 | 0.712 |
| | | | | 4-Jan-19 | (3,87,441) | Transfer | - | 0.000 |
| | | - | 0.000 | 4-Jan-19 | | Date of Separation | - | 0.000 |
| 11 | Edelweiss Broking Limited* | 76,739 | 0.141 | 1-Apr-18 | - | - | 76,739 | 0.141 |
| | | | | 6-Apr-18 | 6,164 | Transfer | 82,903 | 0.152 |
| | | | | 13-Apr-18 | 2,901 | Transfer | 85,804 | 0.158 |
| | | | | 20-Apr-18 | (30,636) | Transfer | 55,168 | 0.101 |
| | | | | 27-Apr-18 | 29,468 | Transfer | 84,636 | 0.156 |
| | | | | 4-May-18 | 4,940 | Transfer | 89,576 | 0.165 |
| | | | | 11-May-18 | (6,505) | Transfer | 83,071 | 0.153 |
| | | | | 18-May-18 | (26,398) | Transfer | 56,673 | 0.104 |
| | | | | 25-May-18 | 6,879 | Transfer | 63,552 | 0.117 |
| | | | | 1-Jun-18 | (4) | Transfer | 63,548 | 0.117 |

| Sl. No. | Name of the top 10 shareholders | Shareholding at the beginning of the year | | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer/ bonus/ sweat equity etc.) | | | Cumulative Shareholding during the year (01-04-2018 to 31-03-2019) | |
|---------|---------------------------------|--|----------------------------------|---|-------------------------------------|--------------------|--|----------------------------------|
| | | No. of Shares at the beginning (01-04-2018) and end of the year (31-03-2019) | % of total shares of the company | Date | Increase / Decrease in shareholding | Reason | No. of Shares | % of total shares of the Company |
| | | | | 8-Jun-18 | 1,119 | Transfer | 64,667 | 0.119 |
| | | | | 15-Jun-18 | (2,030) | Transfer | 62,637 | 0.115 |
| | | | | 22-Jun-18 | 1,398 | Transfer | 64,035 | 0.118 |
| | | | | 29-Jun-18 | (7,442) | Transfer | 56,593 | 0.104 |
| | | | | 6-Jul-18 | 37,147 | Transfer | 93,740 | 0.172 |
| | | | | 13-Jul-18 | (29,520) | Transfer | 64,220 | 0.118 |
| | | | | 20-Jul-18 | (29,042) | Transfer | 35,178 | 0.065 |
| | | | | 27-Jul-18 | (5,689) | Transfer | 29,489 | 0.054 |
| | | | | 3-Aug-18 | 941 | Transfer | 30,430 | 0.056 |
| | | | | 10-Aug-18 | 7,972 | Transfer | 38,402 | 0.071 |
| | | | | 17-Aug-18 | (3,813) | Transfer | 34,589 | 0.064 |
| | | | | 24-Aug-18 | 73,534 | Transfer | 1,08,123 | 0.199 |
| | | | | 31-Aug-18 | (69,859) | Transfer | 38,264 | 0.070 |
| | | | | 7-Sep-18 | 2,67,882 | Transfer | 3,06,146 | 0.563 |
| | | | | 14-Sep-18 | 81,254 | Transfer | 3,87,400 | 0.712 |
| | | | | 21-Sep-18 | (3,23,691) | Transfer | 63,709 | 0.117 |
| | | 63,709 | 0.117 | 21-Sep-18 | - | Date of Separation | 63,709 | 0.117 |
| 12 | Vijaykumar MangturamKhemani* | 59,500 | 0.109 | 1-Apr-18 | - | - | 59,500 | 0.109 |
| | | | | 31-Aug-18 | 70,000 | Transfer | 1,29,500 | 0.238 |
| | | | | 21-Sep-18 | 3,35,000 | Transfer | 4,64,500 | 0.854 |
| | | 4,64,500 | 0.854 | 31-Mar-19 | - | - | 4,64,500 | 0.854 |
| 13 | Mahesh DinkarVaze* | 98,000 | 0.180 | 1-Apr-18 | - | - | 98,000 | 0.180 |
| | | | | 31-Aug-18 | (8,000) | Transfer | 90,000 | 0.165 |
| | | | | 2-Nov-18 | (20,000) | Transfer | 70,000 | 0.129 |
| | | | | 2-Nov-18 | 20,000 | Transfer | 90,000 | 0.165 |
| | | | | 16-Nov-18 | (20,000) | Transfer | 70,000 | 0.129 |
| | | | | 23-Nov-18 | (5,000) | Transfer | 65,000 | 0.119 |
| | | | | 4-Jan-19 | 3,80,000 | Transfer | 4,45,000 | 0.818 |
| | | | | 22-Feb-19 | (5,000) | Transfer | 4,40,000 | 0.809 |
| | | 4,40,000 | 0.809 | 31-Mar-19 | - | - | 4,40,000 | 0.809 |

* Not in the list of Top 10 shareholders as on 01-04-2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders during the year ended 31st March, 2019.

v) Shareholding of Directors and Key Managerial personnel

| Sr. No. | Name of the Directors and KMP | Director Identification No. (DIN) | Shareholding at the beginning of the year as at 01.04.2018 | | Shareholding at the end of the year as at 31.03.2019 | | % change in shareholding during the year |
|------------------|--------------------------------------|-----------------------------------|--|----------------------------------|--|----------------------------------|--|
| | | | No. of Shares | % of total shares of the Company | No. of shares held | % of total shares of the Company | |
| Directors | | | | | | | |
| 1 | Jai Prakash Agarwal (Chairman & WTD) | 00041119 | 23,05,723 | 4.238 | 17,61,723 | 3.238 | (1.00) |
| 2 | Raju Bista (Managing Director) | 01299297 | - | - | - | - | - |
| 3 | Urmil Agarwal | 00053809 | 2,10,431 | 0.387 | 2,10,431 | 0.387 | - |
| 4 | Vinay Surya* | 00515803 | 1,66,536 | 0.306 | 1,66,536 | 0.306 | - |
| 5 | Ravinder Kumar Narang | 02318041 | - | - | - | - | - |
| 6 | Krishan Kumar Narula | 00098124 | - | - | - | - | - |
| 7 | Tara Sankar Sudhir Bhattacharya | 00157305 | - | - | - | - | - |
| 8 | Sudhanshu Kumar Awasthi | 02162923 | - | - | - | - | - |
| 9 | Surendra Singh Khurana | 02126149 | 40 | 0.000 | 50 | 0.000 | 0.00 |
| 10 | Shivani Singla^ | 07715894 | - | - | - | - | - |
| 11 | Sunil Sikka | 08063385 | 12,500 | 0.023 | 19,700 | 0.036 | 0.01 |
| 12 | Kaustubh NarsinhKarmarkar \$ | 00288642 | - | - | - | - | - |
| 13 | Mukesh Tripathi** | 01951272 | - | - | - | - | - |
| 14 | Utpal Kumar Anil Kumar Mukhopadhyay# | 02766045 | - | - | - | - | - |

| Sr. No. | Name of the Directors and KMP | Director Identification No. (DIN) | Shareholding at the beginning of the year as at 01.04.2018 | | Shareholding at the end of the year as at 31.03.2019 | | % change in shareholding during the year |
|--|--|-----------------------------------|--|----------------------------------|--|----------------------------------|--|
| | | | No. of Shares | % of total shares of the Company | No. of shares held | % of total shares of the Company | |
| Key Managerial Personnel (KMPs) | | | | | | | |
| a | R N Maloo (ED & Group CFO) | - | - | - | - | - | - |
| b | Ramanjeet Singh (CEO- Lighting & Consumer Durables Segment) | - | - | - | - | - | - |
| c | Tarun Baldua (CEO- Steel Pipes & Strips Segment) | - | - | - | - | - | - |
| d | B B Singal (Sr. V.P & Company Secretary) | - | - | - | - | - | - |

* Appointed as an Additional Whole-time Director on the Board of the Company w.e.f 18th May, 2018 and subsequently approved by the shareholders at the AGM on 28th September, 2018

\$ Appointed as an Additional Whole-time Director on the Board of the Company w.e.f 10th August, 2018 and subsequently approved by the shareholders at the AGM on 28th September, 2018

** Resigned from the Board of the Company on 18th May, 2018

Resigned from the Board of the Company on 2nd June, 2018 and later expired on 20th June, 2018

^ Resigned from the Board of the Company on 5th March, 2019 as IDBI withdraws Nomination from the Board of the Company

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| (₹ in crore) | | | | |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1097.39 | - | - | 1097.39 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 3.11 | - | - | 3.11 |
| Total (i+ ii+iii) | 1100.50 | - | - | 1100.50 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 137.07 | - | - | 137.07 |
| Reduction | 43.59 | - | - | 43.59 |
| Net Change | 93.48 | - | - | 93.48 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1191.53 | - | - | 1191.53 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 2.45 | - | - | 2.45 |
| Total (i+ ii+iii) | 1193.98 | - | - | 1193.98 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Directors , Whole Time Director and / or Manager

| Sr. No. | Particulars of the Remuneration | Name of MD/WTD / Manager | | | | | Total Amount |
|---------|---|--------------------------|------------|--------------|-------------------------|-------------------|--------------|
| | | Jai Prakash Agarwal | Raju Bista | Vinay Surya* | Kaustubh N Karmarkar \$ | Mukesh Tripathi** | |
| 1 | Gross Salary | | | | | | |
| | (a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961 | 3.600 | 2.999 # | 1.532 | 0.757 | 0.152 | 9.040 |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | - | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961 | - | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - | - |
| 4 | Commission | | | | | | |
| | - as % of profit | 2.589 | 1.726 | - | - | - | 4.315 |
| | - others, specify | - | - | - | - | - | - |
| 5 | Others (Employer's Share of Provident Fund) | - | 0.261 | 0.168 | 0.091 | 0.018 | 0.538 |
| | Total (A) | 6.189 | 4.986 | 1.700 | 0.848 | 0.170 | 13.893 |
| | Ceiling as per Act | | | | | | 17.26 |

Inclusive of ₹ 0.82 Crore of Leave Encasement

* Appointed as an Additional Whole-time Director on the Board of the Company w.e.f 18th May, 2018 and subsequently approved by the shareholders at the AGM on 28th September, 2018

\$ Appointed as an Additional Whole-time Director on the Board of the Company w.e.f 10th August, 2018 and subsequently approved by the shareholders at the AGM on 28th September, 2018

** Resigned from the Board of the Company on 18th May, 2018

B. Remuneration to Other Directors

| Sr. No. | Particulars of the Remuneration | Name of Directors | | | | | | | | | Total Amount |
|---------|---|----------------------|-----------------------|--------------------------|-------------------------|------------------------|--------------|------------------|---------------|----------------------------|--------------|
| | | Krishan Kumar Narula | Ravinder Kumar Narang | Tara Sankar Bhattacharya | Sudhanshu Kumar Awasthi | Surendra Singh Khurana | Sunil Sikka | Shivani ^ Singla | Urmil Agarwal | Utpal Kumar Mukhopadhyay * | |
| 3 | Independent Directors | 0.064 | 0.034 | 0.025 | 0.008 | 0.031 | 0.028 | - | - | - | 0.190 |
| | Fees for attending board / committee meetings | | | | | | | | | | |
| | Commission | - | - | - | - | - | - | - | - | - | - |
| | Others | - | - | - | - | - | - | - | - | - | - |
| | Total (1) | 0.064 | 0.034 | 0.025 | 0.008 | 0.031 | 0.028 | - | - | - | 0.190 |
| | Other Non Executive Directors | | | | | | | | | | |
| | Fees for attending board / committee meetings | | | | | | | 0.012 | 0.008 | - | 0.020 |
| | Commission | - | - | - | - | - | - | - | - | - | - |
| | Others # | - | - | - | - | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | - | - | 0.012 | 0.008 | - | 0.020 |
| | Total (B) = (1+2) | 0.064 | 0.034 | 0.025 | 0.008 | 0.0310 | 0.028 | 0.012 | 0.008 | - | 0.210 |
| | Total Managerial Remuneration (Sitting Fees) | | | | | | | | | | - |
| | Overall Ceiling as per the Act | | | | | | | | | | NIL |

* Resigned from the Board of the Company on 2nd June, 2018 and later expired on 20th June, 2018

^ The Sitting fees for attending meeting was paid to IDBI bank and further Director had Resigned from the Board of the Company on 5th March, 2019 as IDBI withdraws Nominee Director from the Board of the Company

C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD

(₹ in crore)

| Sr. No | Particulars of Remuneration | Key Managerial Personnel | | | | Total |
|----------|---|--------------------------|---|---|--|---------------|
| | | R N Maloo ED & GCFO | Ramanjeet Singh CEO-Lighting & Consumer Durables Segment | Tarun Baldua CEO-Steel Pipes & Strips Segment | B B Singal Sr. V.P & Company Secretary | |
| 1 | Gross Salary | | | | | |
| | (a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961 | 0.7570 | 1.1810 | 0.9870 | 0.3698 | 3.2948 |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | - | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission | - | - | - | - | - |
| | - as % of profit | - | - | - | - | - |
| | - others, specify | - | - | - | - | - |
| 5 | Others (Employer's share of Provident Fund) | 0.0536 | 0.0761 | 0.0582 | 0.0179 | 0.2058 |
| | Total (C) | 0.8106 | 1.2571 | 1.0452 | 0.3877 | 3.5006 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES.

There are no penalties, punishment or compounding of offences during the year ended 31st March 2019.

for and on behalf of the Board of Directors

Place: New Delhi
Dated: 21st May, 2019

J P Agarwal
Chairman
DIN – 00041119

ANNEXURE – III TO BOARD'S REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

[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

SURYA ROSHNI LIMITED
PRAKASH NAGAR, SANKHOL
BAHADURGARH, HARYANA-124507

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S SURYA ROSHNI 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 authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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 there under 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.
 - (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, 2009 (**Not applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable to the Company during the 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 the Audit Period**); and
 - (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Regulations, as applicable entered into by the Company with Stock Exchanges as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Explosives Act
- (b) The Indian Boilers Act

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

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

for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

We further report that during the audit period the Company has following major event having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc;

Commercial Production of 3LPE Coated Pipe Unit at Anjar-Kutchh (Gujarat) commenced on 5th November, 2018 with an installed capacity of 18,50,000 Sq.mtr. for External and 11,00,000 Sq. mtr. Internal Coating for pipes ranging from 4" to 64". Commencement of the aforesaid 3LPE Coating unit, the Company will be benefitted by higher capacity utilisation of its existing Spiral and API Pipes facilities.

**For SGS ASSOCIATES
Company Secretaries**

**Date: 21st May, 2019
Place: - New Delhi**

**D.P. Gupta
M N FCS 2411
C P No. 1509**

ANNEXURE – IV TO BOARD'S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3) (m) read with Companies(Accounts) Rules 2014 and forming part of the Directors' Report for the year ended 31st March, 2019.

I. CONSERVATION OF ENERGY

Energy conservation dictates how efficiently a Company can conduct its operations. Surya Roshni Limited has recognised the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The Company has undertaken various energy efficient steps that strengthen the Company's commitment towards becoming an environment friendly organisation.

a) Energy conservation measures taken :

At Steel Pipes & Strips Segment – Bahadurgarh Unit :

- Saving of Power through Improving Power factor.
- Saving of energy is achieved by replacement of factory lights with LED Lights.
- Saving of energy is achieved by replacement of less efficient compressor with new air compressor of 600 CFM in pipe division
- Replacement of old boiler with New 3 TPH steam boiler of 17.5 kg/cm² pressure helps in saving of energy.

At Steel Pipe Unit - Hindupur :

- Replaced Old design motor by the Energy Efficient Motors.
- Mill power factor of plant by Integrated APSFC Panels
- Highly efficient IE-3 grade motors are used which are more efficient and power saving.
- Illumination system of LED is used in the plant resulted in saving of power

At Steel Pipe Unit - Anjar (Gujarat-Kutchh):

- Installing of Solar Power Energy 2MW to save energy.
- Replaced high energy consuming electrical motors with compatible lower energy consuming motors.

- Saving of energy by optimisation of use of common utilities by interlinking of utilities at various sections
- Saving of energy through replacement of conventional lamps with LED Lamps.
- Company gone through the audit of energy management system for conservation of energy.

At Malanpur Unit of Lighting Division :

- Saving of energy by modification in heaters and improving insulation in FTL-1 exhaust oven.
- Saving of energy through replacement of conventional lamps with LED Lamps
- By utilise low pressure air at FTL # 2 baker combustion skid, energy is saved.
- Saving in gas consumption 300 SCM/day by changing the FTL #1 baker from Inconel tube to fix bed type.
- Reduction of Natural Gas Consumption by 100 SCM/day at Cap Vitrite furnace by changing the orifice size.
- Use of Solar Energy as an alternate source of energy for the reduction of carbon emission.

At Kashipur Unit of Lighting Division:

- Saving of energy by providing L.P. air supply to HID Plant from Compressor house instead of running 5.5 KW Blower in HD Plant.
- Saving of energy by installation of Inverter A.C instead of conventional A.C in PCB plant
- Saving of energy through replacement of LGP UPS Panel room window A.C with Inverter A.C
- Installed Overhead Cooling duct for human in T-5 plant by stoppage of 30 KW (40 H.P) and thus saves energy.

- Replaced exhaust duct blower 7.5 H.P with 3.0 H.P in PCB plant and thus saves energy.
- b) **Steps taken by the Company for utilising alternate source of energy :**
Company is exploring options to use Solar Based Energy as an alternate source of energy in future.
- c) **The Capital Investment on energy conservation equipment's :**
Investment of ₹ 2.23 Crore on energy conservation equipment's are made by the Company during the year.

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Rules:

1. Research and Development (R&D)

a) Specific areas in which R&D carried out by the Company :

During the year under review, development / completion of products / projects in the field of energy efficient Light Sources and Luminaires & its application including LED Lighting System has been carried out.

b) Benefits derived as a result of above R&D :

Developed / modified energy efficient environment friendly lighting products.

c) Future Plan of action :

Research and Development activities in future at a modern, world-class, in-house Research & Development Centre in Noida is in the field of energy efficient Light Sources and Luminaires & its application including LED Lighting System.

d) Expenditure on R&D :

Capital Expenditure during the year is ₹ 0.10 crore and Revenue Expenditure is ₹ 3.16 crore

2. Technology absorption, adaptation & innovation:

a) Efforts, in brief, made towards technology absorption, adaptation & innovation :

Major initiatives are being taken to upgrade the various processes by making

use of latest and better techniques. Efforts are constantly being made to make the maximum use of the available infrastructure, at the same time innovating new techniques to bring about efficiency as well as economy in different areas. Employees are given appropriate training of and on the job, to enable them to achieve the planned performance.

b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. :

There were various benefits derived as a result of the efforts listed above, some of them included better utilisation of the available resources, product improvement and development, cost reduction, better overall efficiency.

c) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) : Nil

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase export, development of new markets for products and services and export plans :

Major initiatives were taken to boost the exports of the Company. Some of them included:

- Emphasis has been given on Foreign Traveling of Export Executives and Directors for development of new markets.
- The Company has participated in the conferences and exhibitions organised in various foreign countries.

b) Total foreign exchange used and earned (₹ in Crore)

Used : 463.37 Earned: 764.29

for and on behalf of
the Board of Directors

Date: May 21, 2019
Place: - New Delhi

J P Agarwal
Chairman
DIN – 00041119

ANNEXURE – V TO BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

“Surya Roshni Limited CSR Policy” describes and contains the Company’s philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines, process and mechanisms for undertaking socially useful programmes for welfare and sustainable development of the community at large. The key objective is to eradicating hunger, poverty and malnutrition; Promoting health care; making available safe drinking water & Sanitation; Promoting education ; enhancing vocational skills & livelihood enhancement projects; Women

empowerment; Promoting of home and hostels for women and orphans; Reducing inequality faced by socially and economically backward groups; Animal welfare /animal care; Promoting Art & Culture; Contribution to Prime Minister Relief Fund; Rural development projects; and addressing environmental issues. The detailed Corporate Social Responsibility Policy of the Company is available at the following link <http://www.surya.co.in/Content/Images/uploaded/csr-policy/CSR%20Policy.pdf>



COMPOSITION:

The Corporate Social Responsibility Committee shall consist of three directors amongst whom, one shall be an Independent Director.

| S. No. | Name | Category | Designation |
|--------|--------------------------|----------|--------------------------------|
| 1 | Mr. Jai Prakash Agarwal | Member | Chairman & Whole-time Director |
| 2 | Mr. Raju Bista | Member | Managing Director |
| 3 | Mr. Krishan Kumar Narula | Member | Independent Director |
| 4 | Mr. Mukesh Tripathi* | Member | Non-Independent Director |

- * Resigned from the Board of Directors on 18th May, 2018

| | | (₹ in crore) |
|--|---|-------------------|
| Average Net Profit of the Company for last three financial years | : | 128.38 |
| Prescribe Amount of CSR expenditure (2% of Average) | : | 2.57 |
| Details of CSR Spent during the financial year | : | 2.57 |
| Total Amount to be spent for the financial year | : | 2.57 |
| Amount unspent if any | : | Nil |
| Manner in which amount spent during the financial year | : | Detailed Overleaf |

Details of Amount Spent on CSR Activities during the Financial Year 2018-19 in respect of Surya Roshni Limite

(₹ in crore)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---------|---------------------------------------|---|--|---|---|---|---|
| Sr. No. | CSR project or activity identified. | Sector in which the Project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: | Cumulative expenditure upto to the reporting period | Amount spent: Direct or through implementing agency * |
| | | | Local Areas and Others | | | | |
| 1 | ADARSH GRAM YOJNA (RURAL DEVELOPMENT) | PROMOTING EDUCATION & RURAL DEVELOPMENT & YOUTH DEVELOPMENT, PERSONALITY DEVELOPMENT & CHARACTER BUILDING OF YOUTH, IMPROVING THE LITERACY RATE, HELPING THEM IN DEVELOPMENT OF THEIR VILLAGE, PROMOTE RURAL SPORTS ETC | HARYANA- JHAJJAR, ROHTAK, SONIPAT, HISSAR UTTRAKHAND- DEHRADUN, UDHAM SINGH NAGAR, MADHYA PRADESH- BHIND, VIDISHA, RISEN, GWALIOR, SHIVPURI, SIHORE, INDORE, GUJARAT- BHUJ,, ARRVALI, MANIPUR- BISHNUPUR, IMPHAL, KANGPOKPI RAJASTHAN- BIKANER, JAIPUR, JODHPUR , RAJASMAND, NAGAU BIHAR- EAST CHAMPARAN MAHARASHTRA- NAGPUR, AMRAVATI, RAIGARH, AHMEDNAGAR, RAMTEK CHATTISGARH- KAWARDHA, RAJNANDGAON, RAIPUR, WEST BANGAL- SILLIGURI , DARJEELING, KALIMPONG KARNATAKA- ANATHAPUR ORISSA- GANJAM, SUNDAR GADA, KALAHANDI, PURI JAJPUR, DEOGARH JHARKHAND- KHUNTI, RAMGARH, JAMSEDPUR, BIRSANAGAR EAST SINGH BHOOM, HAZARIBAGH TRIPURA - AGARTALA ASSAM- KAMRUPMETRO, KAMRUP RURAL, BISWANATH, MANULI ARUNACHAL PRADESH- NAMSAI SIKKIM- EAST SIKKIM UTTAR PRADESH- AMETHAI,,BAREILLY, , FATEHPUR, GAUTAM BUDH NAGAR, GONDA, BARABANKI, HARDOI GORAKHPUR, HAMIRPUR, MATHURA LAKHIMPUR, LUCKNOW, MEERUT, KANPUR MURADABAD, SAMLI, VARANASI, KAUSHMBI, BIJNORE, PILIBHEET | 2.04 | 2.04 | 2.04 | Implementing Agency- SURYA FOUNDATION |

(₹ in crore)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|--------------|-------------------------------------|--|---|---|---|---|---|
| Sr. No. | CSR project or activity identified. | Sector in which the Project is covered | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: | Cumulative expenditure upto to the reporting period | Amount spent: Direct or through implementing agency * |
| 2. | NATUROPATHY EXPENSES | PROMOTING PREVENTIVE HEALTH CARE, PROMOTE YOGA | NATUROPATHY WORKSHOP & INTERNATIONAL DAY OF YOGA DELHI | 0.41 | 0.41 | 0.41 | Implementing Agency- SURYA FOUNDATION |
| 3. | OTHER ADMINISTRATION EXPENSES | | DELHI | 0.12 | 0.12 | 0.12 | Implementing Agency- SURYA FOUNDATION |
| Total | | | | 2.57 | 2.57 | 2.57 | |

2. Company had spent during the year the an amount of ₹ 2.57 crore on corporate social activities being not less than 2 % of the average net profits of the Company made during the three immediately preceding financial years as required under the provisions of section 135(5) of the Companies Act, 2013. No amount was left unspent during the year under review on corporate social responsibility activities.

3. The responsibility statement of the Corporate Social Responsibility (CSR) committee of the Board of Directors of the Company is reproduced below :

"The implementation and monitoring of Corporate Social Responsibility (CSR) policy is in compliance with CSR objectives and Policy of the Company."

K K Narula
Chairman – CSR Committee
(DIN – 00098124)

Raju Bista
Managing Director
(DIN – 01299297)

for and on behalf of the Board of Directors
J P Agarwal
Chairman
DIN-00041119

Place : New Delhi
Dated : 21st May, 2019

ANNEXURE – VI TO BOARD'S REPORT

FORM NO. AOC - 2

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 arms length transactions under third proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis

- (a) Name(s) of the related party and nature of relationship: **Nil**
- (b) Nature of contracts/arrangements/transactions : **Nil**
- (c) Duration of the contracts/arrangements/transactions : **Nil**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Nil**
- (e) Justification for entering into such contracts or arrangements or transactions : **N.A**
- (f) Date(s) of approval by the Board : **N.A**
- (g) Amount paid as advances, if any: **Nil**
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : **N.A**

2. Details of material contracts or arrangement or transactions at arm's length basis

- (a) Name(s) of the related party and nature of relationship: **Nil**
- (b) Nature of contracts/arrangements/transactions: **Nil**
- (c) Duration of the contracts/arrangements/transactions: **Nil**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Nil**
- (e) Date(s) of approval by the Board (if any): Not Applicable
- (g) Amount paid as advances, if any: **Nil**

Place : New Delhi
Dated : 21st May, 2019

for and on behalf of the Board of Directors
J P Agarwal
Chairman
DIN-00041119

ANNEXURE – VII TO BOARD'S REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY

The ethical values is the foundation of Company's governance philosophy which over the past 46 years of the Company's existence has become a part of its culture. Company's commitment towards adoption of best corporate governance practices goes beyond compliance of the law and endeavors to embrace responsibility for corporate actions and impact of its initiatives on all stakeholders. A Report on compliance with the Corporate Governance provisions as prescribed under Chapter IV read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 referred to as "Listing Regulations" is given below.

2. BOARD OF DIRECTORS

a. Composition and Category of Directors as on 31st March, 2019

The Board consists of 11 Directors as on 31st March, 2019. The composition of the Board is in conformity with Regulation 17 read with clause C(2) (a) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The day to day management of the Company was carried by 4 Executive – Non Independent Directors. Chairman is an Executive Director and the number of Independent

Non-Executive Directors on the Board is more or equal to 50% of the Board strength at any point of time. All Independent Non-Executive Directors possess the requisite qualification and are very experienced in their respective fields and further comply with the legal requirements for being "independent". Neither Independent Directors nor their relatives do not have any pecuniary relationships or transactions either with the Company or its associate or with the promoters/management that may affect their judgment in any manner. The non-executive independent directors of the Company satisfied the definition of independent directors as provided in Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Composition of the Directors on the Board, are summarised as below:

| | |
|--|---------------------------------------|
| Total No. of Directors | 11 |
| Executive Chairman | Sh. Jai Prakash Agarwal |
| Managing Director | Sh. Raju Bista |
| No. of Independent Directors (Chairman being Executive) | 6 (> 50% of Board Strength) |
| No. of Non-Executive Directors | 7 (> 50% of Board Strength) |

The names along with categories of the Directors on the Board, are given below:

| Name of the Directors | Director Identification No. (DIN) | Category of Directors |
|--|-----------------------------------|--|
| Sh. Jai Prakash Agarwal (Executive Chairman) | 00041119 | Promoter ; Executive ; Non-Independent |
| Sh Raju Bista (Managing Director) | 01299297 | Executive ; Non-Independent |
| Smt. Urmil Agarwal | 00053809 | Non-Executive ; Non-Independent |
| Shri Vinay Surya * | 00515803 | Executive ; Non-Independent |
| Sh. Krishan Kumar Narula | 00098124 | Non-Executive – Independent |
| Sh. Ravinder Sudhir Kumar Narang | 02318041 | Non-Executive Independent |
| Sh. Tara Sankar Sudhir Bhattacharya | 00157305 | Non-Executive Independent |
| Sh. Sudhanshu Kumar Awasthi | 02162923 | Non-Executive Independent |
| Sh. Surendra Singh Khurana | 02126149 | Non-Executive Independent |
| Sh. Sunil Sikka \$ | 08063385 | Non-Executive ; Independent |
| Sh. Kaustubh Narsinh Karmarkar # | 00288642 | Executive ; Non-Independent |
| Sh Mukesh Tripathi ** | 01951272 | Executive ; Non-Independent |
| Sh. Utpal K Mukhopadhyay*** | 02766045 | Non-Executive Independent |
| Smt. Shivani Singla ^ (IDBI Bank Nominee in the capacity as lender | 07715894 | Non-Executive ; Non-Independent |

* Appointed as an Additional Whole-time Director on the Board of the Company w.e.f 18th May, 2018 and subsequently approved by the shareholders at the AGM on 28th September, 2018.

** Resigned from the Board of the Company on 18th May, 2018.

*** Resigned from the Board of the Company on 2nd June, 2018 due to ill health and later expired on 20th June, 2018.

Appointed as an Additional Whole-time Director on the Board of the Company w.e.f 10th August, 2018 and subsequently approved by the shareholders at the AGM on 28th September, 2018.

§ Appointed as an Additional Independent Director on the Board of the Company from 12th February, 2018 and subsequently shareholders at the AGM of the Company approved the appointment as an Independent Director for a consecutive period of five years for the first term w.e.f 28th September, 2018.

^ Resigned from the Board of the Company on 5th March, 2019 as IDBI Bank withdraws Nominee Director from the Board of the Company.

b. Attendance of each Director at Board Meetings held during the year 2018-19 and last AGM

The names of the Directors on the Board and their attendance at Board meetings during the year 2018-19 and at the last AGM are as under:

| Name of the Director | Director Identification No. (DIN) | No. of Board Meetings attended during 2018-19 | Last AGM attendance As on 28.09.2018 |
|---|-----------------------------------|---|--------------------------------------|
| Sh. Jai Prakash Agarwal (Executive Chairman) | 00041119 | 4 | NO |
| Sh Raju Bista (Managing Director) | 01299297 | 4 | YES |
| Smt. Urmil Agarwal | 00053809 | 2 | NO |
| Shri Vinay Surya * | 00515803 | 2 | NO |
| Sh. Krishan Kumar Narula | 00098124 | 4 | YES |
| Sh. Ravinder Sudhir Kumar Narang | 02318041 | 4 | NO |
| Sh. Tara Sankar Sudhir Bhattacharya | 00157305 | 3 | NO |
| Sh. Sudhanshu Kumar Awasthi | 02162923 | 2 | NO |
| Sh. Surendra Singh Khurana | 02126149 | 3 | NO |
| Sh. Sunil Sikka § | 08063385 | 4 | NO |
| Sh. Kaustubh Narsinh Karmarkar # | 00288642 | 2 | NO |
| Sh Mukesh Tripathi ** | 01951272 | - | NO |
| Sh. Utpal K Mukhopadhyay*** | 02766045 | - | NO |
| Smt. Shivani Singla ^ (IDBI Bank Nominee in the capacity as lender) | 07715894 | 3 | NO |

* Appointed as an Additional Whole-time Director on the Board of the Company w.e.f 18th May, 2018 and subsequently approved by the shareholders at the AGM on 28th September, 2018.

** Resigned from the Board of the Company on 18th May, 2018.

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^ Resigned from the Board of the Company on 5th March, 2019 as IDBI Bank withdraws Nominee Director from the Board of the Company.

Information supplied to the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations, 2015. As stated elsewhere, the independent directors of the Company at their meeting held on 19th January, 2019 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

Orderly succession to Board and Senior Management

The Board of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.

c. Directorships and Committee Memberships in other companies as on 31st March, 2019

The names of the Directors and the details of chairmanship / directorships and committee memberships of each director in other companies as on 31st March, 2019 is given below:

| Name of the Director | Director Identification No. (DIN) | No. of Directorships held in other companies | | No. of committee positions held in other companies | | Name of the Listed Entity where the person is a Director and category of Directorship | |
|--|-----------------------------------|--|----------|--|--------|---|-----------------------------------|
| | | Chairman | Director | Chairman | Member | Listed Entity | Category |
| Sh. Jai Prakash Agarwal (Executive Chairman) | 00041119 | - | - | - | - | | |
| Sh Raju Bista (Managing Director) | 01299297 | - | - | - | - | | |
| Smt. Urmil Agarwal | 00053809 | - | 1 | - | - | Pankaj Investments Limited | Non-Independent; Non-Executive |
| Shri Vinay Surya * | 00515803 | - | 3 | - | - | Pankaj Investments Limited | Non-Independent; Non-Executive |
| Sh. Krishan Kumar Narula | 00098124 | - | - | - | - | | |
| Sh. Ravinder Kumar Narang | 02318041 | - | - | - | - | | |
| Sh. Tara Sankar Sudhir Bhattacharya | 00157305 | - | 7 | - | 4 | 1. Uflex Limited 2. Arshiya Limited 3. Jindal Stainless Ltd. 4. Nandan Denim Ltd | Independent; Non-Executive |
| Sh. Sudhanshu Kumar Awasthi | 02162923 | - | - | - | - | | |
| Sh. Surendra Singh Khurana | 02126149 | - | - | - | - | | |
| Sh. Sunil Sikka \$ | 08063385 | - | 1 | - | - | | |
| Sh. Kaustubh Narsinh Karmarkar # | 00288642 | - | 1 | - | - | | |
| Sh Mukesh Tripathi ** | 01951272 | - | - | - | - | | |
| Sh. Utpal K Mukhopadhyay*** | 02766045 | - | - | - | - | | |
| Smt. Shivani Singla ^ (IDBI Bank Nominee in the capacity as lender) | 07715894 | - | - | - | - | | |

* Appointed as an Additional Whole-time Director on the Board of the Company w.e.f 18th May, 2018 and subsequently approved by the shareholders at the AGM on 28th September, 2018.

** Resigned from the Board of the Company on 18th May, 2018.

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^ Resigned from the Board of the Company on 5th March, 2019 as IDBI Bank withdraws Nominee Director from the Board of the Company.

None of the -

- Independent Directors of the Company serves as an independent director in more than 7 listed companies and
- Whole-time Directors of the Company serves as an independent director in more than 3 listed entities.
- Directors of the Company were members in more than 10 committees or acted as Chairman of more than five committees across all companies in which they were Directors

d. No. of Board Meetings held in the financial year 2018-2019 and dates on which

Under the Law, the Board of Directors must meet at least once in a quarter and four times a year, with a maximum time gap of 120 days between any two meetings to consider amongst other business, the quarterly performance of the Company and financial results.

During the last financial year, Board met four times, on 18th May, 2018; 10th August, 2018; 14th November, 2018 and 14th February, 2019.

e. Disclosure of relationship between directors inter se.

None of the Directors of the Company except Shri J P Agarwal, Smt. Urmil Agarwal and Vinay Surya have any inter-se relationship with other directors of the Company.

f. Number of shares and convertible instruments held by Non- Executive Directors

No shares or convertible instrument are held by any Non- Executive Director(s) of the Company during the Financial Year 2018-19 except Sh. Sunil Sikka who is holding 19,700 equity shares and Shri Surendra Singh Khurana who is holding 50 shares as on 31st March, 2019.

g. Web link where details of familiarisation programmes imparted to Independent Directors is disclosed

A familiarisation programme for Independent Directors was organised during the year to make them update on the recent amendments in the provisions of the SEBI and Corporate Laws. A detailed familiarisation programme was presented by representative of Corporate Professional, leading firm of Corporate Law Consultants of the amendments / newly inserted regulations in the SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from 1st April, 2019 and other recent legal updates, which was keenly participated by every Director on the Board of the Company and express happiness over the same. The detailed familiarisation programme for Directors was uploaded on the website of the Company at the following link: <http://www.surya.co.in/Content/Images/uploaded/familiarization-programme-for-independent-directors/Recent-Legal-Updates.pdf>

**h. A chart or a matrix setting out the skills / expertise / competence of the Board of Directors.**

| Company Businesses /Segments | Core skills / expertise / competencies identified in the context of business(es) and sector(s) | Skills available with the Board |
|---|--|---|
| Steel Pipes & Strips Segment & Lighting & Consumer Durables Segment | <p>Company is the largest exporter of ERW Pipes and largest manufacturer of ERW GI pipes in India under Brand "PRAKASH SURYA" and</p> <p>2nd Largest in Lighting – Marketing under brand "SURYA".</p> <p>Company with strong foothold in energy efficient lighting is moving towards Smart LED Lighting. This technology is transforming from a novelty to an indispensable daily companion through smart control devices. These devices utilise wireless controls for dimming, colour changing and can be managed from anywhere. Together with advanced sensors, smart cameras and other device these smart lighting devices constitute an ecosystem which can enrich the lives of modern consumers who can command and control these device by using simple voice commands or apps.</p> | <p>Surya, with strong brand equity, wide spread distribution network, strategic plant locations and professional management comprises of eminent Independent Directors viz Shri T S Bhattacharya (an ex M.D of State Bank of India), Shri K K Narula (retired as an ex-CGM – SBI), Sudhansu Kumar Awasthi (ex- GM of PNB), possessed banking, administrative, logistic expertise and in particular:</p> <p>Shri Surendra Singh Khurana (an ex-Chairman of Railway Board and ex-officio Principal Secretary of GOI),</p> <p>Sunil Sikka, an Independent Director of the Company and an Ex-President of Havells (India) Limited & ELCOMA led multiple initiatives to accelerate growth in marketing of consumer electrical and lighting in India.</p> <p>Shri Ravinder Kumar Narang an Independent Director of the Company and an Ex-Chairman of IOCL possess vast experience in the field of Oil & Gas Sector, Operations, Project Development & Marketing Network.</p> |

i. Confirmation by the Board

In the opinion of the Board, the Independent directors fulfill the conditions as specified in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and as per the provisions of the Companies Act, 2013 and rules & Schedules made thereunder and are independent of the management.

j. Detailed Reasons for the resignation of an Independent Director who resigns before the expiry of his tenure:

Shri Utpal Kumar Anil Kumar Mukhopadhyay (DIN – 2766045) an Independent Director on the Board since 5th September, 2014 had resigned from the Board of the Company on 2nd June, 2018 due to ill health. He later expired on 20th June, 2018.

3. AUDIT COMMITTEE

i. Terms of Reference

The Audit Committee is responsible for overseeing of the Company's financial reporting process, reviewing the quarterly/half-yearly/ annual financial statements, reviewing with the management on the financial statements and adequacy of internal audit function, recommending the appointment / re-appointment of statutory auditors and fixation of audit fees along with reviewing and monitoring the auditor's independence and performance, reviewing the significant internal audit findings / related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operation. Matters to be included in Director's Responsibility Statement form part of the Board Report, compliance with listing and other legal requirements relating to financial statements, scrutiny of inter-corporate loans and investments, valuation of undertaking or assets of the Company. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The Committee discussed with the external auditors their audit methodology, audit planning and significant observations / suggestions made by them. The Committee also discussed major issues related to risk management and compliances, review the functioning of Whistle Blower mechanism and approval of appointment of Chief Financial Officer.

As per Rule 6A of the Companies (Meeting of Board and its Powers) Rules, 2014 and in compliance to regulation 23(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. committee to recommend to grant Omnibus approval for proposed related party transactions which are foreseen and for unforeseen transactions as per the framed specified criteria on an yearly basis.

In addition, the Committee has discharged such other role/function as envisaged under Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred to as 'Listing Regulations' with the Stock Exchanges) and the provisions of Section 177(4) of the Companies Act, 2013.

ii. Composition / Category / name of members and chairperson

The Audit Committee comprises of three Directors. The names along with categories of the members at the meeting was as follows :

| Names of the Members | Director Identification No. | Category |
|-------------------------------------|-----------------------------|-------------------------------------|
| Sh. Krishan Sudhir Kumar Narula | 00098124 | Chairman ; Independent – Director |
| Sh. Tara Sankar Sudhir Bhattacharya | 00157305 | Member ; Independent – Director |
| Sh. Surendra Singh Khurana* | 02126149 | Member ; Independent – Director |
| Sh. Utpal K Mukhopadhyay** | 02766045 | Member ; Independent – Director |
| Sh. Mukesh Tripathi *** | 01951272 | Member ; Non-Independent – Director |

* Inducted by re-constitution of the Committee by the Board of Directors w.e.f 18th May, 2018.

** Resigned from the Directorship on 2nd June, 2018 due to ill health and later expired on 20th June, 2018.

*** Resigned from the Board of the Company on 18th May, 2018

All the members have extensive financial and accounting knowledge and background. The terms of reference of the Audit Committee are in line with Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quorum for the Committee is two independent members. The Audit Committee meetings were attended by the heads of Finance and Internal Audit and the Auditors (including Cost Auditors) as invitees. The members held discussions with the Auditors during the meetings and the Committee reviewed the periodic

unaudited and audited results of the Company before being considered and approved by the Board of Directors. Sh. B.B. Singal, Sr. V.P & Company Secretary, acts as the Secretary to the Committee.

iii. No. of Audit Committee Meetings and dates on which held / Attendance at Meetings.

During the financial year 2018-19, Audit Committee meetings were held on 17th May, 2018 ; 10th August, 2018; 14th November, 2018 and 14th February, 2019. The names along with categories of the members and the attendance of members at the meeting was as follows:

| Names of the Members | Director Identification No. | Category | No. of Meetings Attended |
|---------------------------------------|-----------------------------|-------------------------------------|--------------------------|
| Sh. Krishan Kumar Narula | 00098124 | Chairman ; Independent – Director | 4 |
| Sh.Tara Sankar Sudhir Bhattacharya | 00157305 | Member ; Independent – Director | 3 |
| Sh. Surendra Singh Khurana* | 02126149 | Member ; Independent – Director | 3 |
| Sh. Mukesh Tripathi** | 01951272 | Member ; Non-Independent – Director | - |
| Sh. Utpal K Mukhopadhyay*** | 02766045 | Member ; Independent – Director | - |

* Inducted by re-constitution of the Committee by the Board of Directors w.e.f 18th May, 2018.

** Resigned from the Directorship on 18th May, 2018.

*** Resigned from Directorship on 2nd June, 2018

4. NOMINATION AND REMUNERATION COMMITTEE

i. Terms of Reference

The Nomination and Remuneration Committee is responsible for

- Appointment of the directors and key managerial personnel of the Company and
- Fixation of the remuneration of the directors, key managerial personnel (KMP's) and one level below the KMPs.

In addition, the Committee has discharged such other role/function as envisaged under Regulation 19 read with Part D clause A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 178 of the Companies Act, 2013.

ii. Composition / name of members and chairperson

The composition of the Committee is as follows :

| Name | DIN | Position | Category |
|-----------------------------|----------|----------|----------------------------|
| Shri Krishan Kumar Narula | 00098124 | Chairman | Non-Executive, Independent |
| Shri Ravinder Kumar Narang | 02318041 | Member | Non-Executive, Independent |
| Shri Surendra Singh Khurana | 02126149 | Member | Non-Executive, Independent |

The scope of the Remuneration Committee includes finalising the remuneration packages of KMPs and Executive Director(s) of the Company. Sh. B. B. Singal, Sr. V.P & Company Secretary, acts as the secretary to the committee.

iii. Meetings and Attendance during the year

During the financial year 2018-19, three meetings was held on 21st April, 2018; 10th August, 2018 and 14th November, 2018. The attendance of the members at the meeting was as follows:

| Name | DIN | Position | Category | No. of Meetings Attended |
|-----------------------------|----------|----------|----------------------------|--------------------------|
| Shri Krishan Kumar Narula | 00098124 | Chairman | Non-Executive, Independent | 3 |
| Shri Ravinder Kumar Narang | 02318041 | Member | Non-Executive, Independent | 3 |
| Shri Surendra Singh Khurana | 02126149 | Member | Non-Executive, Independent | 3 |

iv. Performance evaluation criteria for Independent Directors

As per the provisions of section 178(2) of the Companies Act, 2013 and Clause VII & VIII of Schedule IV of the Act read with SEBI (Listing Obligations and Disclosure Requirements) 2015, Nomination and Remuneration committee carried out annual performance evaluation of Independent Director's according to their roles and duties on the Board of the Company and in particular considered whether Independent Directors shall -

1. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
 2. bring an objective view in the evaluation of the performance of board and management;
 3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
 4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
 5. safeguard the interests of all stakeholders, particularly the minority shareholders;
 6. balance the conflicting interest of the stakeholders;
 7. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
 8. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
 9. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
 10. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
 11. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
 12. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
 13. strive to attend the general meetings of the Company;
 14. where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
 15. keep themselves well informed about the Company and the external environment in which it operates;
 16. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
 17. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
 18. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
 19. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
 20. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
- and based on the structured questionnaire as tabulated below to rate on a scale of 1 to 5 by every director of the Company in accordance with their respective functions and duties and accordingly submit its report to the Chairman of the Company.

| Sr. No. | Topics and Statements | Rating (on a scale of 1-5, 5 is highest) |
|---------|---|---|
| 1 | Attends and participate in Board and Committee meetings regularly. | |
| 2 | Prepares adequately/or add values on the Agenda for the Board/Committee Meetings. | |
| 3 | Has a good understanding of the organisation's strategy and risk environment. | |
| 4 | Participate in meetings in an open and constructive manner. | |
| 5 | Brings his / her experience and credibility to bear on the critical areas of the performance of the organisation. | |

| Sr. No. | Topics and Statements | Rating (on a scale of 1-5, 5 is highest) |
|---------|---|---|
| 6 | Represents the interests of shareholders and focuses on enhancing shareholder value. | |
| 7 | Gives fair chance to other members to contribute, participate actively in the discussion and is consensus oriented. | |
| 8 | Provide Feedback and guidance to top management on areas of business strategy, governance and risk. | |
| 9 | Sufficiently Challenges management to set and achieve stretch goals. | |
| 10 | Maintain effective and successful relationship with fellow Board members and senior management. | |

The Nomination and Remuneration Committee Chairman Sh. Krishan Kumar Narula was present in the Annual General Meeting of the Company held on 28th September, 2018.

PERFORMANCE EVALUATION:

As per the provisions Section 134(3)(p) read with Clause VIII of Schedule IV of the Companies Act, 2013 and other applicable provisions of the Act and in compliance with the provisions of Regulation 17(10), 19 and 25(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the Listing Regulations read with SEBI Circular on Guidance Note on Board evaluation, formal annual evaluation has been made by the Board after reviewing each and every parameter of Performance evaluation of Board as a whole, its Committees and that of every individual director (including Independent Directors) in detail and after taking into consideration the report submitted by NRC and Independent Directors on performance evaluation, collectively submit Comprehensive Annual Evaluation Performance Report in regard to its own performance, its Committees viz. Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility Committee and other Compliance Committees and that of individual directors including its Chairperson, Managing Director, Whole-time Directors, Independent Directors and Non-independent directors accordingly and express deep satisfaction.

Under the law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director(s). During the year under review, the Board of the Company based on the recommendation of the Nomination and Remuneration Committee and in compliance of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 9th May, 2018 proposed the name(s) of Shri Ravinder Kumar Narang having DIN -02318041 and Shri Krishan Kumar Narula having DIN -00098124 who both then aged around 79 years for the continuance of the term of appointment as independent directors on or after 1st April, 2019 even on attaining the age of 75 years for the remaining term of their present tenure and which was subsequently approved by the shareholders at the Annual general Meeting held on 28th September, 2018 through Special Resolution. Further, the question of taking a decision on the re-appointment of Independent Directors during the year under review did not arise.

5. DETAILS OF REMUNERATION TO ALL DIRECTORS

a. Pecuniary Relationships:

None of the Non-Executive Directors of the Company have any pecuniary relationship or transactions with the Company except for sitting fees paid to them for attending Board meetings or Committee meetings thereof.

b. The details of remuneration / sitting fees paid to the Executive Directors / Non Executive Directors during the financial year 2018-2019 are as under.

(₹ in crore)

| Name | Director Identification No. (DIN) | Salary | Perquisites & Allowances | Commission | Bonuses, Stock Options, Pensions | Sitting Fees (excluding service tax) |
|---|-----------------------------------|--------|--------------------------|------------|----------------------------------|--------------------------------------|
| Sh. J P Agarwal (Executive Chairman) | 00041119 | 3.600 | Nil | 2.589 | Nil | N.A. |
| Sh. Raju Bista (Managing Director) | 01299297 | 3.260 | Nil | 1.726 | Nil | N.A. |
| Sh. Vinay Surya (Whole-time Director)* | 00515803 | 1.700 | Nil | Nil | Nil | N.A. |
| Sh. Kaustubh Narsinh Karmarkar (Whole-time Director)** | 00288642 | 0.848 | Nil | Nil | Nil | N.A. |
| Sh. Mukesh Tripathi*** (Executive Director) | 01951272 | 0.170 | Nil | Nil | Nil | N.A. |
| Smt. Urmil Agarwal | 00053809 | Nil | Nil | Nil | Nil | 0.0080 |
| Sh. Krishan Kumar Narula | 00098124 | Nil | Nil | Nil | Nil | 0.0640 |
| Sh. Ravinder Kumar Narang | 02318041 | Nil | Nil | Nil | Nil | 0.0340 |
| Sh. Tarasankar Sudhir Bhattacharya | 00157305 | Nil | Nil | Nil | Nil | 0.0250 |
| Sh. Sudhanshu Kumar Awasthi | 02162923 | Nil | Nil | Nil | Nil | 0.0080 |
| Sh. Surendra Singh Khurana | 02126149 | Nil | Nil | Nil | Nil | 0.0310 |
| Sh. Sunil Sikka | 08063385 | Nil | Nil | Nil | Nil | 0.0280 |
| IDBI Bank (Nominee Director) | | Nil | Nil | Nil | Nil | 0.0120 |

* Appointed as an Additional Whole-time Director on the Board of the Company w.e.f 18th May, 2018 and subsequently approved by the shareholders at the AGM on 28th September, 2018.

** Appointed as an Additional Whole-time Director on the Board of the Company w.e.f 10th August, 2018 and subsequently approved by the shareholders at the AGM on 28th September, 2018

*** Resigned from the Board of the Company on 18th May, 2018.

| Name | Director Identification No. (DIN) | Performance Linked Incentives | Performance Criteria | Service Contracts | Notice Period | Severance Fees (₹) |
|--|-----------------------------------|-------------------------------|----------------------|--|---------------|--------------------|
| Sh. J P Agarwal (Executive Chairman) | 00041119 | N.A. | N.A. | 5 years from 1st January, 2017 (i.e. upto 31st December, 2021) | 6 Months | Nil |
| Sh. Raju Bista (Managing Director) | 01299297 | N.A. | N.A. | 5 years from 14th November, 2018 (i.e. upto 13th November, 2023) | 6 Months | Nil |
| Sh. Vinay Surya (Whole-time Director) | 00515803 | N.A. | N.A. | 5 years from 18th May, 2018 (i.e. upto 17th May, 2023) | 6 Months | Nil |
| Sh. Kaustubh Narsinh Karmarkar (Whole-time Director) | 00288642 | N.A. | N.A. | 5 years from 10th August, 2018 (i.e. upto 9th August, 2023) | 3 Months | Nil |

The Company has not issued Stock options (ESOPs) to any of its Directors.

Number of Shares held by Non-Executive Directors: Shri Sunil Sikka holds 19,700 equity shares and Shri Surendra Singh Khurana is holding 50 shares as on 31st March, 2019.

6. STAKEHOLDER'S GRIEVANCE COMMITTEE

a) Composition / name of members and chairperson

The Committee headed by Shri Krishan Kumar Narula (Non-executive – Independent Director) has the mandate to review and redress shareholder grievances. The Committee met 4 times during the year on 21.04.2018, 07.07.2018, 23.10.2018 and 30.01.2019, and the attendance of Members at the Meeting was as follows:

| Names of the Members | Director Identification No. | Position | No. of Meetings Attended |
|---------------------------|-----------------------------|----------|--------------------------|
| Sh. Krishan Kumar Narula | 00098124 | Chairman | 4 |
| Sh. Ravinder Kumar Narang | 02318041 | Member | 4 |
| Sh. Raju Bista | 01299297 | Member | 4 |

The quorum for the Committee is two members. The minutes of the Committee were placed before the Board.

- b) Name & Designation of Compliance Officer : Sh. B.B.Singal (Sr.V.P &Company Secretary)
- c) Number of shareholders' complaints received upto 31st March, 2019 : 12
- d) Number of complaints not solved to the satisfaction of the shareholders : Nil
- e) Number of pending complaints : Nil

7. GENERAL BODY MEETINGS

a) Location and Time , where last three Annual General Meetings held

The last three Annual General Meetings were held on the following dates :

23.09.2016; 29.12.2017 & 28.09.2018

at the Registered Office of the Company at Prakash Nagar, Sankhol, Bahadurgarh–124 507 at 11:00 a.m

b) Special Resolutions passed in the previous three Annual General Meetings

Two Special Resolutions were passed in the Annual General Meeting held on 23rd September, 2016, one Special Resolution were passed in the Annual General Meeting held on 29th December, 2017 and twelve Special Resolution were passed in the AGM held on 28th September, 2018.

c) Special Resolutions passed last year through Postal Ballot – Details of Voting Pattern

No resolution was passed through postal ballot last year

d) Person who conducted the Postal Ballot exercise: Not Applicable.

e) Whether any Special Resolution is proposed to be conducted through Postal Ballot – NIL

f) Procedure for Postal Ballot – As no resolution was passed through Postal Ballot last year hence the same is not applicable.

8. MEANS OF COMMUNICATION

- a) Quarterly results sent to each shareholders residence : No
- b) Newspapers in which quarterly results normally published : Business Standard
- c) Website where results or official news are displayed : www.surya.co.in
- d) Whether it also displays official news releases : Yes (if any)
- e) Presentations made to institutional investors or to the analysts : Yes (if any)

9. GENERAL SHAREHOLDER INFORMATION

- a) **AGM : Date Time and Venue** : 4th September, 2019 at 11:00 a.m
Prakash Nagar, Sankhol, Bahadurgarh, Haryana -124507
- b) **Financial Year** : 1st April to 31st March
- c) **Dividend payment date** : 11th September, 2019
- d) **Listing on Stock Exchanges** : The securities of the Company were listed on the following Stock Exchanges during the financial year 2018-19:
- | | |
|---|---|
| <p>The Stock Exchange, Mumbai Rotunda Building, Dalal Street, Fort, Mumbai – 400 001</p> | <p>The National Stock Exchange of India Ltd Exchange Plaza, Bandra- Kurla Complex, Bandra, Mumbai – 400 051.</p> |
|---|---|

The Company has paid the Annual Listing Fees to the Stock Exchanges for the Financial Year 2018-19 and 2019-20

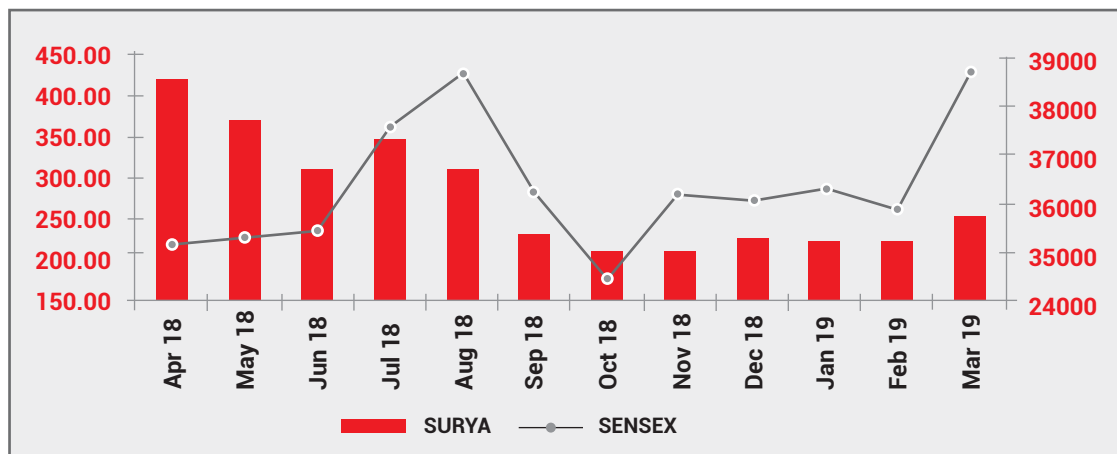
e. Stock Code

| | National Stock Exchange | Bombay Stock Exchange | ISIN |
|------------------------------|-------------------------|---|--------------|
| Equity Shares- Symbol / Code | SURYAROSNI | 500336 (Dematerialised) 336 (Physical) | INE335A01012 |

f) Market Price Data:

| MONTH | NSE | | BSE | |
|-----------------|----------|---------|----------|---------|
| | HIGH (₹) | LOW (₹) | HIGH (₹) | LOW (₹) |
| April, 2018 | 444.65 | 385.00 | 443.20 | 386.30 |
| May, 2018 | 429.80 | 350.50 | 428.65 | 350.00 |
| June, 2018 | 377.95 | 300.00 | 375.10 | 299.00 |
| July, 2018 | 363.40 | 298.15 | 363.00 | 297.15 |
| August, 2018 | 363.00 | 306.90 | 363.90 | 307.50 |
| September, 2018 | 326.80 | 220.40 | 327.00 | 220.05 |
| October, 2018 | 242.00 | 203.80 | 240.20 | 201.00 |
| November, 2018 | 240.00 | 207.05 | 240.00 | 208.50 |
| December, 2018 | 240.25 | 185.00 | 240.25 | 185.05 |
| January, 2019 | 257.85 | 202.00 | 259.00 | 200.90 |
| February, 2019 | 231.50 | 201.00 | 231.50 | 199.45 |
| March, 2019 | 273.40 | 222.60 | 272.00 | 222.50 |

g) Performance in comparison to BSE SENSEX



h) Suspension of trading during the year (if any) :

NIL

i) Registrar :

MAS Services Limited

(Common for both Physical and
Electronic share registry)T-34, 2nd Floor, Okhla Industrial Area,
Phase – II, New Delhi – 110 020

Tel. : (011) 2638 7281/ 82 / 83

Fax : (011) 2638 7384

E-Mail : info@masserv.com

j) Share Transfer System

The Company's share transfers are handled by MAS Services Ltd., Registrar and Transfer Agents(RTA). The shares received in physical mode by the Company/RTA are transferred expeditiously provided the documents are complete and shares under transfer are not under dispute. Confirmation in respect of the request for dematerialisation of shares is sent to the respective depositories – National Securities Depository Limited / Central Depository Services (India) Limited within 15 days. None of the transfer was pending for more than a fortnight as on 31st March, 2019.

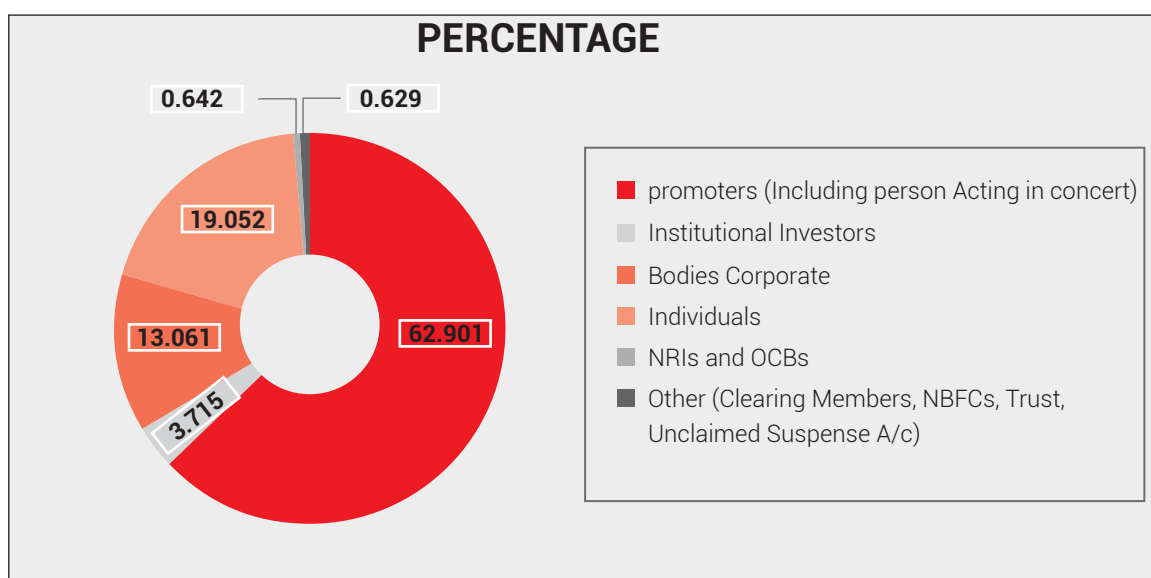
k) Distribution of Shareholding

| Share Holding of Nominal Value of. ₹ | Shareholders | | Shares | |
|---|--------------|----------------|--------------------|----------------|
| | Number | % of Total | Number | % of Total |
| 1 - 5000 | 21026 | 87.111 | 25,57,529 | 4.701 |
| 5001 - 10000 | 1647 | 6.823 | 12,48,919 | 2.295 |
| 10001- 20000 | 741 | 3.070 | 10,94,489 | 2.012 |
| 20001- 30000 | 256 | 1.061 | 6,34,667 | 1.166 |
| 30001- 40000 | 96 | 0.398 | 3,44,473 | 0.633 |
| 40001- 50000 | 75 | 0.311 | 3,51,318 | 0.646 |
| 50001- 100000 | 139 | 0.576 | 10,28,989 | 1.891 |
| 100001 & Above | 157 | 0.650 | 4,71,48,590 | 86.656 |
| TOTAL | 24137 | 100.000 | 5,44,08,974 | 100.000 |

Shareholding Pattern as at 31.03.2019

| CATEGORY | No. of Shares held | % age of Paid-up Capital |
|---|--------------------|--------------------------|
| Promoters (including Persons Acting in Concert) | 3,42,23,744 | 62.901 |
| Institutional Investors | 20,21,041 | 3.715 |
| Bodies Corporate | 71,06,363 | 13.061 |
| Individuals | 103,65,985 | 19.052 |
| NRIs and OCBs | 3,49,209 | 0.642 |
| Others - Clearing Members | 1,43,000 | 0.263 |
| NBFCs Registered with RBI | 34,359 | 0.063 |
| Trust | 200 | 0.000 |
| IEPF A/c | 1,65,073 | 0.303 |
| TOTAL | 5,44,08,974 | 100.00 |

Graphical Representation of the Shareholding



l) Dematerialisation of Shares & Liquidity

: The Company has obtained electronic connectivity with the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for demat facility (ISIN: INE335A01012). As on 31st March, 2019, 5,39,46,410 equity shares, being 99.15% of the Company's total paid-up equity shares had been dematerialised. The shares of the Company are regularly traded at the NSE and BSE.

m) Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date & likely impact on equity



: Nil


n) Commodity price risk or Foreign Exchange risk and hedging activities

: Please refer to Management Discussion and Analysis Report for the same.

- o) Plant Locations**
- Steel Pipes & strips Units** :> Prakash Nagar, Sankhol, Bahadurgarh, Haryana – 124 507
- > Plot No.P-1 to P-20, Ghirongi Industrial Area Malanpur Dist. Bhind (M.P)
- > Golapuram Industrial Area, Hindupur, Dist. Anantpur (A.P.)
- > Survey No. 188,189 & 190/1 Village-Bhuvad Taluka – Anjar, Dist.-Kutch Anjar – (Bhuj) Gujarat -370130
- Lighting Units** :> 7 km Stone, Kashipur-Moradabad Road, Kashipur – 244 713 (Uttarakhand)
- > Plot No. 9-13, Balaji Industrial Estate Mahuakherganj, Kashipur, District U.S. Nagar, Uttarakhand
- > J-7,8 & 9, Malanpur Industrial Area, Malanpur, Distt. Bhind (M.P).
- p) Address for correspondence** : **SR. V.P & Company Secretary**
Surya Roshni Limited Padma Tower –I, 5 Rajendra Place, New Delhi – 110 008.
Tel. - (011) 47108000
Fax - (011) 25789560
E-Mail - cs@surya.in
investorgrievances@sroshni.com
- q) Credit Ratings obtained along with any revision** : **CARE A1 for Short term Bank Facilities**
CARE A+ for Long term Bank Facilities
CARE A1+ (SO) for Commercial Papers

10. OTHER DISCLOSURES

- a) The senior management has made disclosures to the board relating to all material financial and commercial transactions. There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Company has formulated a policy on dealing with the Related Party transactions for determining the Material Related Party Transactions and necessary approval of the Audit Committee and the Board of Directors were taken whenever required in accordance with the policy.
- b) The Company has complied with all applicable requirements prescribed by the regulatory and statutory authorities including Stock Exchanges and SEBI during the preceding three financial years on all matters related to capital market and no penalties / strictures in this respect have been imposed on the Company.
- c) Personnel of the Company have direct access to the management as the Company has established Vigil Mechanism for directors and employees to report concerns about unethical behaviour , actual fraud or suspected fraud or violation of the Company's code of conduct or ethics policy. No personnel has been denied access to the Audit Committee. The Whistle Blower Policy was duly posted on the Website of the Company at the following link : <http://www.surya.co.in/Content/Images/uploaded/whistle-blower-policy/whistle-blower-policy.pdf> 
- d) The Company has complied with all mandatory requirements.
- e) **Web link where policy for determining 'material' subsidiaries is disclosed** : The policy for determining material subsidiaries has been posted on the website of the Company at the following link: <http://www.surya.co.in/Content/Images/uploaded/other-policy/Policy-for-Determining-Material-Subsidiary.pdf> 

- f) **Web link where policy on dealing with related party transactions:** The Company has formulated a policy on dealing with the Related Party transactions for determining the Material Related Party Transactions and necessary approval of the audit committee and the Board of Directors were taken whenever required in accordance with the policy. The details of Related Party Transaction Policy are disseminated in the website at the following link : <http://www.surya.co.in/Content/Images/uploaded/related-party-transaction-policy/Related%20Party%20Transaction%20Policy.pdf>
- 
- g) **Commodity price risks and commodity hedging activities.** : Please refer to Management Discussion and Analysis report for the same.
- h) **Utilisation of funds raised through Preferential Allotment or qualified institutions placements:** Not Applicable
- i) **Certificate from Company Secretary in Practice in respect of Directors disqualification:** A Certificate from Anjali Yadav & Associates, Practicing Company Secretary Firm dated 21st May, 2019 confirmed that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any other Statutory Authorities.
- j) **Acceptance of Recommendations of the Board Committees:** No recommendations or submissions of any committee as constituted by the Board which is mandatorily required has been turned down by the Board of Directors during the financial year 2018-19.
- k) **Total Fees paid to Statutory Auditor for services rendered during the financial year 2018-19:** The total fees of ₹ 18,31,250/- had been paid/payable to M/s Ashok Kumar Goyal & Co., Chartered Accountants Firm having Registration No. 002777N for all the services rendered by them in respect of its services to the Company during the financial year 2018-19 on consolidated basis.
- l) **Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**
- | | | |
|--|---|-----|
| a) Number of complaints received upto 31st March, 2019 | : | Nil |
| b) Number of complaints disposed of during the financial year | : | Nil |
| c) Number of complaints Pending at the end of the financial year | : | Nil |

11. COMPLIANCES OF CORPORATE GOVERNANCE REQUIREMENTS

Company has complied all the mandatory requirements of Corporate Governance Report as envisaged in sub-paras (2) to (10) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2018-19.

12. ADOPTION OF CORPORATE GOVERNANCE DISCRETIONARY REQUIREMENTS

Company has adopted the following Discretionary Requirements of Corporate Governance as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2018-19.

- Separate Posts of Chairman and Managing Director
- Reporting of Internal Auditor directly to the Audit Committee

13. DISCLOSURES OF COMPLIANCES OF CORPORATE GOVERNANCE REQUIREMENTS

Company has complied all the mandatory requirements of Corporate Governance Report (tabulated below) as specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 during the financial year 2018-19.

| I. Disclosure of Website in terms of Listing Agreement | |
|--|--|
| Items | Compliance status (Yes /No / N.A) |
| Details of Business | Yes |
| Terms and conditions of appointment of independent directors | Yes |
| Composition of various committees of board of directors | Yes |
| Code of conduct of board of directors and senior management personnel | Yes |
| Details of establishment of vigil mechanism/ Whistle Blower policy | Yes |
| Criteria of making payments to non-executive directors | Yes |
| Policy on dealing with related party transactions | Yes |
| Policy for determining 'material' subsidiaries | Yes |
| Details of familiarisation programmes imparted to independent directors | Yes |
| Contact information of the designated officials who are responsible for assisting and handling Investor grievances | Yes |
| Email address for grievance redressal and other relevant details | Yes |
| Financial results | Yes |
| Shareholding Pattern | Yes |
| Details of agreements entered into with the media companies and or their associates | Not Applicable |
| New name and the old name of the Company | Not Applicable |

II. Annual affirmation

| Particulars | Regulation Number | Compliance status (Yes/No/NA) |
|--|--------------------------|--------------------------------------|
| Independent director(s) have been appointee in terms of specified criteria of independence and for eligibility | 16(1) (b) & 25(b) | Yes |
| Board composition | 17(1) | Yes |
| Meeting of Board of directors | 17(2) | Yes |
| Review of Compliance Reports | 17(3) | Yes |
| Plans for orderly succession for appointments | 17(4) | Yes |
| Code of Conduct | 17(5) | Yes |
| Fees/compensation | 17(6) | Yes |
| Minimum Information | 17(7) | Yes |
| Compliance Certificate | 17(8) | Yes |
| Risk Assessment & Management | 17(9) | Yes |
| Performance Evaluation of Independent Directors | 17(10) | Yes |
| Composition of Audit Committee | 18(1) | Yes |
| Meeting of Audit Committee | 18(2) | Yes |
| Composition of nomination & remuneration committee | 19(1) & (2) | Yes |
| Composition of Stakeholder Relationship Committee | 20(1) & (2) | Yes |
| Composition & role of risk management committee | 21(1),(2),(3) & (4) | Not Applicable |
| Vigil Mechanism | 22 | Yes |
| Policy for related party Transaction | 23(1),(5),(6),(7) & (8) | Yes |
| Prior or Omnibus approval of Audit Committee for all related party transactions | 23(2), (3) | Yes |
| Approval for material related party transactions | 23(4) | Yes |
| Composition of Board of Directors of unlisted material Subsidiary | 24(1) | Not Applicable |
| Other Corporate Governance requirements with respect to subsidiary of listed entity | 24(2),(3),(4),(5) & (6) | Yes |
| Maximum Directorship & Tenure | 25(1) & (2) | Yes |

| Particulars | Regulation Number | Compliance status (Yes/No/NA) |
|---|-------------------|-------------------------------|
| Meeting of independent directors | 25(3) & (4) | Yes |
| Familiarisation of independent directors | 25(7) | Yes |
| Memberships in Committees | 26(1) | Yes |
| Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel | 26(3) | Yes |
| Disclosure of Shareholding by Non- Executive Directors | 26(4) | Yes |
| Policy with respect to Obligations of directors and senior management | 26(2) & 26(5) | Yes |
| Adoption of Corporate Governance Discretionary Requirements | 27(1) | Yes |
| Submission of Quarterly Compliance Report on Corporate Governance to the Stock Exchanges within 15 days from the close of the respective quarter. | 27(2) | Yes |

Disclosure with respect to transfer of shares to IEPF suspense account as per the provisions of section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 .

| Year | Total No. of Shareholders at the beginning of the year | Outstanding Shares in IEPF demat suspense account at the beginning of the year | Total No. of Shareholders whose shares are transferred to IEPF demat suspense account during the year | Total No. of Shares transferred to IEPF suspense account during the year | Total No. of Shareholders who approached the Company for transfer of shares from IEPF suspense account during the year | No. of Shares Transferred from IEPF Suspense Account during the year | Outstanding Shares in demat suspense account lying at the end of the year. | Voting Rights Frozen |
|--------------|--|--|---|--|--|--|--|----------------------|
| 2010-11 | 1329 | 1,49,513 | 152 | 15,778 | 5 | 218 | 1,65,073 | Yes |
| Total | 1329 | 1,49,513 | 152 | 15,778 | 5 | 218 | 1,65,073 | Yes |

Disclosure with respect to demat suspense account / unclaimed suspense account

| Aggregate No. of Shareholders at the beginning of the year | Outstanding Shares in demat suspense account at the beginning of the year | No. of Shareholders who approached the Company for transfer of shares from suspense account during the year | No. of Shareholders to whom shares were transferred from suspense account during the year | Aggregate No. of Shareholders lying at the end of the year* | Outstanding Shares in demat suspense account lying at the end of the year | Voting Rights Frozen |
|--|---|---|---|---|---|----------------------|
| 12 | 1599 | Nil | NIL | 10 | 1408 | Yes |

- 2 cases comprising 191 shares are transferred to IEPF Authority

Dealing with Corporate Benefits (in terms of securities accruing) and Voting Rights on such Unclaimed Shares :

Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., shall also be credited to demat suspense account or unclaimed suspense account, as applicable for a period of seven years and thereafter shall be transferred in accordance with provisions of Section 124(5) and 124 (6) of the Companies Act, 2013 and rules made thereunder.

SURYA CODE OF CONDUCT

The Board Members and Senior Management personnel have affirmed their compliance with the code of conduct. The Code of Conduct has already been posted on the website of the Company. The Chairman, Managing Director and CEOs has certified that the Board Members and senior management personnel have complied with the code of conduct and the same is placed before the Board. The declaration to this effect signed by the Chairman, Managing Director and CEOs is attached to this report.

DECLARATION

We hereby confirm that all the Board Members and senior management personnel of the Company have affirmed their compliance of the '**Code of Conduct for Members of the Board and Senior Management**' for the year ended 31st March, 2019 in terms of clause D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

| | | | | |
|------------------------|--|--|--|---|
| Place : New Delhi | Jai Prakash Agarwal Chairman | Raju Bista Managing Director | Tarun Baldua CEO (Steel Operations) | Ramanjit Singh CEO (Lighting Operations) |
| Dated : 21st May, 2019 | DIN: 00041119 | DIN -01299297 | | |

INDEPENDENT AUDITORS' CERTIFICATE

Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members

Surya Roshni Limited

1. The Corporate Governance Report prepared by Surya Roshni Limited ("the Company"), contains details as required by the provision of chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations')(‘applicable criteria’) with respect to Corporate Governance for the year ended 31st March, 2019. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificate for special Purposes and the Guidance Note on Certification of Corporate Governance both issued by the Institute of Chartered Accountants of India ("ICAI") . The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
7. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 6 and 7 and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2019 , referred to in paragraph 1 above.

Other Matters and Restriction on Use

9. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
10. This certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate

**For Ashok Kumar Goyal & Co.
Chartered Accountants
Firm Registration No. 002777N**

**Ashok Kumar
Partner, FCA
Membership No. 017644**

**Place : New Delhi
Dated : 21st May, 2019**

ANNEXURE – VIII TO BOARD'S REPORT

Certification by Chairman, Managing Director and Executive Director & Group Chief Financial Officer (GCFO) of the Company

- A. We hereby certify that for the financial year ending 31st March, 2019 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2018-19 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware, and that we have taken the required steps to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that :
- 1) There have been no significant changes in internal control over financial reporting during this year.
 - 2) There have been no significant changes in accounting policies during this year.
 - 3) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Dated : 21st May, 2019

J P Agarwal
Chairman
DIN-00041119

Raju Bista
Managing Director
DIN- 01299297

R N Maloo
ED & Group CFO

ANNEXURE-IX TO BOARD REPORT

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule (5) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The Percentage increase in remuneration of each Director, Chief Financial officer and Company Secretary during the financial year 2018-19, ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19.

| Sr. No. | Name of the Director / KMP and Designation | Remuneration of Director / KMP for the financial year 2018-19 (₹ in Crore) | % increase in Remuneration in the Financial year 2018-19 | Ratio of remuneration of each Director / to median remuneration of employees |
|---------|---|--|--|--|
| 1 | Jai Prakash Agarwal (Executive Chairman) | 6.189 | 9.66 | 87.24 |
| 2 | Raju Bista (Managing Director) | 4.165 ^ | 12.19 | 123.22 |
| 3 | Vinay Surya (Whole-time Director) | 1.700 | * | * |
| 4 | Kaustubh N Karmarkar (Whole-time Director) | 0.848 | ** | ** |
| 5 | Mukesh Tripathi# (Whole-time Director) | 0.170 | # | # |
| 6 | Tarun Baldua (CEO – Steel Operations) | 1.045 | 10.34 | Not Applicable |
| 7 | Ramanjit Singh (CEO–Lighting Operations) | 1.257 | 6.17 | Not Applicable |
| 8 | R N Maloo (ED & Group CFO) | 0.811 | 9.38 | Not Applicable |
| 9 | B B Singal (Sr. V.P & C.S) | 0.388 | 9.35 | Not Applicable |

^ Exclusive of leave encasement of ₹ 0.821 Crore encashed during the year.

* Appointed as a Whole-time Director on the Board of the Company w.e.f 18th May, 2018, hence the figures are not comparable

** Appointed as a Whole-time Director on the Board of the Company w.e.f 10th August, 2018, hence the figures are compared

Resigned from the Board of the Company on 18th May, 2018 hence the figures are not comparable

(ii) In the financial year, there was an increase of 06.68 % in the median remuneration of employees;

(iii) There were 3539 number of permanent employees on the rolls of company;

(iv) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 09.05 % whereas increase in the managerial remuneration 19.46%. and justification for increase in the managerial remuneration was that on the recommendations by Nomination and Remuneration Committee (NRC) and subject to the approval of shareholders at the ensuing AGM, Board of Directors on seeing the vast responsibilities performed by Managing Director Sh. Raju Bista and after taking into account the Industry Standard's remuneration payable to Managing Director has approved to pay remuneration of Rs. 20 lakhs from Rs 17 lakhs by appointing him for a fresh tenure of five years from 14th November, 2018 onwards , We affirmed that the remuneration paid / payable is as per remuneration policy of the Company.

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY:

| STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY | | | | | | |
|---|--|--|-------------------|---|--------------------------|-----------------------|
| (i) | designation of the employee; | Sh. Jai Prakash Agarwal | Sh. Raju Bista | Sh. Vinay Surya | Sh. Ramanjit Singh | Sh. Tarun Baldua |
| (ii) | remuneration received; (in crores) | 6.189 | 4.986 | 1.700 | 1.257 | 1.045 |
| (iii) | nature of employment, whether contractual or otherwise; | Executive Chairman (Whole-time Director) | Managing Director | Whole-time Director | CEO- Lighting Operations | CEO- Steel Operations |
| (iv) | qualifications and experience of the employee; | B.Com | M.B.A | M.B.A from Australia | M.B.A | C.A |
| (v) | date of commencement of employment; | 01.04.1986 | 01.08.2004 | 01-01-2018 | 13-08-2015 | 13-08-2015 |
| (vi) | the age of such employee; | 68 years | 32 years | 46 years | 58 years | 58 years |
| (vii) | the last employment held by such employee before joining the company; | Jindal Industries Limited (Executive Director) | Not Applicable | Not Applicable | Philips India Limited | Maral Overseas Ltd. |
| (viii) | the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and | 3.24% | Not Applicable | 0.31% | Not Applicable | Not Applicable |
| (ix) | whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager: | Smt. Urmil Agarwal Sh. Vinay Surya | Not Applicable | Sh. Jai Prakash Agarwal Smt. Urmil Agarwal | Not Applicable | Not Applicable |
| | The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore two lakhs rupees; | Yes | Yes | Yes | Yes | Yes |
| | The employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakhs fifty thousand rupees per month; | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | The employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |

for and on behalf of the Board of Directors
J P Agarwal
 Chairman
 DIN-00041119

Place : New Delhi
 Dated : 21st May, 2019



Financial Section

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SURYA ROSHNI LIMITED

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of **SURYA ROSHNI LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019 and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

| S. No. | Key Audit Matters | Auditor's Response |
|--------|---|---|
| 1. | <p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.</p> <p>The revenue is recognised based on estimated cost of present and deferred obligations. This estimate has involvement of judgement, as it requires consideration of progress of the contract, cost incurred till date and the cost required to complete the remaining contract performance obligations.</p> <p>Refer Notes 3.13 and 45 to the Standalone Financial Statements.</p> | <p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations and also tested operating effectiveness of controls. <p>In case of contracts in the nature of sale of goods, selected a sample of contracts and verified that the revenue is recognised on fulfillment of criteria for recognition of revenue.</p> <p>For contracts in the nature of services:</p> <ul style="list-style-type: none"> • Tested the design and operating effectiveness of the internal controls relating to estimated cost. • Reviewed expected cost to be incurred to complete the remaining performance obligations. • Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts. • Verified that revenue has been recognised to the extent of performance obligations completed as at reporting date |

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SURYA ROSHNI LIMITED

| S. Key Audit Matters No. | Auditor's Response |
|--|---|
| <p>2 Grants under Investment Promotion Assistance scheme</p> <p>The Company has recognised revenue of ₹ 30.27 crore under the head Investment Promotion Assistance scheme. Amount due for recovery as on 31st March 2019 is ₹ 46.61 crore which is disclosed under head other current assets.</p> <p>Refer Note 44 (a) & (b) to the Standalone Financial Statement</p> | <p>Principal Audit Procedures</p> <p>We have</p> <ul style="list-style-type: none"> • reviewed the Industrial policy and procedures related to grants under Investment Promotion Assistance schemes of the respective state Governments • examined registration for the scheme, subsequent departmental orders and regulations issued from time to time • checked the eligibility criteria including investment made by the Company • also verified the sales, payment of taxes, base incentive and the eligible amount of the grants. • reviewed calculation of the claims accounted for by the Company and likelihood of the recoverability. <p>Management has explained that delay is due to transition from VAT to GST regime.</p> |
| <p>3. Warranty Provisions</p> <p>The Company offers warranties on certain products sold in lighting and consumer durable segment and accordingly Company has recorded warranty provisions which are judgemental in nature. These provisions are required to be recorded based on appropriate estimates of the cost of repair and replacements of the products. Warranty provisions of ₹ 44.41 crore as on 31st March 2019.</p> <p>Refer Note 43 to the Standalone Financial Statement</p> | <p>Principal Audit Procedures</p> <p>We have</p> <ul style="list-style-type: none"> • examined the products categories where the Company has offered warranties and also its tenure so as to determine the warranty provisions. • reviewed the sales, volume of the respective product categories and the outstanding warranty commitments their against. • gone through the procedures of issuance of the credit notes and replacement for warranties/repairs of the products. • reviewed the historical trends and cost estimates considering the agreement with customers and back to back arrangement with vendors, for requirement of warranty provisions. <p>Based on evidence obtained, we concluded that management's process for identifying and quantifying warranty provisions was appropriate and that the resulting provision was reasonable.</p> |

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SURYA ROSHNI LIMITED (Contd.)

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SURYA ROSHNI LIMITED (Contd.)

materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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 Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in equity and the Statement of Cash Flow 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 the requirements of Section 197(16) of the Act, as amended:
 - In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer **Note No. 42** to the standalone financial statements.
 - ii. The Company did not have any long term derivative contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay and in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Ashok Kumar Goyal & Co.
Chartered Accountants
(Firm Registration – 002777N)

Place: New Delhi
Dated: 21st May, 2019

(CA. Ashok Kumar)
Partner, F.C.A
Membership No. 017644

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements' of our Independent Auditors' Report to the members of **SURYA ROSHNI LIMITED** on the financial statements for the year ended 31 March 2019, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased program of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. We have been explained by the management that the inventory have been physically verified at reasonable intervals during the year. As far as we could ascertain and according to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 of the Companies Act, 2013 with respect to the loans, investments, guarantees, security provided.
- v. According to the information and explanations given to us, during the year the Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, custom duty, Goods and Service Tax (GST), Cess and any other material statutory dues with the appropriate authorities to the extent applicable and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March 2019.
- (b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of excise, duty of custom, or value added tax, Goods and Service Tax (GST), Cess which have not been deposited on account of any dispute except as given below:

| S. No. | Name of Statute | Nature of Disputed Dues | Forum where disputes are pending | Amount (₹ Crore) |
|--------|--------------------------|---------------------------|----------------------------------|------------------|
| 1 | Central Excise Act, 1944 | Tax, Interest and penalty | High Court | 0.22 |
| | | | CESTAT | 1.09 |
| 2 | Value Added Tax | Tax & Interest | Tribunal | 0.91 |
| | | | Additional Commissioner | 0.76 |
| | | | Appellate Board | 0.38 |

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks and Financial Institutions. The Company has not obtained any loans from debenture holders and Government.
- ix. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were raised.

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT (CONTD.)

- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the record of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and relevant details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him during the year. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

For Ashok Kumar Goyal & Co.
Chartered Accountants
(Firm Registration – 002777N)

(CA. Ashok Kumar)

Partner, F.C.A

Membership No. 017644

Place: New Delhi

Dated: 21st May, 2019

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SURYA ROSHNI LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **SURYA ROSHNI LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These

responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ashok Kumar Goyal & Co.
Chartered Accountants
(Firm Registration – 002777N)**

**(CA. Ashok Kumar)
Partner, F.C.A**

**Place: New Delhi
Dated: 21st May, 2019**

Membership No. 017644

BALANCE SHEET

AS AT 31st MARCH, 2019

(₹ in crore)

| Particulars | Note No. | As at 31st March, 2019 | As at 31st March, 2018 |
|--|----------|------------------------|------------------------|
| I ASSETS | | | |
| 1 Non-current assets | | | |
| a Property, plant and equipment | 5 | 1,088.58 | 1,071.92 |
| b Capital work-in-progress | 5 | 24.57 | 21.91 |
| c Investment in Subsidiary | 6 | 0.05 | - |
| d Financial assets | | | |
| i Other financial assets | 7 | 46.06 | 9.39 |
| e Other non-current assets | 8 | 7.25 | 6.67 |
| | | 1,166.51 | 1,109.89 |
| 2 Current assets | | | |
| a Inventories | 9 | 843.53 | 828.57 |
| b Financial assets | | | |
| i Trade receivables | 10 | 837.68 | 712.59 |
| ii Cash and cash equivalents | 11 | 1.63 | 24.12 |
| iii Bank balances other than (ii) above | 12 | 0.43 | 0.40 |
| iv Other financial assets | 13 | 38.45 | 46.20 |
| c Current tax assets (net) | 14 | 0.27 | 2.39 |
| d Other current assets | 15 | 140.26 | 131.24 |
| | | 1,862.25 | 1,745.51 |
| Total Assets | | 3,028.76 | 2,855.40 |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 16 | 54.41 | 54.41 |
| Other equity | 17 | 1,097.52 | 992.91 |
| | | 1,151.93 | 1,047.32 |
| LIABILITIES | | | |
| 1 Non-current liabilities | | | |
| a Financial liabilities | | | |
| i Borrowings | 18 | 334.85 | 354.38 |
| ii Other financial liabilities | 19 | 10.48 | 10.27 |
| b Provisions | 20 | 50.68 | 45.53 |
| c Deferred tax liabilities (net) | 21 | 79.94 | 83.51 |
| | | 475.95 | 493.69 |
| 2 Current liabilities | | | |
| a Financial liabilities | | | |
| i Borrowings | 22 | 796.67 | 717.05 |
| ii Trade payables | | | |
| A) Total outstanding dues of micro enterprises and small enterprises; | 23 | 23.40 | 14.52 |
| B) Total outstanding dues of creditors other than micro enterprises and small enterprises; | 23 | 326.61 | 393.83 |
| iii Other financial liabilities | 24 | 159.08 | 120.41 |
| b Other current liabilities | 25 | 41.19 | 31.92 |
| c Provisions | 26 | 52.37 | 30.98 |
| d Current tax liabilities (net) | 27 | 1.56 | 5.68 |
| | | 1,400.88 | 1,314.39 |
| Total Equity and liabilities | | 3,028.76 | 2,855.40 |

See accompanying notes to the financial statements

As per our report of even date

For **Ashok Kumar Goyal & Co.**
Chartered Accountants
(Firm Registration No. ICAI: 02777N)

J P Agarwal
Chairman
DIN: 00041119

K K Narula
Director
DIN: 00098124

CA Ashok Kumar
Partner FCA
Membership No. 17644

Ravinder K Narang
Director
DIN: 02318041

Place: New Delhi
Dated: 21st May, 2019

R N Maloo
Executive Director & Group Chief
Financial Officer

B B Singal
Sr. V.P. & Company Secretary

Raju Bista
Managing Director
DIN: 01299297

S S Khurana
Director
DIN: 02126149

Sunil Sikka
Director
DIN: 08063385

Ramanjit Singh
CEO (Lighting Operations)

T.S.Bhattacharya
Director
DIN: 00157305

Vinay Surya
Director
DIN: 00515803

S K Awasthi
Director
DIN: 02162923

Tarun Baldua
CEO (Steel Operations)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in crore)

| Particulars | Note No. | Year Ended | Year ended |
|---|----------|------------------|------------------|
| | | 31st March, 2019 | 31st March, 2018 |
| I REVENUE FROM OPERATIONS | 29 | 5,977.04 | 5,011.76 |
| II OTHER INCOME | 30 | 4.11 | 2.66 |
| III TOTAL INCOME (I+II) | | 5,981.15 | 5,014.42 |
| IV EXPENSES | | | |
| Cost of materials consumed | 31 | 4,402.89 | 3,607.03 |
| Purchases of stock-in-trade | 32 | 288.60 | 291.21 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 33 | 38.88 | (84.07) |
| Excise duty | | - | 80.60 |
| Employee benefits expense | 34 | 293.73 | 268.86 |
| Finance costs | 35 | 115.07 | 105.16 |
| Depreciation and amortisation expense | 36 | 88.51 | 87.31 |
| Other expenses | 37 | 580.89 | 502.20 |
| Total Expenses | | 5,808.57 | 4,858.30 |
| V PROFIT BEFORE TAX (III-IV) | | 172.58 | 156.12 |
| VI TAX EXPENSE | | | |
| Current tax | 28 | 53.58 | 38.85 |
| Deferred tax | 21 | (1.88) | 9.23 |
| VII PROFIT/(LOSS) FOR THE PERIOD | | 120.88 | 108.04 |
| VIII OTHER COMPREHENSIVE INCOME | 38 | | |
| (i) Items that will not be reclassified to profit or loss | | (4.84) | (5.69) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 1.69 | 1.97 |
| Total other comprehensive income | | (3.15) | (3.72) |
| IX TOTAL COMPREHENSIVE INCOME(VII+VIII) | | 117.73 | 104.32 |
| Earnings per equity shares (face value of ₹ 10/-each) | 39 | | |
| 1) Basic (in ₹) | | 22.22 | 19.86 |
| 2) Diluted (in ₹) | | 22.22 | 19.86 |

See accompanying notes to the financial statements

As per our report of even date

For **Ashok Kumar Goyal & Co.**
Chartered Accountants
(Firm Registration No. ICAI: 02777N)

J P Agarwal
Chairman
DIN: 00041119

K K Narula
Director
DIN: 00098124

Ravinder K Narang
Director
DIN: 02318041

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Executive Director & Group Chief
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Director
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Vinay Surya
Director
DIN: 00515803

S K Awasthi
Director
DIN: 02162923

Tarun Baldua
CEO (Steel Operations)

CA Ashok Kumar
Partner FCA
Membership No. 17644

Place: New Delhi
Dated: 21st May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

| Particulars | (₹ in crore) | |
|---|--------------------------------|--------------------------------|
| | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| a. Net operating profit before tax Adjustment for : | 172.58 | 156.12 |
| Adjustment for : | | |
| Re-measurement gain / loss on defined benefit plans routed through OCI | (4.84) | (5.69) |
| Depreciation and amortisation of Property, Plant and Equipment | 88.51 | 87.31 |
| (Profit)/Loss on Sale/Retirement of Property Plant and Equipment (Net) | 0.03 | 0.10 |
| Allowance for doubtful debts / bad debts W/off | 5.12 | 7.14 |
| Finance cost | 115.07 | 105.16 |
| b. Operating profit before Working Capital changes Adjustment for : | 376.47 | 350.14 |
| (Increase) / Decrease in Trade receivables | (130.21) | (87.92) |
| (Increase) / Decrease in Other financial assets | (28.92) | 0.93 |
| (Increase) / Decrease in Other assets | (30.19) | (6.06) |
| (Increase)/Decrease in Inventories | (14.96) | (173.62) |
| Increase / (Decrease) in Trade payables/ provisions | (31.80) | 89.41 |
| Increase / (Decrease) in Other financial liabilities | 5.47 | 32.69 |
| Increase / (Decrease) in Other liabilities | 9.27 | (15.68) |
| | (221.34) | (160.25) |
| c. Cash generated from Operations before tax (a+b) | 155.13 | 189.89 |
| d. Net Direct Taxes paid | (34.99) | (34.97) |
| Net cash flow from operating activities A = (c+d) | 120.14 | 154.92 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment. | (105.82) | (66.62) |
| Sale of Property, Plant and Equipment | 0.54 | 1.72 |
| Fixed deposits due to mature within 12 months of reporting date | - | 1.53 |
| Investment in subsidiary Company | (0.05) | - |
| Net cash flow used in investing activities | (105.33) | (63.37) |
| Net cash from operating and investing activities (A+B) | 14.81 | 91.55 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of non current borrowings (including current maturities) | (40.48) | (78.55) |
| Proceeds from non current borrowings | 55.00 | 18.75 |
| Short term borrowings Increase /(Decrease) during the year (net) | 79.62 | 86.29 |
| Payment of dividend | (10.88) | (6.57) |
| Payment of dividend distribution tax | (2.24) | (1.35) |
| Finance cost | (118.32) | (106.36) |
| Net cash used in financing activities | (37.30) | (87.79) |
| Net cash (used) in/from operating, investing and financing activities ((A+B)+C) | (22.49) | 3.76 |
| Net increase/(decrease) in Cash & Cash equivalent | (22.49) | 3.76 |
| Opening balance | 24.12 | 20.36 |
| Closing balance of Cash & Cash equivalent (refer note no.11) | 1.63 | 24.12 |

As per our report of even date

For Ashok Kumar Goyal & Co.
Chartered Accountants
(Firm Registration No. ICAI: 02777N)

J P Agarwal
Chairman
DIN: 00041119

K K Narula
Director
DIN: 00098124

CA Ashok Kumar
Partner FCA
Membership No. 17644

Ravinder K Narang
Director
DIN: 02318041

Place: New Delhi
Dated: 21st May, 2019

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CEO (Lighting Operations)

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Director
DIN: 00157305

Vinay Surya
Director
DIN: 00515803

S K Awasthi
Director
DIN: 02162923

Tarun Baldua
CEO (Steel Operations)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31st MARCH, 2019

EQUITY SHARE CAPITAL

(₹ in crore)

| Particulars | As at 31st March, 2019 | | As at 31st March, 2018 | |
|---|------------------------|--------------|------------------------|--------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Balance at the beginning of the reporting period | 5,44,08,974 | 54.41 | 5,44,08,974 | 54.41 |
| Balance at the end of the reporting period | 5,44,08,974 | 54.41 | 5,44,08,974 | 54.41 |

OTHER EQUITY

(₹ in crore)

| Particulars | Reserves and surplus | | | | | | | Total |
|---|----------------------|----------------------------|----------------------------|-----------------|-----------------|-------------------|----------------------------|-----------------|
| | Forfeiture reserve | Securities premium Account | Capital redemption reserve | Capital reserve | General reserve | Retained earnings | Other comprehensive income | |
| Balance as at 1st April, 2017 | 17.63 | 142.71 | 3.00 | 124.69 | 60.36 | 553.09 | (4.97) | 896.51 |
| Profit for the year | | | | | | 108.04 | (3.72) | 104.32 |
| Total comprehensive income for the year | - | - | - | - | - | 108.04 | (3.72) | 104.32 |
| Payment of dividend | | | | | | (6.57) | | (6.57) |
| Payment of dividend distribution tax | | | | | | (1.35) | | (1.35) |
| Transfer of profit for the year to General reserve | | | | | 11.00 | (11.00) | - | - |
| Balance as at March 31, 2018 | 17.63 | 142.71 | 3.00 | 124.69 | 71.36 | 642.21 | (8.69) | 992.91 |
| Profit for the year | | | | | | 120.88 | (3.15) | 117.73 |
| Total comprehensive income for the year | - | - | - | - | - | 120.88 | (3.15) | 117.73 |
| Payment of dividend | | | | | | (10.88) | | (10.88) |
| Payment of dividend distribution tax | | | | | | (2.24) | | (2.24) |
| Transfer of profit for the year to General reserve | | | | | 13.00 | (13.00) | | - |
| Balance as at 31st March, 2019 | 17.63 | 142.71 | 3.00 | 124.69 | 84.36 | 736.97 | (11.84) | 1,097.52 |

As per our report of even date

For **Ashok Kumar Goyal & Co.**
Chartered Accountants
(Firm Registration No. ICAI: 02777N)

J P Agarwal
Chairman
DIN: 00041119

K K Narula
Director
DIN: 00098124

CA Ashok Kumar
Partner FCA
Membership No. 17644

Ravinder K Narang
Director
DIN: 02318041

Place: **New Delhi**
Dated: **21st May, 2019**

R N Maloo
Executive Director & Group Chief
Financial Officer

B B Singal
Sr. V.P. & Company Secretary

Raju Bista
Managing Director
DIN: 01299297

S S Khurana
Director
DIN: 02126149

Sunil Sikka
Director
DIN: 08063385

Ramanjit Singh
CEO (Lighting Operations)

T.S. Bhattacharya
Director
DIN: 00157305

Vinay Surya
Director
DIN: 00515803

S K Awasthi
Director
DIN: 02162923

Tarun Baldua
CEO (Steel Operations)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

1 CORPORATE AND GENERAL INFORMATION

Surya Roshni Limited ("SRL" or "the Company") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the BSE Limited ('BSE'), in India. The registered office of SRL is situated at Prakash Nagar, Sankhol, Rohtak Road, Bahadurgarh – 124507 (Haryana) India. Company is the largest GI Steel Pipe Manufacturer and the second largest in lighting products in India. The Corporate Identification Number (CIN) of the Company is L31501HR1973PLC007543

SRL is more than four decade old manufacturing conglomerate with business interest spanning Steel Pipes and Strips, Lightings, LED street light and other lighting product, Fans, electric Appliances, PVC pipes etc. Besides enjoying market presence across the length and breadth of India, it also export products to more than 50 countries globally.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND USE OF ESTIMATES

2.1 Basis of preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

2.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimate, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Estimates and under lying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimations of uncertainty at the date of the financial statements, which may cause a material adjustments to the carrying amount of assets and liabilities in the next financial years; are in respect of useful life of PPE, provision for warranties, recognition of claim receivables and estimations of contingent assets and liabilities.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Measurement

These financial statements have been prepared under the historical cost principle except for certain financial assets and liabilities which have been measured at fair value:

The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Crore and two decimals thereof, except as stated otherwise.

3.2 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price (net of GST/ CENVAT / duty credits wherever applicable) and all direct costs attributable to bringing the asset to its working condition for intended use and includes the borrowing costs for qualifying assets if the recognition criteria's are met. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

Capital work-in-progress includes cost of property, plant and equipment under installation as at the balance sheet date and the cost of Property, Plant and Equipment not put to use are disclosed under 'Capital work-in-progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets

3.3 Depreciation and Amortisation

i Depreciation on the property, plant and equipment is provided over the useful life of assets which is coincide with the life specified in Schedule II to the Companies Act, 2013. The range of useful lives of the Property, Plant and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

Equipment are as follows:

| Property, plant and equipment | Useful life in Years |
|-------------------------------|----------------------|
| Plant and equipments | 08 – 15 |
| Buildings | 05-60 |
| Office equipment's | 05 |
| Vehicles | 08 |
| Furniture and fixtures | 10 |
| Computers | 03 – 06 |

However, in case of the following category of plant and equipments, the depreciation has been provided, based on the technical evaluation of the remaining useful life as under :-

| | |
|--|----------|
| Plant and Equipments - Pipe Mills cold rolling and 3 LPE Plant of Steel Division | 25 years |
|--|----------|

The useful lives of assets as mentioned above is on their single shift basis, if an asset is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of triple shift the depreciation will increase by 100% for that period.

- ii Property, plant and equipment (PPE) which are added/ disposed- of during the year, depreciation is provided on pro-rata basis from (up- to) the date on which the PPE is available for use (disposed-off).
- iii The residual values and useful lives of PPE are reviewed in every financial year considering the physical condition, benchmarking analysis or indicators for review of residual value and useful life of the respective assets and the same is adjusted prospectively. Lease hold land is amortised over the period of lease.
- iv Free-hold land are not subject to amortisation.

3.4 Impairment of PPE and other non-financial assets

Property, plant and equipment and other non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured

by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in Statement of Profit and Loss.

3.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and Cheques / drafts in hand, balances with banks, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS) 7 statement of cash flows.

3.6 Inventories

Inventories are carried in the balance sheet as follows:

| | |
|---------------------------------|--|
| Raw material | At lower of cost or net realisable value |
| Work-in Progress | At lower of cost or net realisable value |
| Finished Goods / Stock in trade | At lower of cost or net realisable value |
| Stores, spares and consumable | At lower of cost or net realisable value |

The cost of inventories comprises of cost of purchase, cost of conversion and other related costs incurred in bringing the inventories to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.7 Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS 19 – Employee Benefits.

a) Defined contribution plan

- i Provident Fund: Contribution to the provident fund with the government at pre-determined rates is a defined contribution scheme and is charged to the statement of Profit and Loss

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

when employees have rendered services entitling them to such benefit.

- ii National pension scheme : Contribution to national pension scheme with the at pre-determined rates is a defined contribution scheme and is charged to the statement of Profit and Loss when employees have rendered services entitling them to such benefit.

b) Defined benefit plan

Gratuity : The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognised in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognised in Other Comprehensive Income. The effect of any plan amendments are recognised in net profits in the Statement of Profit and Loss.

- c) **Long term employee benefits:** Provisions for other long term employee benefits-compensated absences, a defined benefit scheme, is made on the basis of actuarial valuation at the end of each financial year and are charged to the statement of profit and loss. All actuarial gains or losses are recognised immediately in the statement of profit and loss.
- d) **Other Short-term employee benefits:** All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

3.8 Foreign currency reinstatement and translation

a) Functional and presentation currency

The financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

b) Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date and exchange gain and losses arising on settlement and restatement are recognised in statement of profit and loss. Non-monetary items are measured in terms of historical cost in foreign currencies and are therefore not retranslated.

3.9 Financial instruments –

Initial recognition: The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

Subsequent measurement:

- i **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii **Financial assets carried at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- iii **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of (i) & (ii) above categories are subsequently fair valued through profit or loss.
- iv **Financial Liabilities:** Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition

The Company de-recognises of financial assets when the contractual rights to receive cash flows from the financial asset expire or transfer the financial asset and transfer qualifies for de-recognition under IND AS 109.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished is recognised in profit or loss as other income.

Offsetting of financial instruments

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

3.10 Derivative financial instruments:

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency exposure. The recognizing of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.11 Borrowing costs

- a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
- b) All other borrowing costs are recognised as expense in the period in which they are incurred.

3.12 Taxation

Income tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current Tax

- i Current tax provision is computed on Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.

- ii Provision for current income taxes and advance taxes paid are presented in the balance sheet after offsetting them on an assessment year basis.

Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet approach for all taxable temporary differences to the extent that it is probable that future taxable profits will be available. Deferred tax assets and liabilities are measured at the applicable tax rates and tax laws those are enacted or substantively enacted. Deferred tax assets and deferred tax liabilities are set-off, and presented on net basis. The carrying amount of deferred tax is reviewed at each balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.13 Revenue recognition and other income

The Company is in the business of sale of Steel Pipes and Strips, lightings, LED and conventional lighting goods, fans, appliances, PVC pipes and fittings etc. The Company also provide extended warranties for its LED street lighting.

The Company has adopted Ind AS 115 " Revenue from Contracts with Customers" from reporting period beginning on or after 1st April, 2018 and has replaced existing Ind AS related thereto. Under the modified retrospective approach, there were no significant adjustments required to be made to the retained earnings as at April 01, 2018

Revenue from contracts with customers is recognised when control of the promised goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

a) Sale of Product / Goods

Revenue from sale of Product/Goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the Product/Goods and there is no uncertainty in receiving the same and there is reasonable assurance that the Company will comply with the conditions attached to them.

The Company considers whether there are other promises in the contract that are separate

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In recognition of revenue from sale of Goods, the Company also considers the effects of volume, rebates, schemes, discount and financing components.

Extended warranty: The extended warranties provided to the customers are considered as the separate contract, adjusted and accounted accordingly.

Volume rebates and schemes discounts: The Company provides volume rebates and schemes discounts to its customers based on quantity of products purchased by them during the period. To estimate for the expected future outgo for revenue recognition, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

Financing component: In case of extended trade credit agreed with the customers containing significant financing component, the transaction price for such contract are discounted, using the effective interest rate that would be considered separate financing transaction at transaction inception, to take into consideration the significant financing component.

b) Export incentives:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and there is reasonable assurance that the Company will comply with the conditions attached to them.

b) Rendering of Service

Revenue from Services is recognised as per terms of the contract with customers based on stage of completion when the outcome of the transaction involving rendering of services can be estimated reliably.

c) Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

3.14 Government grants / Assistance

Government grants/Assistance recognised where there is reasonable assurance that the same will be received and the eligibility criteria is met out. Government grants/Assistance are recognised in profit and loss account on a systematic basis over the period in which the Company, recognises as expenses the related cost for which the grants are intended to compensate.

3.15 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

3.16 Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

fair value measurement as a whole:

Level 1: Quoted prices in active markets for identical assets and liabilities

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

Level 3: Inputs which are not based on observable market data.

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

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

3.17 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.18 Provisions

a) Provisions

Provisions (excluding employee benefits) are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Provisions are reviewed at each balance sheet date and are adjusted to reflect

the current best estimate.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, it is recognised as an asset.

c) Warranty Provisions The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

3.19 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.20 RECENT ACCOUNTING PRONOUNCEMENTS

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Company is proposing to use the ' Modified Retrospective Approach' for transition to Ind As 116, and take the cumulative adjustment to retained earnings, on the date of initial application (1st April, 2019). Accordingly, comparatives for the year ended 31st March, 2019 will not be retrospectively adjusted.

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

a) **Property, plant and equipment - Useful lives of assets**

The Company reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation expenses in future periods.

b) **Warranties**

The Company generally offers Warranties for its consumer products and the liability towards warranty-related costs are recognised in the year of sales or service provided to the customers. Management ascertain and measure the liability for warranty claims based on historical experience and trend. The assumptions made in relation to current year are consistent of those are in prior years.

c) **Provision**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

d) **Contingent Liabilities and Contingent Assets**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

5 PROPERTY, PLANT AND EQUIPMENT

| Particulars | (₹ in crore) | | | | | | | | | |
|-----------------------------|---------------|----------------|-----------|-----------------------------------|----------|----------|--------------------|-----------|----------|--------------------------|
| | Land-Freehold | Land-Leasehold | Buildings | Plant and Furniture and Equipment | Fixtures | Vehicles | Office Equipment's | Computers | Total | Capital work in progress |
| GROSS CARRYING VALUE | | | | | | | | | | |
| As at 1st April, 2017 | 19.41 | 10.97 | 193.10 | 1,031.45 | 5.26 | 4.73 | 2.41 | 5.81 | 1,273.14 | 15.55 |
| Additions | 0.19 | - | 9.33 | 46.16 | 0.60 | 2.11 | 0.41 | 1.46 | 60.26 | 27.91 |
| Disposals | 0.10 | - | 0.31 | 4.61 | - | 0.27 | 0.01 | 0.01 | 5.31 | 21.55 |
| As at 31st March, 2018 | 19.50 | 10.97 | 202.12 | 1,073.00 | 5.86 | 6.57 | 2.81 | 7.26 | 1,328.09 | 21.91 |
| Additions | 1.53 | - | 10.09 | 89.65 | 0.50 | 2.77 | 0.64 | 0.56 | 105.74 | 75.34 |
| Deletion / adjustments | - | - | - | 0.39 | - | 0.37 | 0.45 | 0.94 | 2.15 | 72.68 |
| As at 31st March, 2019 | 21.03 | 10.97 | 212.21 | 1,162.26 | 6.36 | 8.97 | 3.00 | 6.88 | 1,431.68 | 24.57 |
| DEPRECIATION | | | | | | | | | | |
| As at 1st April, 2017 | - | 0.69 | 14.25 | 149.99 | 1.45 | 1.51 | 1.40 | 3.06 | 172.35 | - |
| Depreciation for the year | - | 0.35 | 7.65 | 76.26 | 0.78 | 0.92 | 0.31 | 1.04 | 87.31 | - |
| Disposals | - | - | 0.20 | 3.16 | - | 0.13 | - | - | 3.49 | - |
| As at 31st March, 2018 | - | 1.04 | 21.70 | 223.09 | 2.23 | 2.30 | 1.71 | 4.10 | 256.17 | - |
| Depreciation for the year | - | 0.35 | 7.93 | 76.98 | 0.78 | 0.86 | 0.35 | 1.26 | 88.51 | - |
| Deletion / adjustments | - | - | - | 0.18 | - | 0.21 | 0.39 | 0.80 | 1.58 | - |
| As at 31st March, 2019 | - | 1.39 | 29.63 | 299.89 | 3.01 | 2.95 | 1.67 | 4.56 | 343.10 | - |
| NET CARRYING VALUE | | | | | | | | | | |
| As at 31st March, 2018 | 19.50 | 9.93 | 180.42 | 849.91 | 3.63 | 4.27 | 1.10 | 3.16 | 1,071.92 | 21.91 |
| As at 31st March, 2019 | 21.03 | 9.58 | 182.58 | 862.37 | 3.35 | 6.02 | 1.33 | 2.32 | 1,088.58 | 24.57 |

Explanatory Notes:

- i The above property plant and equipment are under charge as security against borrowing see note no. 18 & 22

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

6 INVESTMENT CARRIED AT COST

| | (₹ in crore) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Investment in Subsidiary | | |
| Unquoted | | |
| 50,000 Equity shares (previous year Nil) of Surya Roshni LED Lighting projects Limited of ₹ 10/- each fully paid-up (100% holding - 49,940 equity shares held in the name of company and balance 60 equity shares held through six nominees) | 0.05 | - |
| | 0.05 | - |
| Aggregate amount of quoted investments Market value of ₹ Nil (Previous year ₹ Nil) | | |
| Aggregate amount of unquoted investments | 0.05 | - |

7 OTHER FINANCIAL ASSETS AT AMORTISED COST (NON CURRENT)

| | (₹ in crore) | |
|-----------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Unsecured, considered good | | |
| Receivables | 22.38 | - |
| Unbilled revenue | 13.98 | - |
| Security deposits | 9.70 | 9.39 |
| | 46.06 | 9.39 |

8 OTHER NON CURRENT ASSETS

| | (₹ in crore) | |
|------------------|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Capital advances | 7.25 | 6.67 |
| | 7.25 | 6.67 |

9 INVENTORIES (CURRENT)

| | (₹ in crore) | |
|--------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Raw materials | 352.31 | 296.32 |
| Work-in-progress | 144.05 | 102.82 |
| Finished goods | 321.80 | 401.91 |
| Stores, spares and consumables | 25.37 | 27.52 |
| | 843.53 | 828.57 |

The mode of valuation has been stated in note no.3.6

Inventories are hypothecated as security against borrowings see note no.18 & 22

10 TRADE RECEIVABLES (CURRENT)

| | (₹ in crore) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Trade receivables considered good-secured | - | - |
| Trade receivables considered good-unsecured | 835.32 | 712.59 |
| Trade receivables considered good-unsecured from wholly owned subsidiary (refer note 49) | 2.36 | - |
| Trade receivables which have significant increase in Credit Risk | - | - |
| Trade receivables-credit impaired | 11.69 | 7.08 |
| Less : Allowance for doubtful debts | 11.69 | 7.08 |
| Net Trade receivables-credit impaired | - | - |
| | 837.68 | 712.59 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

11 CASH AND CASH EQUIVALENTS

| | (₹ in crore) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| a. Balance with banks | | |
| In Current Accounts | 0.24 | 0.57 |
| b. Cheques, drafts on hand | 1.00 | 23.13 |
| c. Cash on hand | 0.39 | 0.42 |
| Cash and cash equivalents as per statement of cash flow | 1.63 | 24.12 |

12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| | (₹ in crore) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Balance with banks | | |
| Unpaid dividend account (Earmarked against the corresponding provision refer note no.24) | 0.43 | 0.40 |
| | 0.43 | 0.40 |

13 OTHER FINANCIAL ASSETS (CURRENT)

| | (₹ in crore) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Unbilled revenue | 4.15 | - |
| Recoverable from wholly owned subsidiary company (refer note 49) | 0.22 | - |
| Other Recoverables | 34.08 | 46.20 |
| | 38.45 | 46.20 |

14 CURRENT TAX ASSETS (NET)

| | (₹ in crore) | |
|-------------------------|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Current Tax asset (net) | 0.27 | 2.39 |
| | 0.27 | 2.39 |

15 OTHER CURRENT ASSETS

| | (₹ in crore) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Considered good, unless otherwise stated | | |
| MAT Receivable | 26.83 | 45.44 |
| Recoverable from government authorities | 80.24 | 52.69 |
| Balances with statutory authorities | 22.60 | 14.80 |
| Prepaid expenses | 1.98 | 4.01 |
| Advances to Supplier | 8.61 | 14.30 |
| | 140.26 | 131.24 |

16 SHARE CAPITAL

| | (₹ in crore) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| I Equity Share Capital | | |
| Authorised | | |
| 26,13,00,000 (previous year 26,13,00,000) Equity Shares of ₹ 10/- each with voting rights | 261.30 | 261.30 |
| Issued, subscribed and fully paid up Equity share capital | | |
| 5,44,08,974 (previous year 5,44,08,974) Equity Shares of ₹ 10/- each with voting rights | 54.41 | 54.41 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

(₹ in crore)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---------------------------|---------------------------|
| | 54.41 | 54.41 |
| Movement of Equity Shares | | |
| Balance at the beginning of the reporting period | 5,44,08,974 | 5,44,08,974 |
| Issued during the year | - | - |
| Balance at the end of the reporting period | 5,44,08,974 | 5,44,08,974 |

(₹ in crore)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---------------------------|---------------------------|
| II Preference share capital | | |
| Authorised | | |
| 6,20,000 (previous year 6,20,000) Preference shares of ₹ 100/- each | 6.20 | 6.20 |
| There are no issued, subscribed and fully paid up preference share capital therefore not disclosed. | | |

Terms / rights attached to equity shares

The Company has one class of equity shares having at par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shares held by each shareholder holding more than 5% shares:

| Names | As at 31st March, 2019 | | As at 31st March, 2018 | |
|--------------------------------------|---------------------------|---|---------------------------|---|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Diwakar Marketing Private Limited | 56,37,500 | 10.36 | 56,37,500 | 10.36 |
| Cubitex Marketing Private Limited | 48,61,000 | 8.93 | 48,61,000 | 8.93 |
| Shreyansh Mercantile Private Limited | 31,78,000 | 5.84 | 31,78,000 | 5.84 |
| Sahaj Tie-Up Private Limited | 31,25,087 | 5.74 | 31,25,087 | 5.74 |

17 OTHER EQUITY

(₹ in crore)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---------------------------|---------------------------|
| a. Capital redemption reserve | 3.00 | 3.00 |
| b. Capital Reserve | 124.69 | 124.69 |
| c. Securities premium | 142.71 | 142.71 |
| d. Forfeiture reserve | 17.63 | 17.63 |
| e. General reserve | 84.36 | 71.36 |
| f. Retained earnings | 736.97 | 642.21 |
| g. Other comprehensive income | (11.84) | (8.69) |
| Balance at the end of the Financial year | 1,097.52 | 992.91 |

Notes : For movements in reserves refer statement of change in equity

Nature and purpose of reserves

a. Capital Redemption Reserve

Capital Redemption Reserve was created on redemption of preference share capital. The Company may issue fully paid-up bonus share to its members out of the capital redemption reserve.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

b. Capital Reserve

Capital reserve has been created on Business Combination on appointed date i.e. 1st April, 2016 Pursuant to the Scheme of Arrangement amongst company and its associate e-Surya Global Steel Tubes Limited as per order of NCLT dated 11th December, 2017.

c. Securities premium

Securities premium is used to record the premium on issue of shares. The premium should be is utilised in accordance with the provisions of the Companies Act.

d. Forfeiture reserve

Forfeiture Reserve represents the forfeiture of amount of consideration received on allotment of warrants of the cases where option to take equity shares were not exercised within the prescribed time in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

e. General reserve

The general reserve is created time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another equity, hence items included in general reserve will not be reclassified subsequently to profit and loss.

f. Dividend

The Dividend of ₹ 10.88 crores for the Year 2018-19 (₹ 10.88 crores for the Year 2017-18) is accounted during the year in which dividends are approved by the shareholders

18 BORROWINGS (NON CURRENT)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---------------------------|---------------------------|
| | (₹ in crore) | |
| Secured measured at amortised cost | | |
| Term loans from banks | | |
| Rupee loans | 128.53 | 220.61 |
| Foreign currency loans | 209.71 | 103.59 |
| Term loans from financial institutions | | |
| Foreign currency loans | 56.62 | 56.14 |
| | 394.86 | 380.34 |
| Less : Loan repayment within one year | 60.01 | 25.96 |
| | 60.01 | 25.96 |
| | 334.85 | 354.38 |

A Term Loans of ₹ 345.86 crore (₹ 380.34 crore as at 31st March, 2018) are secured by way of first pari-passu charge on all fixed Assets including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present and future and personal guarantee of Chairman of Company.

- Rupee Term Loans from banks aggregating ₹ 79.53 crore (₹ 220.64 crore as at 31st March, 2018) are payable in 24 (maximum) quarterly installments, with last repayment date 30th September, 2025, carrying floating interest rate linked with MCLR of respective banks ranging from MCLR + 5 bps spread with periodical interest reset.
- Foreign Currency Term Loan from banks aggregating ₹ 209.71 crore (₹ 103.59 crore as at 31st March, 2018) are payable in 24 (maximum) quarterly installments, with last repayment date 30th September, 2025, carrying floating interest rate ranging from LIBOR + maximum 175 to 200 bps spread with periodical interest reset.
- Foreign Currency Term Loan from financial institution aggregating ₹ 56.62 crore (₹ 56.14 crore as at 31st March, 2018) are payable in 25 (maximum) quarterly installments, with last repayment date 1st October, 2026, carrying floating interest rate LIBOR + maximum 200 bps spread with periodical interest reset.

B Rupee Term Loans from bank of ₹ 49.00 crore (₹ Nil crore as at 31st March, 2018) are secured by way of first pari-passu charge on all fixed Assets including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present and future. which is payable in 32 quarterly installments, with last repayment date 31st May, 2027, carrying floating interest rate linked with MCLR of respective banks MCLR + 20 bps spread with periodical interest reset.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

19 OTHERS FINANCIAL LIABILITIES (NON CURRENT)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|-------------------|---------------------------|---------------------------|
| Security deposits | 10.48 | 10.27 |
| | 10.48 | 10.27 |

20 PROVISION (NON CURRENT)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|---------------------------------------|---------------------------|---------------------------|
| Provision for employee benefits | | |
| Gratuity (refer note 48) | 40.01 | 35.38 |
| Compensated absences (refer note 48) | 10.67 | 10.15 |
| | 50.68 | 45.53 |

21 DEFERRED TAX LIABILITIES

| | As at 31st March, 2018 | Recognised in P & L | Recognised in OCI | As at 31st March, 2019 |
|--|---------------------------|------------------------|----------------------|---------------------------|
| Deferred tax liabilities / assets are attributable to the following items; | | | | |
| Deferred tax liabilities | | | | |
| Difference between books depreciation and tax depreciation | 103.29 | 1.03 | | 104.32 |
| Sub- (a) | 103.29 | 1.03 | - | 104.32 |
| Deferred tax assets | | | | |
| Disallowed under section 43B of the Income tax Act. on payment basis | 17.33 | 1.30 | 1.69 | 20.32 |
| Allowance for doubtful debts | 2.45 | 1.61 | | 4.06 |
| Sub- (b) | 19.78 | 2.91 | 1.69 | 24.38 |
| Net deferred tax liability (a-b) | 83.51 | (1.88) | (1.69) | 79.94 |

| | As at 1st April, 2017 | Recognised in P & L | Recognised in OCI | As at 31st March, 2018 |
|--|-----------------------------|------------------------|----------------------|---------------------------|
| Deferred tax liabilities | | | | |
| Deferred tax liabilities / assets are attributable to the following items; | | | | |
| Deferred tax liabilities | | | | |
| Difference between books depreciation and tax depreciation | 89.55 | 13.74 | | 103.29 |
| Sub- (a) | 89.55 | 13.74 | - | 103.29 |
| Deferred tax assets | | | | |
| Disallowed under section 43B of the Income tax Act. on payment basis | 13.30 | 2.06 | 1.97 | 17.33 |
| Allowance for doubtful debts | | 2.45 | | 2.45 |
| Sub- (b) | 13.30 | 4.51 | 1.97 | 19.78 |
| Net deferred tax liability (a-b) | 76.25 | 9.23 | (1.97) | 83.51 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

22 BORROWINGS (CURRENT)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|---------------------------|---------------------------|---------------------------|
| (₹ in crore) | | |
| Secured | | |
| Loans repayable on demand | | |
| From banks | | |
| Rupee loans | 796.67 | 365.25 |
| Foreign currency loans | - | 181.80 |
| Commercial paper | - | 170.00 |
| | 796.67 | 717.05 |

Working Capital Loans of ₹ 796.67 crore are secured against current assets both present and future and further secured by way of second charge on all Fixed Assets including equitable mortgage of Land and Building and personal guarantee of the Chairman of the Company. The rupee loans linked with MCLR of respective banks ranging from MCLR to 90 bps spread over MCLR

23 TRADE PAYABLES

| | As at 31st March, 2019 | As at 31st March, 2018 |
|--|---------------------------|---------------------------|
| (₹ in crore) | | |
| outstanding dues of micro enterprises and small enterprises | 23.40 | 14.52 |
| outstanding dues other than micro enterprises and small enterprises | 326.61 | 393.83 |
| | 350.01 | 408.35 |
| I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company as under: | | |
| I The Principal amount and the interest due thereon remaining unpaid to any supplier. | | |
| Principal Amount : | 36.59 | 14.52 |
| Interest : | Nil | Nil |
| ii The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending. | Nil | Nil |
| iii The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year) | Nil | Nil |
| iv The amount of interest accrued and remaining unpaid for the year ending. | Nil | Nil |
| v The amount of further interest remaining due and payable for the earlier years. | Nil | Nil |

The Information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information submitted to the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

24 OTHER FINANCIAL LIABILITIES (CURRENT)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---------------------------|---------------------------|
| (₹ in crore) | | |
| Current maturities of long-term borrowings (refer note 18) | 60.01 | 25.96 |
| Interest accrued but not due on borrowings | 2.45 | 3.12 |
| Unpaid dividends* (refer note 12) | 0.43 | 0.40 |
| Forward Contract payable | 0.67 | 5.34 |
| Payable to employees | 33.93 | 30.76 |
| Expenses Payable | 61.59 | 54.83 |
| | 159.08 | 120.41 |

* There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund as at 31st March, 2019.

25 OTHER LIABILITIES (CURRENT)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|-------------------------|---------------------------|---------------------------|
| (₹ in crore) | | |
| Advances from customers | 28.83 | 16.04 |
| Statutory dues payables | 12.36 | 15.88 |
| | 41.19 | 31.92 |

26 PROVISIONS (CURRENT)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|--------------------------------------|---------------------------|---------------------------|
| (₹ in crore) | | |
| Provision for employee benefits | | |
| Gratuity (refer note 48) | 5.55 | 3.22 |
| Compensated absences (refer note 48) | 2.41 | 1.32 |
| | 7.96 | 4.54 |
| Other payables | | |
| Warranty payable (refer note 43) | 44.41 | 26.44 |
| | 44.41 | 26.44 |
| | 52.37 | 30.98 |

27 CURRENT TAX LIABILITIES

| | As at 31st March, 2019 | As at 31st March, 2018 |
|-----------------------------|---------------------------|---------------------------|
| (₹ in crore) | | |
| Current tax liability (net) | 1.56 | 5.68 |
| | 1.56 | 5.68 |

28 INCOME TAX

| | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---------------------------|---------------------------|
| (₹ in crore) | | |
| a Income tax recognized in profit or loss | | |
| Current tax expense | 53.58 | 38.85 |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | (1.88) | 9.23 |
| Total tax expenses | 51.70 | 48.08 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

| | As at 31st March, 2019 | As at 31st March, 2018 |
|--|---------------------------|---------------------------|
| (₹ in crore) | | |
| b Reconciliation of effective tax rate | | |
| Profit before tax | 172.58 | 156.12 |
| Domestic tax rate | 34.944% | 34.608% |
| Tax using the Company's domestic tax rate | 60.31 | 54.03 |
| Increase / reduction in Taxes on account of | | |
| Income not taxable / exempt from tax | (9.50) | (6.65) |
| Other non deductible expenses | 0.89 | 0.70 |
| Income tax expenses charged to statement of profit and loss | 51.70 | 48.08 |
| Effective tax rate | 29.955% | 30.797% |

During the year ended 31st March, 2019 and 31st March, 2018, company has taken deduction/ availed exemption for followings :

- Under section 80-IC of the Income-Tax Act on 30% Profits of eligible industrial undertakings at Kashipur, Uttarakhand
- Under section 32AD of the Income-Tax Act, 1961 @ 15% on the Plant & Machinery installed at newly set-up unit at Hindupur in the notified backward area of the state of Andhra Pradesh.
- Research and development expenditure @ 150% (previous year @150%) in accordance with the provisions of Section 35(2AB) of the Income-Tax Act, 1961.

29 REVENUE FROM OPERATIONS

| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
|---|--|--|
| (₹ in crore) | | |
| a. Sale of goods (including excise duty but net of GST); | | |
| i. Steel pipe and strips | 4,373.06 | 3,581.81 |
| ii. Lighting and consumer durables | 1,535.99 | 1,375.34 |
| | 5,909.05 | 4,957.15 |
| Less Inter Segment Sales | 3.35 | 6.65 |
| | 5,905.70 | 4,950.50 |
| b. Other operating revenue; | | |
| i. Investment promotion assistance (refer note no.44) | 34.34 | 19.05 |
| ii. Export incentives and claims | 34.62 | 33.45 |
| | 68.96 | 52.50 |
| c. Sale of services | 2.38 | 8.76 |
| | 2.38 | 8.76 |
| | 5,977.04 | 5,011.76 |

Note: As per the requirement of Ind AS Revenue for the period up to 30th June 2017 were reported inclusive of Excise Duty of ₹ 80.60 crores. The Government of India has implemented Goods and Service Tax ("GST") from 1st July 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Ind AS 18 the revenue for current year and previous year from 1st July, 2017 were reported net of GST.

30 OTHER INCOME

| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
|--|--|--|
| (₹ in crore) | | |
| a. Interest Income from financial assets | 3.73 | 2.52 |
| b. Profit on sale of property, plant and equipment | 0.19 | 0.05 |
| c. Miscellaneous income | 0.19 | 0.09 |
| | 4.11 | 2.66 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

31 COST OF MATERIALS CONSUMED

| | (₹ in crore) | |
|------------------------------------|--|--|
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| i. Steel pipe and strips | | |
| a. Raw materials (Imported) | 162.30 | 91.19 |
| b. Raw materials (Indigenous) | 3,544.56 | 2,973.10 |
| ii. Lighting and consumer durables | | |
| a. Raw materials (Imported) | 170.09 | 134.14 |
| b. Raw materials (Indigenous) | 485.32 | 371.68 |
| c. Packing materials consumed | 43.97 | 43.57 |
| | 4,406.24 | 3,613.68 |
| Less Inter Segment Consumption | 3.35 | 6.65 |
| | 4,402.89 | 3,607.03 |

32 PURCHASE OF STOCK-IN-TRADE

| | (₹ in crore) | |
|---|--|--|
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Lighting and consumer durables (outsourced) | 288.60 | 291.21 |
| | 288.60 | 291.21 |

33 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

| | (₹ in crore) | |
|---|--|--|
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Inventories at the end of the year | | |
| Finished goods | 321.80 | 401.91 |
| Work in Progress | 144.05 | 102.82 |
| | 465.85 | 504.73 |
| Inventories at the beginning of the year | | |
| Finished goods | 401.91 | 357.43 |
| Less : Excise Duty on opening stock | - | 19.73 |
| Finished goods (Net) | 401.91 | 337.70 |
| Work in Progress | 102.82 | 82.96 |
| | 504.73 | 420.66 |
| | 38.88 | (84.07) |

34 EMPLOYEE BENEFIT EXPENSES

| | (₹ in crore) | |
|--|--|--|
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| a. Salaries, wages and bonus | 274.47 | 249.99 |
| b. Contribution to provident and other funds | 13.22 | 12.78 |
| c. Staff welfare expenses | 6.04 | 6.09 |
| | 293.73 | 268.86 |

35 FINANCE COST

| | (₹ in crore) | |
|-------------------------|--|--|
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| a. Interest expenses | 107.36 | 97.93 |
| b. Other borrowing cost | 7.71 | 7.23 |
| | 115.07 | 105.16 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

36 DEPRECIATION AND AMORTISATION EXPENSES

| | (₹ in crore) | |
|--------------------------------|--|--|
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| a. Depreciation (refer note 5) | 88.51 | 87.31 |
| | 88.51 | 87.31 |

37 OTHER EXPENSES

| | (₹ in crore) | |
|---|--|--|
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| a. Consumption of stores and spares | 34.17 | 31.47 |
| b. Power, fuel and water charges | 87.41 | 80.07 |
| c. Repairs and maintenance : | | |
| - plant and machinery | 2.31 | 1.70 |
| - buildings | 0.78 | 0.48 |
| - others | 1.12 | 1.31 |
| d. Product warranties | 79.90 | 60.98 |
| e. Sales promotion expenses | 35.49 | 23.95 |
| f. Commission on sales | 10.48 | 11.70 |
| g. Advertisement and publicity | 16.15 | 15.91 |
| h. Freight and forwarding expenses | 185.85 | 150.12 |
| i. Allowance for doubtful debts / bad debts W/off | 5.12 | 7.14 |
| j. Rent | 11.89 | 9.91 |
| k. Rates and taxes | 0.34 | 0.40 |
| l. Insurance | 2.37 | 2.19 |
| m. Postage and telephone | 2.24 | 2.59 |
| n. Travelling and conveyance | 23.93 | 21.25 |
| o. Loss on discard / disposal of property, plant and equipment | 0.22 | 0.15 |
| p. Corporate social responsibility expenses | 2.57 | 2.04 |
| q. Legal and professional expenses | 3.93 | 3.37 |
| r. Auditor's remuneration (excluding GST / service tax input credit) | | |
| for audit | 0.13 | 0.11 |
| for tax audit | 0.06 | 0.04 |
| for certification work | 0.05 | 0.01 |
| for reimbursement of out of pocket expenses | - | 0.03 |
| s. Miscellaneous expenses | 74.38 | 75.28 |
| | 580.89 | 502.20 |

38 OTHER COMPREHENSIVE INCOME

| | (₹ in crore) | |
|--|--|--|
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Items that will not be reclassified to profit or loss | | |
| i. Items that will not be reclassified to profit or loss | | |
| - Remeasurements of the defined benefit plans | (4.84) | (5.69) |
| ii. Income tax relating to items that will not be reclassified to profit or loss | | |
| - Related to remeasurements of the defined benefit plans | 1.69 | 1.97 |
| | (3.15) | (3.72) |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

39 EARNING PER SHARE

| | | (₹ in crore) | |
|--|--|--|--|
| | | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share: | | | |
| A | Issued equity shares | 5,44,08,974 | 5,44,08,974 |
| | Weighted average equity shares outstanding - Basic and | | |
| B | Diluted | 5,44,08,974 | 5,44,08,974 |
| C | Net profit after tax | 120.88 | 108.04 |
| | Basic Earning per equity share (C/B) | 22.22 | 19.86 |
| | Diluted Earning per equity share (C/B) | 22.22 | 19.86 |
| | Face Value per Equity Share | 10.00 | 10.00 |

40 LEASES

The Company have leasing arrangements in the nature of operating leases for premises (offices / godown etc.). These leasing arrangements are usually renewable by mutual consent or cancellable on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the statement of profit and loss.

41 EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 read with schedule III are as below:

| | | (₹ in crore) | |
|---|--|--|--|
| | | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| A | Gross amount required to be spent by the Company during the year | 2.57 | 2.04 |
| B | Amount spent during the year | | |
| | i Construction/ acquisition of asset | NIL | NIL |
| | ii On purpose other than (i) above – | | |
| | (a) Rural Development | 2.04 | 1.83 |
| | (b) Naturopathy | 0.41 | 0.14 |
| | (c) Other administrative expenses | 0.12 | 0.07 |
| | | 2.57 | 2.04 |

Out of the above amount spent through Surya Foundation ₹ 2.57 crores (previous year of ₹ 2.04 crore)

42 CONTINGENT LIABILITIES

| | | (₹ in crore) | |
|-----------|--|---------------------------|---------------------------|
| | | As at 31st March, 2019 | As at 31st March, 2018 |
| I | Guarantees | | |
| | Bank Guarantees issued by banks for which counter guarantee given by the Company | 386.78 | 266.74 |
| II | Other contingent liabilities | | |
| | a) Export obligation under EPCG Scheme | | |
| | Duty involved on EPCG License | 6.39 | 7.98 |
| | (Bonds Executed by the Company to Custom Department of ₹ 16.10 Crore previous year Rs. 17.31 Crore)) | | |
| | b) Estimated amount of contract remaining to be executed on capital account (Property, Plant and Equipment) and not provided for | 8.60 | 31.93 |
| | c) Claims against the Company not acknowledged as debt | 3.34 | 2.05 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

III Entry of Goods into Local Area Act, 2008 :

The Haryana Government levied Local Area Development Tax (The LADT Act) w.e.f. 5th May, 2000, which was declared ultra vires by the Hon'ble Punjab & Haryana High Court on 14th March, 2007. Later on, the Haryana Government has repealed the LADT Act w.e.f. 8th April, 2008 and introduced in its place 'The Haryana Tax on Entry of Goods in to Local Areas Act, 2008' (Rules not notified), which was also held ultra vires by the Hon'ble High Court on 1st October, 2008. Both these Acts were declared unconstitutional on the ground of non-compensatory. Subsequently, on the SLP of the Haryana Government, the Hon'ble Supreme Court Constitutional Bench vide its judgment dated 11th November, 2016 held the applicability of entry tax valid on compensatory ground. However, directed its Divisional Bench for examining the provisions on the issue of discrimination, local area etc. The Divisional Bench remanded back the matters to the Hon'ble Punjab & Haryana High Court on 21st March, 2017 with a direction to file fresh writ petitions in this regard for factual backgrounds and other constitutional statutory issues. Accordingly the Company has filed fresh writ petition on 27-05-2017 on the issues left open and the Hon'ble High Court issued order for stay of demand on 31-05-2017 and proceedings are undergoing with the Hon'ble High Court. As neither the Rules of the said Act of 2008 were notified nor the same can be prescribed now by deletion of Entry 52 of the Constitution on implementation of GST. Subsequently, we have also revised our Writ petition on 25th September, 2018 wherein reference has also been given on judgment of Hon'ble High court in CWP No. 20788 of 2015 in which it was ordered that in absence of machinery provisions, Act can't be operated. In view of above and based on the facts of our case and consultations made by the Company, a sum of ₹ 33.97 crore (₹ 33.97 crore as on 31st March, 2018) excluding interest has been considered as contingent liability. Accordingly, no provision has been made in accounts.

IV Income Tax Act.

In respect of Income-tax assessments of the Company (for the year 2009-10, 2010-11 & 2012-13) demand of ₹ 56.34 cr. were raised wherein, Company had appealed and the cases were decided in favour of the Company by CIT (A). Revenue has preferred an appeal before ITAT. Based on the decision in favour of the Company, interpretations and decisions of appellate authorities and Courts in similar cases and as per the consultations made, the Company is not liable for such tax and accordingly no provision has been made.

43 MOVEMENT IN WARRANTY PROVISION

| | As at 31st March, 2019 | As at 31st March, 2018 |
|--|---------------------------|---------------------------|
| Movement in warranty provision during the financial year are provided below: | | |
| As at beginning of the year | 26.44 | 16.36 |
| Arising During the Year | 79.90 | 60.98 |
| Utilised during the year | 61.93 | 50.90 |
| Closing balances as at | 44.41 | 26.44 |

The Company gives warranties on certain products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of expected cost of meeting such obligation on account of repair/ replacement. It is expected that significant portion of these cost is to be incurred within a period of two years.

44 GOVERNMENT GRANTS (INVESTMENT PROMOTION ASSISTANCE)

a Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2004 & 2010

The Company has made investment of ₹ 122.11 Crores and ₹ 82.64 Crores for establishing manufacturing facilities at Malanpur, a notified backward district of Madhya Pradesh, in the eligible investment period as per the provisions of Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2004 and 2010 respectively. The Company has been eligible for capital linked grant (to the extent of aforesaid capital investment on satisfying the conditions) up to 27th March, 2020 & 1st March, 2025 respectively.

On GST implementation, the State Government has revised the policy by which the Company continues to be eligible for the said periodical assistance. Accordingly, grants of ₹ 23.22 Crores has been accounted as other operating revenue during the current year (₹ 12.83 Crores in previous year). The cumulative recognised grants are of ₹ 75.48 Crores up to 31st March, 2019 (₹ 52.26 Crores up to 31 March 2018), out of which ₹ 36.17 Crores remained outstanding as at 31st March, 2019.

b Andhra Pradesh Industrial Investment Policy (IDP) 2015-2020

The Company has made an investment of ₹ 62.64 Crores for establishing manufacturing facilities at Hindupur, a notified backward district of Andhra Pradesh, during the eligible investment period, as per the provisions of Andhra

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

Pradesh Industrial Investment Policy (IDP) 2015-2020. The Company has been eligible for Capital linked grant (to the extent of aforesaid capital investment) by way of 50% reimbursement of VAT/CST/SGST paid during the period of 7 years and partial reimbursement of power cost @ Re 1.00 per unit, during the period of 5 years from 1st March, 2017, on satisfying the conditions mentioned under the scheme.

The Company has recognised grants towards VAT/CST/SGST of ₹ 6.29 Crores during the current year (₹ 2.63 Crore in previous year) as other operating revenue. The grant receivable in the form of reimbursement of Power Cost of ₹ 0.76 Crores during the year (0.59 Crores during the previous year) has been netted from the power cost. The Cumulative recognised grants are of ₹ 10.44 Crores up to 31st March, 2019 (₹ 3.39 Crore up to 31st March, 2018), out of which ₹ 10.44 Crores remained outstanding as at 31st March, 2019.

c GST Reimbursement against Excise Exemption

The Company's manufacturing unit at Mahuakheraganj, Uttarakhand was under area based excise exemption scheme vide Notification No.50/2003 Dated.10.06.2003 for the period up to 13th December, 2019. Accordingly, the products manufactured by the Company were exempted from the payment of excise duty up to 30th June, 2017 and on implementation of GST w.e.f 1st July, 2017, the Company is eligible for the grant for compensating the earlier benefit of excise exemption by way of reimbursement of GST for which required application/ representations have been made. Based on the benefits available under the erstwhile excise exemption scheme, scheme announced and the representation made, the Company is entitled for similar benefits under GST regime. Accordingly income of ₹ 4.83 Crores recognised during the current year (₹ 3.59 Crores in previous year) and cumulative recognised income of ₹ 8.41 Crores up to 31st March, 2019 (₹ 3.59 Crores in previous year) out of which ₹ 7.20 Crores remained outstanding as at 31 March, 2019 towards reimbursement of GST paid by the unit.

45 REVENUE RECOGNITION

The Company has adopted Ind AS 115 'Revenue from contracts with customers' from 1st April, 2018 under the modified retrospective approach there were no significant adjustments required to be made in retained earnings as at 1 April, 2018.

46 PROJECT FOR SUPPLY, IMPLEMENTATION, OPERATION AND MAINTENANCE OF ORISSA GREENFIELD STREET LIGHTING SYSTEM THROUGH SPV COMPANY

The Company has been awarded project by Directorate of Municipal Administration(DMA), Orissa for designing, implementing, operating, maintaining the Greenfield Pubic Street Lighting System along with other infrastructure including CCMS and automation. The project is to be executed through Special Purpose Vehicle Company (SPV) as per terms of LOA and accordingly company has incorporated a wholly-owned subsidiary namely SURYA ROSHNI LED LIGHTING PROJECTS LIMITED (CIN –U31200DL2019PLC344720) on 21st January, 2019 vide Certificate of Incorporation dated 23rd January, 2019.

The Company has executed Supply Installation Operation and Maintenance (SIOM) Agreement on 29th December, 2018 with the DMA and 21 Urban Local Bodies. As per terms of SIOM, the Company has to execute shareholder agreement with the SPV Company and novation agreement with the DMA and the SPV company . The Company has committed the funding requirement of SPV for project completion including enhancement in the value of project. The Company has also committed to compensate the losses/ damages, if any, suffered by the DMA due to breach of contract by the SPV, as per terms & conditions of SIOM.

47 PRE-OPERATIVE EXPENSES CAPITALISED DURING THE YEAR:

The Company has incurred capital expenditure at Hindupur for ERW steel pipes manufacturing unit and at Anjar unit for 3 LPE coating plant facilities, wherein following pre-operative expenses are capitalised

| | For the year ended 31st March, 2019 | (₹ in crore) For the year ended 31st March, 2018 |
|------------------------|--|--|
| Raw materials consumed | 6.73 | - |
| Employee benefits | 1.57 | 0.15 |
| Borrowing cost | 2.58 | - |
| Other expenses | | |
| Power charges | 2.36 | 0.16 |
| Outward freight | 0.15 | - |
| Others | 0.65 | 0.08 |
| Total | 14.04 | 0.39 |
| Less: Realisation | 10.54 | - |
| Total | 3.50 | 0.39 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

48 EMPLOYEE BENEFITS

Disclosures pursuant to Ind AS -19 "Employee Benefits" (Specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below

Contribution to Defined Contribution Plan, recognised as expenses are as under :

| | Year Ended | |
|---|------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Employer's Contribution to defined contribution plans | 13.22 | 12.78 |

(₹ in crore)

I The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

| | Valuation as at | |
|---|------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Attrition rate for various ages in % | 1.00 to 5.00 | 1.00 to 5.00 |
| Discount Rate in % | 7.66 | 7.73 |
| Expected Rate of increase in salary in % | 5.75 | 5.75 |
| Mortality rate - Indian Assured Lives Mortality (2006-08) | 100% | 100% |
| Expected Average remaining working lives of employees (years) | 16.30 | 16.47 |

- Discount rate is based on the prevailing market yields of Indian Government securities as at the balances sheet date for the estimated term of obligations.
- The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

II Movement in Obligation

| Particulars | (₹ in crore) | | | |
|---|-------------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| | For the year ended 31st March, 2019 | | For the year ended 31st March, 2018 | |
| | Gratuity (partly funded) | Compensated absences (Unfunded) | Gratuity (partly funded) | Compensated absences (Unfunded) |
| Present value of obligation as at the beginning of the period | 38.60 | 11.47 | 29.87 | 8.21 |
| Current Service cost | 3.37 | 1.72 | 2.87 | 1.54 |
| Past Service Cost including curtailment Gain/Losses | - | - | 0.43 | - |
| Interest cost | 2.99 | 0.89 | 2.24 | 0.61 |
| Benefits paid | (4.24) | (3.01) | (2.50) | (1.37) |
| Actuarial loss / (gain) arising from changes in Demographic assumptions | - | - | 0.01 | 0.01 |
| Actuarial loss / (gain) arising from changes in Financial assumptions | 0.26 | 0.08 | 4.56 | 1.59 |
| Actuarial loss / (gain) arising from experience adjustment | 4.58 | 1.93 | 1.12 | 0.88 |
| Present value of obligation as at the end of the period | 45.56 | 13.08 | 38.60 | 11.47 |

III Amount recognised in the statement of Profit and Loss:

| Particulars | (₹ in crore) | | | |
|--|------------------------|----------------------|------------------------|----------------------|
| | As at 31st March, 2019 | | As at 31st March, 2018 | |
| | Gratuity | Compensated absences | Gratuity | Compensated absences |
| Current Service cost | 3.37 | 1.72 | 3.30 | 1.54 |
| Interest cost | 2.98 | 0.89 | 2.24 | 0.61 |
| Remeasurement - Actuarial loss/(gain) | - | 2.01 | - | 2.47 |
| Expenses recognised in the statement of Profit and Loss | 6.35 | 4.62 | 5.54 | 4.62 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

IV Component of defined benefit costs recognised in other comprehensive income

| | (₹ in crore) | |
|---|--|--|
| | Gratuity | |
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Actuarial loss / (gain) arising from changes in demographic assumptions | - | 0.01 |
| Actuarial loss / (gain) arising from changes in Financial assumptions | 0.26 | 4.56 |
| Actuarial loss / (gain) arising from experience adjustment | 4.58 | 1.12 |
| Actuarial loss / (gain) arising on plan asset | - | - |
| Component of defined benefit costs recognised in other comprehensive income | 4.84 | 5.69 |

V Current and non-current provision for Gratuity and Compensated absences

| Particulars | (₹ in crore) | | | |
|------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | As at 31st March, 2019 | | As at 31st March, 2018 | |
| | Gratuity | Compensated absences | Gratuity | Compensated absences |
| Current provision | 5.55 | 2.41 | 3.22 | 1.32 |
| Non-current provision | 40.01 | 10.67 | 35.38 | 10.15 |
| Total provision | 45.56 | 13.08 | 38.60 | 11.47 |

VI Maturity profile of Defined Benefit Obligation are as under :-

| Particulars | (₹ in crore) | | | |
|----------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | As at 31st March, 2019 | | As at 31st March, 2018 | |
| | Gratuity | Compensated absences | Gratuity | Compensated absences |
| 0 to 1 Year | 5.54 | 2.41 | 3.22 | 1.32 |
| 1 to 5 Years | 6.97 | 2.25 | 6.77 | 2.14 |
| 5 Year Onwards | 33.06 | 8.42 | 28.64 | 8.02 |

VII Movements in the fair value of the plan assets are as follows:

| | (₹ in crore) | |
|---|--|--|
| | Gratuity | |
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Opening fair value of plan assets | 0.02 | 0.02 |
| Interest income | - | - |
| Return on plan assets (excluding amounts included in net interest expenses) | - | - |
| Benefits paid | - | - |
| Closing fair value of the plan assets | 0.02 | 0.02 |

Note:

The Company has invested the plan assets in India only with Life insurance corporation of India & SBI Life and closing value of the plan assets are the fair value of plan assets

VIII Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rate. The sensitivity analyses below have been determined based on reasonably possible changes of respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

(₹ in crore)

| Particulars | For the year ended 31st March, 2019 | | For the year ended 31st March, 2018 | |
|---|--|--|--|--|
| | Effect on Gratuity Obligation | Effect on Compensated absences Obligation | Effect on Gratuity Obligation | Effect on Compensated absences Obligation |
| One percentage point increase in discount rate | (3.64) | (1.16) | (3.09) | (1.05) |
| One percentage point decrease in discount rate | 3.91 | 1.30 | 3.55 | 1.23 |
| One percentage point increase in salary growth rate | 3.96 | 1.31 | 3.47 | 1.24 |
| One percentage point decrease in salary growth rate | (3.72) | (1.17) | (3.08) | (1.08) |
| One percentage point increase in attrition rate | 0.98 | 0.36 | 0.86 | 0.31 |
| One percentage point decrease in attrition rate | (1.04) | (0.40) | (0.81) | (0.35) |

Note :

- The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.
- There was no change in the method and assumptions used in preparing the sensitivity analysis from prior years.

49 RELATED PARTY TRANSACTIONS

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are reported here:

List of related parties**1 Related parties where control exists.**

Subsidiary Company

Surya Roshni LED Lighting projects Limited (Wholly owned subsidiary) company incorporated on 21st January, 2019

2 Key Management Personnel

| S.No. | Name | Designation |
|-------|---|----------------------------|
| 1 | Mr. Jai Prakash Agarwal | Chairman |
| 2 | Mr. Raju Bista | Managing Director |
| 3 | Mr. Vinay Surya (Appointed on 1st January, 2018) | Whole Time Director |
| 4 | Mr. Kaustubh N Karmarkar (Appointed on 10th August, 2018) | Whole Time Director |
| 5 | Mr. Mukesh Tripathi § | Whole Time Director |
| 6 | Mrs. Urmil Agarwal | Director |
| 7 | Mr. Krishan Kumar Narula | Independent Director |
| 8 | Mr. Ravinder Kumar Narang | Independent Director |
| 9 | Mr. Tara Shankar Sudhir Bhattacharya | Independent Director |
| 10 | Mr. Sudhanshu Kumar Awasthi | Independent Director |
| 11 | Mr. Surendra Singh Khurana | Independent Director |
| 12 | Mr. Sunil Sikka | Independent Director |
| 13 | Mr. Utpal Kumar Mukhopadhyay* | Independent Director |
| 14 | Mrs. Shivani Singla # | IDBI Bank - Nominee |
| 15 | Mr. R.N. Maloo | ED & Group CFO |
| 16 | Mr. Ramanjit Singh | CEO-Lighting Operations |
| 17 | Mr. Tarun Baldua | CEO- Steel Operations |
| 18 | Mr. B B Singal | Sr. VP & Company Secretary |

§ Resigned from the Board of the Company on 18th May, 2018

* Resigned from the Board of the Company on 2nd June, 2018 and later deceased on 20th June, 2018

Nomination withdrawn w.e.f. 5th March 2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

3 Relatives of key management personnel where transactions have taken place

| S.No. | Name of Relatives | Relationship |
|-------|-------------------------|-----------------------------|
| 1 | Mr. Rajesh Bista | Brother of Mr. Raju Bista |
| 2 | Mrs. Puja Surya | Spouse of Mr. Vinay Surya |
| 3 | Master Jaivardhan Surya | Son of Mr. Vinay Surya |
| 4 | Ms. Parinistha Surya | Daughter of Mr. Vinay Surya |
| 5 | Ms. Vasudha Surya | Daughter of Mr. Vinay Surya |

The following transactions were carried out with the related parties in the ordinary course of business

i With the Subsidiary Company

- Surya Roshni LED Lighting projects Limited (Incorporated on 21st January, 2019)

(₹ in crore)

| S.No. | Nature of transaction/ relationship | Year ended 31st March, 2019 |
|-------|-------------------------------------|--------------------------------|
| i | Sales of Goods and others | 2.36 |
| ii | Investment made in Equity Shares | 0.05 |
| iii | Payment made on their behalf | 0.22 |
| iv | Balances at year end | |
| | Receivables | 2.36 |
| | Other recoverable | 0.22 |

ii Compensation of Key Management Personnel of the Company

(₹ in crore)

| S.No. | Nature of transaction/ relationship | Year ended March 31, 2019 | Year ended March 31, 2018 |
|-------|--------------------------------------|------------------------------|------------------------------|
| a) | Short Term Benefit (See notes below) | 13.09 | 9.98 |
| b) | Directors commission | 4.32 | 3.90 |
| | Total Short-Term benefits | 17.41 | 13.88 |
| c) | Director sitting Fee's | 0.21 | 0.19 |

Notes:

- Short-term benefits comprises the expenses recorded under the head employee benefit expenses (eg. Salary and wages, contribution to provident fund, NPS, Leave encashment payments, and taxable value of perquisites etc.
- The liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.
- The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

iii Loan given to Key Management Personnel

| | | | |
|----|--|------|------|
| | Transaction during the year | 0.36 | - |
| | Balance at year end | 0.19 | - |
| iv | Dividend paid to Key Management Personnel | 0.43 | 0.33 |
| v | Payment of Salaries and perquisites to relatives of KMP | 0.34 | 0.26 |
| vi | Dividend paid to relatives of Key Management Personnel | 0.11 | - |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

Disclosure under Regulation 53(f) and 34(3) read together with Para A Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Loans and Advances in the nature of loans given to Subsidiary:

Surya Roshni LED Lighting Projects Limited

(₹ in crore)

| Particulars | Amount Outstanding as at the year end | Maximum Principal Amount Outstanding during the year (excluding interest accrued) |
|---------------------|---------------------------------------|---|
| | As on 31st March, 2019 | As on 31st March, 2019 |
| Investment | 0.05 | 0.05 |
| Advance Recoverable | 0.22 | 0.22 |

Note: Previous year figures are not applicable, since the sole wholly-owned subsidiary company as above has been incorporated on 21st January, 2019 with an initial paid-up capital of Rupees Five lakh as Special Purpose Vehicle (SPV).

50 SEGMENT INFORMATION

Description of segments and principal activities

The Chief operational decision makers (CODM) monitor the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products/ services and have been identified as per the quantitative criteria specified in the Ind AS.

Specifically, the Company's reportable segments under Ind AS are as follows:

- 1 Steel Pipe and Strips (comprises Steel pipes and cold rolled strips)
- 2 Lighting and consumer durables (comprises Lamps, fittings, street light, fans, electric appliances and allied items)

Identification of Segments:

For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment after taking into consideration the similar nature of the products, production processes and other risk factors. For financial statements presentation purposes, these individual operating segment's have been aggregated into a single operating segment taking into account the following factors:

- i. These operating segments have similar long-term gross profit margins;
- ii. The nature of the products and production processes are similar; and
- iii. The methods used to distribute the products to the customer are same

The additional factors taken into consideration for aggregation into a single operating segment are as follows:

- i. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.
- ii. Finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.
- iii. Segment assets represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial assets, deferred tax assets and income tax recoverable.
- iv. Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.
- v. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).
- vi. Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

I. Segment revenues and results

| | | (₹ in crore) | |
|--|--------------------------------|--|--|
| Particulars | | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| Segment revenue | Steel Pipe and Strips | 4,426.70 | 3,623.40 |
| | Lighting and consumer durables | 1,553.69 | 1,395.01 |
| | | 5,980.39 | 5,018.41 |
| Less : Inter Segment revenue | | 3.35 | 6.65 |
| | | 5,977.04 | 5,011.76 |
| Segment profit (earning before interest and taxes) | Steel Pipe and Strips | 161.15 | 143.60 |
| | Lighting and consumer durables | 126.50 | 117.68 |
| | | 287.65 | 261.28 |
| Finance costs | | 115.07 | 105.16 |
| Profit before tax | | 172.58 | 156.12 |
| Tax expense | | 51.70 | 48.08 |
| Profit after tax | | 120.88 | 108.04 |

II. Segment Assets and Liabilities

| | | (₹ in crore) | |
|---------------------|----------------------------------|---------------------------|---------------------------|
| Particulars | | As at 31st March, 2019 | As at 31st March, 2018 |
| Segment assets | Steel Pipe and Strips | 1,889.38 | 1,812.19 |
| | Lighting and consumer durables | 1,112.28 | 995.38 |
| | Total Segment assets | 3,001.66 | 2,807.57 |
| | Unallocated assets | 27.10 | 47.83 |
| | | 3,028.76 | 2,855.40 |
| Segment liabilities | Steel Pipe and Strips | 371.02 | 345.79 |
| | Lighting and consumer durables | 232.78 | 275.71 |
| | Total Segment Liabilities | 603.80 | 621.50 |
| | Unallocated Liabilities | 1,273.03 | 1,186.58 |
| | | 1,876.83 | 1,808.08 |

Notes :

I Unallocated assets are comprises of MAT and income tax refundable.

II Unallocated liabilities are comprises borrowings, provision for income tax, deferred tax etc.

III. Other segment information

| | | (₹ in crore) | |
|---|--------------------------------|---------------------------|---------------------------|
| Particulars | | As at 31st March, 2019 | As at 31st March, 2018 |
| Cost incurred on acquisition of tangible assets | Steel Pipe and Strips | 88.47 | 56.59 |
| | Lighting and consumer durables | 19.93 | 10.03 |
| | | 108.40 | 66.62 |
| Depreciation and amortisation expense | Steel Pipe and Strips | 65.73 | 66.55 |
| | Lighting and consumer durables | 22.78 | 20.76 |
| | | 88.51 | 87.31 |

IV. Geographical information

The Company operates in seven geographical areas: India (country of domicile), Asia, Africa, North-America, Central America, South-America and Europe.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

The Company's revenue from operations from customers by location of operations and information about its non-current assets by location of assets are detailed below:

a. Revenue from external customers

| | (₹ in crore) | |
|---------------|--|--|
| | For the year ended 31st March, 2019 | For the year ended 31st March, 2018 |
| India | 5,143.22 | 4,307.54 |
| Outside India | 833.82 | 704.22 |
| Total | 5,977.04 | 5,011.76 |

b. Non-current assets

| | | (₹ in crore) | |
|--------------------|---------------|---------------------------|---------------------------|
| Particulars | | As at 31st March, 2019 | As at 31st March, 2018 |
| Non-Current Assets | Within India | 1,166.51 | 1,109.89 |
| | Outside India | Nil | Nil |
| Total | | 1,166.51 | 1,109.89 |

V. Information about major customers

Company has no single customer from whom the revenue is not less than 10 % of the revenue from external customers of the Company

51 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

| | | (₹ in crore) | |
|---|--|---------------------------|---------------------------|
| Particulars | | As at 31st March, 2019 | As at 31st March, 2018 |
| Dividend proposed for Equity shareholders @ ₹ 2.00 per share (previous year ₹ 2.00 per share) | | 10.88 | 10.88 |

There are no other significant subsequent event items which require an adjustment in financial statements

52 FINANCIAL INSTRUMENTS

Fair value of financial assets and liabilities

The carrying value and fair value of financial assets and liabilities by categories were as follows:

As at 31st March, 2019

| | | (₹ in crore) | | |
|---------------------|-------------------------------------|-----------------|----------------------|----------------------|
| S. No. | Particulars | Amortised cost | Fair value (Level 2) | Total carrying value |
| Assets: | | | | |
| i | Cash and cash equivalents | 1.63 | - | 1.63 |
| ii | Bank Balances other than (ii) above | 0.43 | - | 0.43 |
| iii | Trade receivables | 837.68 | - | 837.68 |
| iv | Other financial assets | 84.51 | - | 84.51 |
| Total | | 924.25 | - | 924.25 |
| Liabilities: | | | | |
| i | Non Current Borrowings | 394.86 | - | 394.86 |
| ii | Current Borrowings | 796.67 | - | 796.67 |
| iii | Trade payables | 350.01 | - | 350.01 |
| iv | Other financial liabilities | 108.88 | 0.67 | 109.55 |
| Total | | 1,650.42 | 0.67 | 1,651.09 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

The carrying value and fair value of financial assets and liabilities by categories were as follows:

As at 31st March, 2018

| | | | | (₹ in crore) |
|--------|-------------------------------------|-----------------|----------------------|----------------------|
| S. No. | Particulars | Amortised cost | Fair value (Level 2) | Total carrying value |
| | Assets: | | | |
| i | Cash and cash equivalents | 24.12 | - | 24.12 |
| ii | Bank Balances other than (ii) above | 0.40 | - | 0.40 |
| iii | Trade receivables | 712.59 | - | 712.59 |
| iv | Other financial assets | 55.59 | - | 55.59 |
| | Total | 792.70 | - | 792.70 |
| | Liabilities: | | | |
| i | Non Current Borrowings | 380.34 | - | 380.34 |
| ii | Current Borrowings | 717.05 | - | 717.05 |
| iii | Trade payables | 408.35 | - | 408.35 |
| iv | Other financial liabilities | 99.38 | 5.34 | 104.72 |
| | Total | 1,605.12 | 5.34 | 1,610.46 |

The fair value hierarchy is based on inputs to valuation techniques that are use to measure fair value that are either observable or unobservable and consists of the following three levels :

Level 1: Quoted prices in active markets for identical assets and liabilities

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

Level 3: Inputs which are not based on observable market data.

53 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Company is exposed to financial market risk, credit risk and liquidity risk.

I Financial Market risk

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

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. In order to optimize the Company's position with regards to interest and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate with reset clause and floating rate financial instruments in its total portfolio. The borrowings of the Company are on floating interest rate along with periodical interest reset.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

The Company is not exposed to significant interest rate risk at the respective reporting dates. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings are taken.

| Interest rate sensitivity | Effect on profit before tax | |
|--|-------------------------------|-------------------------------|
| | Decrease by 50 basis point | Increase by 50 basis point |
| For the year ended 31st March, 2019 | 5.96 | (5.96) |
| For the year ended 31st March, 2018 | 5.49 | (5.49) |

(₹ in crore)

b Foreign currency risk

The Company transacts business primarily in Indian Rupee, USD and Pound sterling (GBP). The Company has taken foreign currency loans and has trade payables as well as receivables in foreign currency. The Company evaluates foreign currency exposure time to time and follows established risk management policies by taking foreign exchange forward contracts mostly with a maturity less than one year from the reporting date. The Company do not use derivate financial instrument for trading or speculation purpose to hedge exposure of foreign currency risk. The net exposure of foreign currency payable in USD stand ₹ 13.27 crore as on 31st March, 2019 (previous year 11.50 crore) after considering forwarding contracts taken by the Company.

The particulars of forward contract taken are given below

| | Type | No. of Contract | "US\$ Equivalent (Million)" | (₹ In Crore) |
|-------------------------------|------|-----------------|--------------------------------|--------------|
| As at 31st March, 2019 | Sell | 11 | 8.58 | 59.32 |
| | Buy | 37 | 52.32 | 361.79 |
| As at 31st March, 2018 | Sell | 12 | 9.44 | 62.58 |
| | Buy | 123 | 79.54 | 517.64 |

II Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents. To manage this, the Company periodically assesses the financial risk limits of the customers, taking into account the payment behaviour, aging of outstanding, credit ratings, current economic trends, and analysis of historical bad debts further the Company makes provision on trade receivables based on Expected Credit loss (ECL) method based on provision matrix.

Trade Receivable

The Company's exposure to credit risk is influenced by the individual characteristics of each customer, Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company has a detailed review mechanism of overdue trade receivables at various levels in the organisation to ensure proper attention and focus on realisation.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

| Particulars | (₹ in crore) | |
|-----------------------|-----------------------------------|-----------------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Not past due | 639.87 | 584.53 |
| 1-180 days past due | 155.13 | 92.23 |
| 181-365 days past due | 13.88 | 14.82 |
| More than one year | 28.80 | 21.01 |
| | 837.68 | 712.59 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

Expected credit loss assessment

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk

The movement in the allowances for impairment in respect of trade receivables during the year was as follows:

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

| Particulars | (₹ in crore) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Opening Balances | 7.08 | 3.16 |
| Add : Impairment loss recognised / reversed | 4.68 | 3.92 |
| Less : Write off of bad debts | 0.07 | - |
| Closing balance | 11.69 | 7.08 |

Cash and Cash Equivalents, Deposit in Banks and other Financial instruments

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances as it has sufficient vacant cash credit limits with its bankers. For other financial assets the Company monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the Company adjust its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

III Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department manage the liquidity through verity of sources of borrowings, by ensuring sufficient liquidity to meet its liabilities when due, under all circumstances, without incurring unacceptable losses or risk to the Company's reputation. The current committed borrowing limit are sufficient to meet its requirement. The Company monitor rolling forecast for its liquidity requirements.

Maturity profile of financial liabilities

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

| As at 31st March, 2019 | (₹ in crore) | | |
|-------------------------------|---------------------|-----------------|-----------------|
| | Less than 1 year | Above 1 year | Total |
| Non Current Borrowings | 60.01 | 334.85 | 394.86 |
| Current Borrowings | 796.67 | - | 796.67 |
| Trade payables | 350.01 | - | 350.01 |
| Other financial liabilities | 109.55 | - | 109.55 |
| Total | 1,316.24 | 334.85 | 1,651.09 |
| As at 31st March, 2018 | | | |
| Non Current Borrowings | 25.96 | 354.38 | 380.34 |
| Current Borrowings | 717.05 | - | 717.05 |
| Trade payables | 408.35 | - | 408.35 |
| Other financial liabilities | 104.72 | - | 104.72 |
| Total | 1,256.08 | 354.38 | 1,610.46 |

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

54 CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximize shareholder value. The Board of Directors monitors the return on capital, dividend to shareholders, maintain balance between capital and borrowing in the light of changes in economic environment and the business requirements. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings.

Further the Company monitors capital using gearing ratio, which is net debt divided by Equity and net debt. as under: -

| Particulars | (₹ in crore) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Debt (consist of long term and short term borrowings refer note 18 and 22) | 1,191.53 | 1,097.39 |
| Less: Cash and cash equivalents | 1.63 | 24.12 |
| Net Debt | 1,189.90 | 1,073.27 |
| Equity | 1,151.93 | 1,047.32 |
| Equity and Net Debt | 2,341.83 | 2,120.59 |
| Gearing ratio in % | 50.81% | 50.61% |

55 EXPENDITURE ON R&D

Company has made Capital and Revenue expenditure from the financial year 2011-12 to 2018-19 in respect of its Unit : Surya Technology & Innovation Centre (R&D LAB) D-63, Hosiery Complex, Phase – II, Noida (U.P) as tabulated below :

Capital & Revenue Expenditure Break-Up Financial Year Wise

| Financial Year | (₹ in crore) | | |
|----------------|---------------------|---------------------|--|
| | Capital Expenditure | Revenue Expenditure | Total Expenditure incurred during the year |
| 2011 – 2012 | 11.18 | 0.04 | 11.22 |
| 2012 – 2013 | 0.02 | 1.47 | 1.49 |
| 2013 – 2014 | 0.05 | 1.70 | 1.75 |
| 2014 – 2015 | 0.30 | 2.39 | 2.69 |
| 2015 – 2016 | 0.14 | 2.99 | 3.13 |
| 2016 – 2017 | 0.23 | 3.14 | 3.37 |
| 2017 – 2018 | 0.05 | 3.36 | 3.41 |
| 2018 – 2019 | 0.10 | 3.16 | 3.26 |

Further, the capital and revenue expenditure as stated above of respective financial years of the above mentioned R & D Centre is reflected and forms part of the Fixed Assets (in case of capital expenditure) and Employee benefit expenses, Administrative expenses and other revenue expenses (in case of revenue expenditure) were grouped under relevant Notes / Schedules of the financial statements / Annual Accounts of respective financial years of the Company. Development cost on intangible assets are Nil (previous year-Nil) during the year.

56 The Company has perpetual system of balance confirmation and reconciliation of Trade receivables and Trade payables, however at year end some of the balances remain subject to confirmation and reconciliation.

57 Previous reported/ year figures have been regrouped/restated wherever necessary

58 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 21st May, 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SURYA ROSHNI LIMITED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of SURYA ROSHNI LIMITED ("the Parent"/ "the Holding Company") and its subsidiary, (the Parent/ Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, 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 consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

| S. No. | Key Audit Matters | Auditor's Response |
|--------|--|---|
| 1. | <p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.</p> <p>The revenue is recognised based on estimated cost of present and deferred obligations. This estimate has involvement of judgement, as it requires consideration of progress of the contract, cost incurred till date and the cost required to complete the remaining contract performance obligations.</p> <p>Refer Notes 3.13(a) and 44 to the Consolidated Financial Statements.</p> | <p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations and also tested operating effectiveness of controls. <p>In case of contracts in the nature of sale of goods, selected a sample of contracts and verified that the revenue is recognised on fulfillment of criteria for recognition of revenue.</p> <p>For contracts in the nature of services:</p> <ul style="list-style-type: none"> Tested the design and operating effectiveness of the internal controls relating to estimated cost. Reviewed expected cost to be incurred to complete the remaining performance obligations. Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts. Verified that revenue has been recognised to the extent of performance obligations completed as at reporting date |

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SURYA ROSHNI LIMITED (Contd.)

| S. No. | Key Audit Matters | Auditor's Response |
|--------|---|---|
| 2 | <p>Grants under Investment Promotion Assistance scheme</p> <p>The Parent Company has recognised revenue of ₹ 30.27 crore under the head Investment Promotion Assistance scheme. Amount due for recovery as on 31st March 2019 is ₹ 46.61 crore which is disclosed under head other current assets.</p> <p>Refer Note 43 (a) & (b) to the Consolidated Financial Statement</p> | <p>Principal Audit Procedures</p> <p>We have</p> <ul style="list-style-type: none"> reviewed the Industrial policy and procedures related to grants under Investment Promotion Assistance schemes of the respective state Governments examined registration for the scheme, subsequent departmental orders and regulations issued from time to time checked the eligibility criteria including investment made by the Company also verified the sales, payment of taxes, base incentive and the eligible amount of the grants. reviewed calculation of the claims accounted for by the Company and likelihood of the recoverability. <p>Management has explained that delay is due to transition from VAT to GST regime.</p> |
| 3. | <p>Warranty Provisions</p> <p>The Company offers warranties on certain products sold in lighting and consumer durable segment and accordingly Company has recorded warranty provisions which are judgemental in nature. These provisions are required to be recorded based on appropriate estimates of the cost of repair and replacements of the products. Warranty provisions of ₹ 44.41 crore as on 31st March 2019.</p> <p>Refer Note 42 to the Consolidated Financial Statement</p> | <p>Principal Audit Procedures</p> <p>We have</p> <ul style="list-style-type: none"> examined the products categories where the Company has offered warranties and also its tenure so as to determine the warranty provisions. reviewed the sales, volume of the respective product categories and the outstanding warranty commitments their against. gone through the procedures of issuance of the credit notes and replacement for warranties/repairs of the products. reviewed the historical trends and cost estimates considering the agreement with customers and back to back arrangement with vendors, for requirement of warranty provisions. <p>Based on evidence obtained, we concluded that management's process for identifying and quantifying warranty provisions was appropriate and that the resulting provision was reasonable.</p> |

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Parent's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SURYA ROSHNI LIMITED (Contd.)

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's/ Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent/ Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/ Holding 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 the 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SURYA ROSHNI LIMITED (Contd.)

the consolidated financial statements.

We communicate with those charged with governance of the Parent/ Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated 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 Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent/ Holding

Company as on 31st March, 2019 taken on record by the Board of Directors of the Company and its subsidiary Company, none of the directors of the Group companies, is disqualified as on 31st March, 2019 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 and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent/ Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. – **Refer Note No. 41** to the consolidated Financial Statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent/ Holding Company.

For Ashok Kumar Goyal & Co.
Chartered Accountants
(Firm Registration – 002777N)

(CA. Ashok Kumar)
Partner, F.C.A

Place: New Delhi
Dated: 21st May, 2019

Membership No. 017644

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SURYA ROSHNI LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of **SURYA ROSHNI LIMITED** ("the Parent"/ "the Holding Company") and its subsidiary as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT (CONTD.)

accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management and directors of the entity; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company and its subsidiary have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ashok Kumar & Co.
Chartered Accountants
(Firm Registration – 002777N)**

**(CA. Ashok Kumar)
Partner, F.C.A**

**Place: New Delhi
Dated: 21st May, 2019**

Membership No. 017644

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019

(₹ in crore)

| Particulars | Note No. | As at 31st March, 2019 |
|--|----------|------------------------|
| I ASSETS | | |
| 1 Non-current assets | | |
| a Property, plant and equipment | 5 | 1,088.58 |
| b Capital work-in-progress | 5 | 24.57 |
| c Financial assets | | |
| i Other financial assets | 6 | 46.06 |
| e Other non-current assets | 7 | 7.25 |
| | | 1,166.46 |
| 2 Current assets | | |
| a Inventories | 8 | 845.53 |
| b Financial assets | | |
| i Trade receivables | 9 | 835.32 |
| ii Cash and cash equivalents | 10 | 1.64 |
| iii Bank balances other than (ii) above | 11 | 0.43 |
| iv Other financial assets | 12 | 38.23 |
| c Current tax assets (net) | 13 | 0.27 |
| d Other current assets | 14 | 140.79 |
| | | 1,862.21 |
| Total Assets | | 3,028.67 |
| II EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity share capital | 15 | 54.41 |
| Other equity | 16 | 1,097.45 |
| | | 1,151.86 |
| LIABILITIES | | |
| 1 Non-current liabilities | | |
| a Financial liabilities | | |
| i Borrowings | 17 | 334.85 |
| ii Other financial liabilities | 18 | 10.48 |
| b Provisions | 19 | 50.68 |
| c Deferred tax liabilities (net) | 20 | 79.91 |
| | | 475.92 |
| 2 Current liabilities | | |
| a Financial liabilities | | |
| i Borrowings | 21 | 796.67 |
| ii Trade payables | | |
| A) Total outstanding dues of micro enterprises and small enterprises; | 22 | 23.40 |
| B) Total outstanding dues of creditors other than micro enterprises and small enterprises; | 22 | 326.61 |
| iii Other financial liabilities | 23 | 159.09 |
| b Other current liabilities | 24 | 41.19 |
| c Provisions | 25 | 52.37 |
| d Current tax liabilities (net) | 26 | 1.56 |
| | | 1,400.89 |
| Total Equity and liabilities | | 3,028.67 |

See accompanying notes to the financial statements

As per our report of even date

For **Ashok Kumar Goyal & Co.**
Chartered Accountants
(Firm Registration No. ICAI: 02777N)

J P Agarwal
Chairman
DIN: 00041119

K K Narula
Director
DIN: 00098124

CA Ashok Kumar
Partner FCA
Membership No. 17644

Ravinder K Narang
Director
DIN: 02318041

Place: New Delhi
Dated: 21st May, 2019

R N Maloo
Executive Director & Group Chief
Financial Officer

B B Singal
Sr. V.P. & Company Secretary

Raju Bista
Managing Director
DIN: 01299297

S S Khurana
Director
DIN: 02126149

Sunil Sikka
Director
DIN: 08063385

Ramanjit Singh
CEO (Lighting Operations)

T.S. Bhattacharya
Director
DIN: 00157305

Vinay Surya
Director
DIN: 00515803

S K Awasthi
Director
DIN: 02162923

Tarun Baldua
CEO (Steel Operations)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31st MARCH, 2019

(₹ in crore)

| Particulars | Note No. | Year Ended 31st March, 2019 |
|---|----------|--------------------------------|
| I REVENUE FROM OPERATIONS | 28 | 5,975.04 |
| II OTHER INCOME | 29 | 4.11 |
| III TOTAL INCOME (I+II) | | 5,979.15 |
| IV EXPENSES | | |
| Cost of materials consumed | 30 | 4,400.89 |
| Purchases of stock-in-trade | 31 | 288.60 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 32 | 38.88 |
| Excise duty | | - |
| Employee benefits expense | 33 | 293.76 |
| Finance costs | 34 | 115.08 |
| Depreciation and amortisation expense | 35 | 88.51 |
| Other expenses | 36 | 580.95 |
| Total Expenses | | 5,806.67 |
| V PROFIT BEFORE TAX (III-IV) | | 172.48 |
| VI TAX EXPENSE | | |
| Current tax | 27 | 53.58 |
| Deferred tax | 20 | (1.91) |
| VII PROFIT/(LOSS) FOR THE PERIOD | | 120.81 |
| VIII OTHER COMPREHENSIVE INCOME | 37 | |
| (i) Items that will not be reclassified to profit or loss | | (4.84) |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | 1.69 |
| Total other comprehensive income | | (3.15) |
| IX TOTAL COMPREHENSIVE INCOME(VII+VIII) | | 117.66 |
| Earnings per equity shares (face value of ₹ 10/-each) | 38 | |
| 1) Basic (in ₹) | | 22.20 |
| 2) Diluted (in ₹) | | 22.20 |

See accompanying notes to the financial statements

As per our report of even date

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

| Particulars | (₹ in crore) | |
|--|--------------------------------|-----------------|
| | Year ended 31st March, 2019 | |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| a. Net operating profit before tax | | 172.48 |
| Adjustment for : | | |
| Re-measurement gain / loss on defined benefit plans routed through OCI | | (4.84) |
| Depreciation and amortisation of Property, Plant and Equipment | | 88.51 |
| (Profit)/Loss on Sale/Retirement of Property Plant and Equipment (Net) | | 0.03 |
| Allowance for doubtful debts / bad debts W/off | | 5.12 |
| Finance cost | | 115.08 |
| b. Operating profit before Working Capital changes | | 376.38 |
| Adjustment for : | | |
| (Increase) / Decrease in Trade receivables | | (127.85) |
| (Increase) / Decrease in Other financial assets | | (28.70) |
| (Increase) / Decrease in Other assets | | (30.72) |
| (Increase)/Decrease in Inventories | | (16.96) |
| Increase / (Decrease) in Trade payables/ provisions | | (31.80) |
| Increase / (Decrease) in Other financial liabilities | | 5.48 |
| Increase / (Decrease) in Other liabilities | | 9.27 |
| | | (221.28) |
| c. Cash generated from Operations before tax | (a+b) | 155.10 |
| d. Net Direct Taxes paid | | (34.99) |
| Net cash flow from operating activities | A = (c+d) | 120.11 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipment. | | (105.82) |
| Sale of Property, Plant and Equipment | | 0.54 |
| Net cash flow used in investing activities | | (105.28) |
| Net cash from operating and investing activities | (A+B) | 14.83 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Repayment of non current borrowings (including current maturities) | | (40.48) |
| Proceeds from non current borrowings | | 55.00 |
| Short term borrowings Increase /(Decrease) during the year (net) | | 79.62 |
| Payment of dividend | | (10.88) |
| Payment of dividend distribution tax | | (2.24) |
| Finance cost | | (118.33) |
| Net cash used in financing activities | | (37.31) |
| Net cash (used) in/from operating, investing and financing activities ((A+B)+C) | | (22.48) |
| Net increase/(decrease) in Cash & Cash equivalent | | (22.48) |
| Opening balance | | 24.12 |
| Closing balance of Cash & Cash equivalent (refer note no.10) | | 1.64 |

As per our report of even date

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31st MARCH, 2019

A. EQUITY SHARE CAPITAL

(₹ in crore)

| Particulars | As at 31st March, 2019 | |
|---|------------------------|--------------|
| Balance at the beginning of the reporting period | 5,44,08,974 | 54.41 |
| Balance at the end of the reporting period | 5,44,08,974 | 54.41 |

B. OTHER EQUITY

(₹ in crore)

| Particulars | Reserves and surplus | | | | | | | Total |
|--|----------------------|--------------------|----------------------------|-----------------|-----------------|-------------------|----------------------------|-----------------|
| | Forfeiture reserve | Securities premium | Capital redemption reserve | Capital reserve | General reserve | Retained earnings | Other comprehensive income | |
| Balance as at March 31, 2018 | 17.63 | 142.71 | 3.00 | 124.69 | 71.36 | 642.21 | (8.69) | 992.91 |
| Profit for the year | | | | | | 120.81 | (3.15) | 117.66 |
| Total comprehensive income for the year | - | - | - | - | - | 120.81 | (3.15) | 117.66 |
| Payment of dividend | | | | | | (10.88) | | (10.88) |
| Payment of dividend distribution tax | | | | | | (2.24) | | (2.24) |
| Transfer of profit for the year to General reserve | | | | | 13.00 | (13.00) | | - |
| Balance as at March 31, 2019 | 17.63 | 142.71 | 3.00 | 124.69 | 84.36 | 736.90 | (11.84) | 1,097.45 |

As per our report of even date

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Place: New Delhi
Dated: 21st May, 2019

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Tarun Baldua
CEO (Steel Operations)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

1 CORPORATE AND GENERAL INFORMATION

Surya Roshni Limited ("SRL" or "the Company") is domiciled and incorporated in India and its shares are publicly traded on the National Stock Exchange ('NSE') and the BSE Limited ('BSE'), in India. The registered office of SRL is situated at Prakash Nagar, Sankhol, Rohtak Road, Bahadurgarh – 124507 (Haryana) India. Company is the largest GI Steel Pipe Manufacturer and the second largest in lighting products in India. The Corporate Identification Number (CIN) of the Company is L31501HR1973PLC007543

SRL is more than four decade old manufacturing conglomerate with business interest spanning Steel Pipes and Strips, Lightings, LED street light and other lighting product, Fans, electric Appliances, PVC pipes etc. Besides enjoying market presence across the length and breadth of India, it also export products to more than 50 countries globally.

SRL together with its subsidiary is hereinafter refer to as 'the Group'.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND USE OF ESTIMATES

2.1 Basis of preparation of consolidated financial statements

These consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Companies Act, 2013. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2.1 Basis of consolidation

The consolidated financial statements relates to Surya Roshni Limited ('the Company') and its wholly owned subsidiary Surya Roshni LED Lighting Project Limited (incorporated on 21st January, 2019). The Subsidiary operates in lighting business. Subsidiary is entity that is controlled by the Company. Control is achieved when the Company:

- Has power over the investee;
- Is expected, or has right, to variable returns from its involvement with the investee;
- Has the ability to use its power to affect the returns

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the

subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Consolidation procedure:

The financial statements of the Company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances, intra-group transactions and unrealised profits on intra-group transactions.

The excess of cost to the Group of its investments in the subsidiaries over its share of equity of the subsidiaries, at the dates on which the investments in the subsidiaries were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary and such amounts are not set off between different entities.

Non-controlling interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the non-controlling shareholders at the date on which investments in the subsidiaries were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to non-controlling interest

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

is identified and adjusted against the profit / loss after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

2.2.2 Business combination

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the profit and loss as incurred. The acquiree's identified assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair value at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition after reassessing the fair value of the net assets and contingent liabilities, the excess is recognised as capital revenue.

The interest of non-controlling shares is initially measured either at fair value or at the non-controlled interests proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlled interest is the amount of those interests at initial recognition plus the non-controlling interests share of subsequent charges in equity of subsidiaries.

Business combinations arising from transfer of interest in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate given and the aggregate historical carrying amounts of the assets and liabilities of the acquired entity are recorded in shareholders' equity.

2.3 Statement of compliance

The Group's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

2.4 Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimate, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Measurement

These consolidated financial statements have been prepared under the historical cost principle except for certain financial assets and liabilities which have been measured at fair value:

The consolidated financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency and all amounts are rounded to the nearest Crore and two decimals thereof, except as stated otherwise.

3.2 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price (net of GST/ CENVAT / duty credits wherever applicable) and all direct costs attributable to bringing the asset to its working condition for intended use and includes the borrowing costs for qualifying assets if the recognition criteria's are met. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit and loss on the date of disposal or retirement.

Capital work-in-progress includes cost of property, plant and equipment under installation as at the consolidated balance sheet date and the cost of Property, Plant and Equipment not put to use are disclosed under 'Capital work-in-progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each consolidated balance sheet date is classified as capital advances under other non-current assets

3.3 Depreciation and Amortisation

i Depreciation on the property, plant and equipment is provided over the useful life of assets which is coincide with the life specified in Schedule II to the Companies Act, 2013. The range of useful lives of the Property, Plant and Equipment are as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

| Property, plant and equipment | Useful life in Years |
|-------------------------------|----------------------|
| Plant and equipments | 08 – 15 |
| Buildings | 05-60 |
| Office equipment's | 05 |
| Vehicles | 08 |
| Furniture and fixtures | 10 |
| Computers | 03 –06 |

However, in case of the following category of plant and equipments, the depreciation has been provided, based on the technical evaluation of the remaining useful life as under :-

| | |
|--|----------|
| Plant and Equipments - Pipe Mills cold rolling and 3 LPE Plant of Steel Division | 25 years |
|--|----------|

The useful lives of assets as mentioned above is on their single shift basis, if an asset is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of triple shift the depreciation will increase by 100% for that period.

- ii Property, plant and equipment (PPE) which are added/ disposed- of during the year, depreciation is provided on pro-rata basis from (up- to) the date on which the PPE is available for use (disposed-off).
- iii The residual values and useful lives of PPE are reviewed in every financial year considering the physical condition, benchmarking analysis or indicators for review of residual value and useful life of the respective assets and the same is adjusted prospectively. Lease hold land is amortised over the period of lease.
- iv Free-hold land are not subject to amortisation.

3.4 Impairment of PPE and other non-financial assets

Property, plant and equipment and other non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable

amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in consolidated statement of profit and loss.

3.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and Cheques / drafts in hand, balances with banks, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments. The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS) 7 statement of cash flows.

3.6 Inventories

Inventories are carried in the balance sheet as follows:

| | |
|---------------------------------|--|
| Raw material | At lower of cost or net realisable value |
| Work-in Progress | At lower of cost or net realisable value |
| Finished Goods / Stock in trade | At lower of cost or net realisable value |
| Stores, spares and consumable | At lower of cost or net realisable value |

The cost of inventories comprises of cost of purchase, cost of conversion and other related costs incurred in bringing the inventories to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.7 Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS 19 – Employee Benefits.

a) Defined contribution plan

- i Provident Fund: Contribution to the provident fund with the government at pre-determined rates is a defined contribution scheme and is charged to the statement of Profit and Loss when employees have rendered services entitling them to such benefit.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

- ii National pension scheme : Contribution to national pension scheme with the at pre-determined rates is a defined contribution scheme and is charged to the consolidated statement of profit and loss when employees have rendered services entitling them to such benefit.

b) Defined benefit plan

Gratuity: The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the respective Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognised in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognised in Other Comprehensive Income. The effect of any plan amendments are recognised in net profits in the Statement of Profit and Loss.

- c) **Long term employee benefits:** Provisions for other long term employee benefits-compensated absences, a defined benefit scheme, is made on the basis of actuarial valuation at the end of each financial year and are charged to the statement of profit and loss. All actuarial gains or losses are recognised immediately in the consolidated statement of profit and loss.
- d) **Other Short-term employee benefits:** All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

3.8 Foreign currency reinstatement and translation

a) Functional and presentation currency

The consolidated financial statements have been presented in Indian Rupees (₹), which is the Group's functional and presentation currency.

b) Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing on the consolidated balance sheet date and exchange gain and losses arising on settlement and restatement are recognised in consolidated statement of profit and loss. Non-monetary items are measured in terms of historical cost in foreign currencies and are therefore not retranslated.

3.9 Financial instruments

Initial recognition: The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

Subsequent measurement:

- i **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii **Financial assets carried at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- iii **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of (i) & (ii) above categories are subsequently fair valued through profit or loss.
- iv **Financial Liabilities:** Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the consolidated balance sheet date, the carrying

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

amounts approximate fair value due to the short maturity of these instruments.

De-recognition

The Group de-recognises of financial assets when the contractual rights to receive cash flows from the financial asset expire or transfer the financial asset and transfer qualifies for de-recognition under IND AS 109.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished is recognised in profit or loss as other income.

Offsetting of financial instruments

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

3.10 Derivative financial instruments:

The Group uses derivative financial instruments, such as forward contracts to hedge its foreign currency exposure. The recognizing of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

3.11 Borrowing costs

a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

b) All other borrowing costs are recognised as expense in the period in which they are incurred.

3.12 Taxation

Income tax expense represents the sum of current tax and deferred tax. Tax is recognised in the consolidated statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current Tax

i Current tax provision is computed on Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.

ii Provision for current income taxes and advance taxes paid are presented in the balance sheet after offsetting them on an assessment year basis.

Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet approach for all taxable temporary differences to the extent that it is probable that future taxable profits will be available. Deferred tax assets and liabilities are measured at the applicable tax rates and tax laws those are enacted or substantively enacted. Deferred tax assets and deferred tax liabilities are set-off, and presented on net basis. The carrying amount of deferred tax is reviewed at each balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.13 Revenue recognition and other income

The Group is in the business of sale of Steel Pipes and Strips, lightings, LED and conventional lighting goods, fans, appliances, PVC pipes and fittings etc. The Group also provide extended warranties for its LED street lighting.

The Group has adopted Ind AS 115 " Revenue from Contracts with Customers" from reporting period beginning on or after 01st April, 2018 and has replaced existing Ind AS related thereto. Under the modified retrospective approach, there were no significant adjustments required to be made to the retained earnings as at 01st April, 2018

Revenue from contracts with customers is recognised when control of the promised goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

a) Sale of Product / Goods

Revenue from sale of Product/Goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the Product/Goods and there is no uncertainty in receiving the same and there is reasonable assurance that the Group will comply with the conditions attached to them.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In recognition of revenue from sale of Goods, the Group also considers the effects of volume, rebates, schemes, discount and financing components.

Extended warranty: The extended warranties provided to the customers are considered as the separate contract, adjusted and accounted accordingly.

Volume rebates and schemes discounts: The Group provides volume rebates and schemes discounts to its customers based on quantity of products purchased by them during the period. To estimate for the expected future outgo for revenue recognition, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

Financing component: In case of extended trade credit agreed with the customers containing significant financing component, the transaction price for such contract are discounted, using the effective interest rate that would be considered separate financing transaction at transaction inception, to take into consideration the significant financing component.

b) Export incentives:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and there is reasonable assurance that the Group will comply with the conditions attached to them.

b) Rendering of Service

Revenue from Services is recognised as per terms of the contract with customers based on stage of completion when the outcome of the transaction involving rendering of services can be estimated reliably.

c) Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

3.14 Government grants / Assistance

Government grants/Assistance recognised where there is reasonable assurance that the same will be received and the eligibility criteria is met out. Government grants/Assistance are recognised in profit and loss account on a systematic basis over the period in which the Group, recognises as expenses the related cost for which the grants are intended to compensate.

3.15 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

3.16 Fair Value measurement

The Group measures financial instruments at fair value at each balance sheet date.

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

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted prices in active markets for identical assets and liabilities

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

Level 3: Inputs which are not based on observable market data.

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

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

3.17 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.18 Provisions

a) Provisions

Provisions (excluding employee benefits) are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits

will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Provisions are reviewed at each consolidated balance sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, it is recognised as an asset.

c) Warranty Provisions

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and Group's Management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Group's Management duly taking into account the current and past technical estimates.

3.19 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

- a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- b) Its intention to complete and its ability and intention to use or sell the asset
- c) How the asset will generate future economic benefits
- d) The availability of resources to complete the asset
- e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

3.20 Recent accounting pronouncements

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Group is proposing to use the 'Modified Retrospective Approach' for transition to Ind As 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly,

comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the consolidated financial statements:

a) Property, plant and equipment - Useful lives of assets

The Group reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation expenses in future periods.

b) Warranties

The Group generally offers Warranties for its consumer products and the liability towards warranty-related costs are recognised in the year of sales or service provided to the customers. Management ascertain and measure the liability for warranty claims based on historical experience and trend. The assumptions made in relation to current year are consistent of those are in prior years.

c) Provision

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

d) Contingent Liabilities and Contingent Assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the consolidated notes. Contingent assets are not recognised in the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

5 PROPERTY, PLANT AND EQUIPMENT

| Particulars | (₹ in crore) | | | | | | | | | |
|-----------------------------|---------------|----------------|---------------|---------------------|------------------------|-------------|--------------------|-------------|-----------------|--------------------------|
| | Land-Freehold | Land-Leasehold | Buildings | Plant and Equipment | Furniture and Fixtures | Vehicles | Office Equipment's | Computers | Total | Capital work in progress |
| GROSS CARRYING VALUE | | | | | | | | | | |
| As at March 31, 2018 | 19.50 | 10.97 | 202.12 | 1,073.00 | 5.86 | 6.57 | 2.81 | 7.26 | 1,328.09 | 21.91 |
| Additions | 1.53 | - | 10.09 | 89.65 | 0.50 | 2.77 | 0.64 | 0.56 | 105.74 | 75.34 |
| Deletion / adjustments | - | - | - | 0.39 | - | 0.37 | 0.45 | 0.94 | 2.15 | 72.68 |
| As at March 31, 2019 | 21.03 | 10.97 | 212.21 | 1,162.26 | 6.36 | 8.97 | 3.00 | 6.88 | 1,431.68 | 24.57 |
| DEPRECIATION | | | | | | | | | | |
| As at March 31, 2018 | - | 1.04 | 21.70 | 223.09 | 2.23 | 2.30 | 1.71 | 4.10 | 256.17 | - |
| Depreciation for the year | - | 0.35 | 7.93 | 76.98 | 0.78 | 0.86 | 0.35 | 1.26 | 88.51 | - |
| Deletion / adjustments | - | - | - | 0.18 | - | 0.21 | 0.39 | 0.80 | 1.58 | - |
| As at March 31, 2019 | - | 1.39 | 29.63 | 299.89 | 3.01 | 2.95 | 1.67 | 4.56 | 343.10 | - |
| Net carrying value | | | | | | | | | | |
| As at March 31, 2019 | 21.03 | 9.58 | 182.58 | 862.37 | 3.35 | 6.02 | 1.33 | 2.32 | 1,088.58 | 24.57 |

Explanatory Notes:

- i The above property plant and equipment are under charge as security against borrowing see note no.17 & 21

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

6 OTHER FINANCIAL ASSETS AT AMORTISED COST (NON CURRENT)

| | (₹ in crore) |
|-----------------------------------|---------------------------|
| | As at 31st March, 2019 |
| Unsecured, considered good | |
| Receivables | 22.38 |
| Unbilled revenue | 13.98 |
| Security deposits | 9.70 |
| | 46.06 |

7 OTHER NON CURRENT ASSETS

| | (₹ in crore) |
|------------------|---------------------------|
| | As at 31st March, 2019 |
| Capital advances | 7.25 |
| | 7.25 |

8 INVENTORIES (CURRENT)

| | (₹ in crore) |
|--------------------------------|---------------------------|
| | As at 31st March, 2019 |
| Raw materials | 354.31 |
| Work-in-progress | 144.05 |
| Finished goods | 321.80 |
| Stores, spares and consumables | 25.37 |
| | 845.53 |

The mode of valuation has been stated in note no.3.6

Inventories are hypothecated as security against borrowings see note no.17 & 21

9 TRADE RECEIVABLES (CURRENT)

| | (₹ in crore) |
|--|---------------------------|
| | As at 31st March, 2019 |
| Trade receivables considered good-secured | - |
| Trade receivables considered good-unsecured | 835.32 |
| Trade receivables which have significant increase in Credit Risk | - |
| Trade receivables-credit impaired | 11.69 |
| Less : Allowance for doubtful debts | 11.69 |
| Net Trade receivables-credit impaired | - |
| | 835.32 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

10 CASH AND CASH EQUIVALENTS

| | (₹ in crore) |
|--|---------------------------|
| | As at 31st March, 2019 |
| a. Balance with banks | |
| In Current Accounts | 0.25 |
| b. Cheques, drafts on hand | 1.00 |
| c. Cash on hand | 0.39 |
| Cash and cash equivalents as per statement of cash flow | 1.64 |

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| | (₹ in crore) |
|--|---------------------------|
| | As at 31st March, 2019 |
| Balance with banks | - |
| Unpaid dividend account | |
| (Earmarked against the corresponding provision refer note no.23) | 0.43 |
| | 0.43 |

12 OTHER FINANCIAL ASSETS (CURRENT)

| | (₹ in crore) |
|--------------------|---------------------------|
| | As at 31st March, 2019 |
| Unbilled revenue | 4.15 |
| Other Recoverables | 34.08 |
| | 38.23 |

13 CURRENT TAX ASSETS (NET)

| | (₹ in crore) |
|-------------------------|---------------------------|
| | As at 31st March, 2019 |
| Current Tax asset (net) | 0.27 |
| | 0.27 |

14 OTHER CURRENT ASSETS

| | (₹ in crore) |
|--|---------------------------|
| | As at 31st March, 2019 |
| Considered good, unless otherwise stated | |
| MAT Receivable | 26.83 |
| Recoverable from government authorities | 80.60 |
| Balances with statutory authorities | 22.60 |
| Prepaid expenses | 2.15 |
| Advances to Supplier | 8.61 |
| | 140.79 |

15 SHARE CAPITAL

| | (₹ in crore) |
|---|---------------------------|
| | As at 31st March, 2019 |
| I Equity Share Capital | |
| Authorised | |
| 26,13,00,000 (previous year 26,13,00,000) Equity Shares of ₹ 10/- each with voting rights | 261.30 |
| Issued, subscribed and fully paid up Equity share capital | |
| 5,44,08,974 (previous year 5,44,08,974) Equity Shares of ₹ 10/- each with voting rights | 54.41 |
| | 54.41 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

| | (₹ in crore) |
|---|-----------------------------------|
| | As at 31st March, 2019 |
| Movement of Equity Shares | |
| Balance at the beginning of the reporting period | 5,44,08,974 |
| Issued during the year | - |
| Balance at the end of the reporting period | 5,44,08,974 |

| | (₹ in crore) |
|--|-----------------------------------|
| | As at 31st March, 2019 |
| II Preference share capital | |
| Authorised | |
| 6,20,000 (previous year 6,20,000) Preference shares of ₹ 100/- each | 6.20 |
| (There are no issued, subscribed and fully paid up preference share capital) | |

Terms / rights attached to equity shares

SRL has one class of equity shares having at par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of SRL after distribution of all preferential amounts, in proportion to their shareholding.

Details of shares held by each shareholder holding more than 5% shares:

| Names | As at 31st March, 2019 | |
|--------------------------------------|---------------------------|---|
| | Number of shares held | % holding in that class of shares |
| Diwakar Marketing Private Limited | 56,37,500 | 10.36 |
| Cubitex Marketing Private Limited | 48,61,000 | 8.93 |
| Shreyansh Mercantile Private Limited | 31,78,000 | 5.84 |
| Sahaj Tie-Up Private Limited | 31,25,087 | 5.74 |

16 OTHER EQUITY

| | (₹ in crore) |
|---|-----------------------------------|
| | As at 31st March, 2019 |
| a. Capital redemption reserve | 3.00 |
| b. Capital Reserve | 124.69 |
| c. Securities premium | 142.71 |
| d. Forfeiture reserve | 17.63 |
| e. General reserve | 84.36 |
| f. Retained earnings | 736.90 |
| g. Other comprehensive income | (11.84) |
| Balance at the end of the Financial year | 1,097.45 |

Notes : For movements in reserves refer statement of change in equity

Nature and purpose of reserves

a. Capital Redemption Reserve

Capital Redemption Reserve was created on redemption of preference share capital. SRL may issue fully paid-up bonus share to its members out of the capital redemption reserve.

b. Capital Reserve

Capital reserve has been created on Business Combination on appointed date i.e. 1st April 2016 Pursuant to the Scheme of Arrangement amongst SRL and its associate e-Surya Global Steel Tubes Limited as per order of NCLT dated 11th December, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

c. Securities premium

Securities premium is used to record the premium on issue of shares. The premium should be is utilised in accordance with the provisions of the Companies Act.

d. Forfeiture reserve

Forfeiture Reserve represents the forfeiture of amount of consideration received on allotment of warrants of the cases where option to take equity shares were not exercised within the prescribed time in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

e. General reserve

The general reserve is created time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another equity, hence items included in general reserve will not be reclassified subsequently to profit and loss.

f. Dividend

The Dividend of ₹ 10.88 crores for the Year 2018-19 is accounted during the year in which dividends are approved by the shareholders

17 BORROWINGS

| | (₹ in crore) |
|---|-----------------------------------|
| | As at 31st March, 2019 |
| Secured measured at amortised cost | |
| Term loans from banks | |
| Rupee loans | 128.53 |
| Foreign currency loans | 209.71 |
| Term loans from financial institutions | |
| Foreign currency loans | 56.62 |
| | 394.86 |
| Less : Loan repayment within one year (refer note 23) | 60.01 |
| | 60.01 |
| | 334.85 |

A Term Loans of ₹ 345.86 crore are secured by way of first pari-passu charge on all fixed Assets including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Group's entire Current Assets both present and future and personal guarantee of the Chairman of the Group.

a Rupee Term Loans from banks aggregating ₹ 79.53 crore are payable in 24 (maximum) quarterly installments, with last repayment date 30th September, 2025, carrying floating interest rate linked with MCLR of respective banks ranging from MCLR + 5 bps spread with periodical interest reset.

b Foreign Currency Term Loan from banks aggregating ₹ 209.71 crore are payable in 24 (maximum) quarterly installments, with last repayment date 30th September, 2025, carrying floating interest rate ranging from LIBOR + maximum 175 to 200 bps spread with periodical interest reset.

c. Foreign Currency Term Loan from financial institution aggregating ₹ 56.62 crore are payable in 25 (maximum) quarterly installments, with last repayment date 1st October, 2026, carrying floating interest rate LIBOR + maximum 200 bps spread with periodical interest reset.

B Rupee Term Loans from bank of ₹ 49.00 crore are secured by way of first pari-passu charge on all fixed Assets including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Group's entire Current Assets both present and future. Which is payable in 32 quarterly installments, with last repayment date 31st May, 2027, carrying floating interest rate linked with MCLR of respective banks MCLR + 20 bps spread with periodical interest reset.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

18 OTHERS FINANCIAL LIABILITIES (NON CURRENT)

| | (₹ in crore) |
|-------------------|-----------------------------------|
| | As at 31st March, 2019 |
| Security deposits | 10.48 |
| | 10.48 |

19 PROVISION (NON CURRENT)

| | (₹ in crore) |
|---------------------------------------|-----------------------------------|
| | As at 31st March, 2019 |
| Provision for employee benefits | |
| Gratuity (refer note 47) | 40.01 |
| Compensated absences (refer note 47) | 10.67 |
| | 50.68 |

20 DEFERRED TAX LIABILITIES

| | As at 31st March, 2018 | Recognised in P & L | Recognised in OCI | As at 31st March, 2019 |
|--|---------------------------|------------------------|----------------------|---------------------------|
| (₹ in crore) | | | | |
| Deferred tax liabilities / assets are attributable to the following items; | | | | |
| Deferred tax liabilities | | | | |
| Difference between books depreciation and tax depreciation | 103.29 | 1.03 | - | 104.32 |
| Sub- (a) | 103.29 | 1.03 | - | 104.32 |
| Deferred tax assets | | | | |
| Disallowed under section 43B of the Income tax Act. on payment basis | 17.33 | 1.30 | 1.69 | 20.32 |
| Allowance for doubtful debts | 2.45 | 1.61 | | 4.06 |
| Others | - | 0.03 | - | 0.03 |
| Sub- (b) | 19.78 | 2.94 | 1.69 | 24.41 |
| Net deferred tax liability (a-b) | 83.51 | (1.91) | (1.69) | 79.91 |

21 BORROWINGS (CURRENT)

| | (₹ in crore) |
|---------------------------|-----------------------------------|
| | As at 31st March, 2019 |
| Secured | |
| Loans repayable on demand | |
| From banks | |
| Rupee loans | 796.67 |
| | 796.67 |

Working Capital Loans of ₹ 796.67 crore are secured against current assets both present and future and further secured by way of second charge on all Fixed Assets including equitable mortgage of Land and Building and personal guarantee of the Chairman of the Group. The rupee loans linked with MCLR of respective banks ranging from MCLR to 90 bps spread over MCLR.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

22 TRADE PAYABLES

| | | (₹ in crore) |
|-----|---|-----------------------------------|
| | | As at 31st March, 2019 |
| | outstanding dues of micro enterprises and small enterprises | 23.40 |
| | outstanding dues other than micro enterprises and small enterprises | 326.61 |
| | | 350.01 |
| I | The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Group as under: | |
| I | The Principal amount and the interest due thereon remaining unpaid to any supplier. | |
| | Principal Amount : | 36.59 |
| | Interest : | Nil |
| ii | The amount of interest paid by the Group along with the amounts of the payment made to the supplier beyond the appointed day for the year ending. | Nil |
| iii | The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year) | Nil |
| iv | The amount of interest accrued and remaining unpaid for the year ending. | Nil |
| v | The amount of further interest remaining due and payable for the earlier years. | Nil |

The Information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information submitted to the Group.

23 OTHER FINANCIAL LIABILITIES (CURRENT)

| | | (₹ in crore) |
|--|---|-----------------------------------|
| | | As at 31st March, 2019 |
| | Current maturities of long-term borrowings (refer note 17) | 60.01 |
| | Interest accrued but not due on borrowings | 2.45 |
| | Unpaid dividends* (refer note 11) | 0.43 |
| | Forward Contract payable | 0.67 |
| | Payable to employees | 33.93 |
| | Expenses Payable | 61.60 |
| | | 159.09 |

* There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund as at 31st March, 2019.

24 OTHER LIABILITIES (CURRENT)

| | | (₹ in crore) |
|--|-------------------------|-----------------------------------|
| | | As at 31st March, 2019 |
| | Advances from customers | 28.83 |
| | Statutory dues payables | 12.36 |
| | | 41.19 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

25 PROVISIONS (CURRENT)

| | (₹ in crore) |
|--------------------------------------|-----------------------------------|
| | As at 31st March, 2019 |
| Provision for employee benefits | |
| Gratuity (refer note 47) | 5.55 |
| Compensated absences (refer note 47) | 2.41 |
| | 7.96 |
| Other payables | |
| Warranty payable (refer note 42) | 44.41 |
| | 44.41 |
| | 52.37 |

26 CURRENT TAX LIABILITIES

| | (₹ in crore) |
|-----------------------------|-----------------------------------|
| | As at 31st March, 2019 |
| Current tax liability (net) | 1.56 |
| | 1.56 |

27 INCOME TAX

| | (₹ in crore) |
|--|-----------------------------------|
| | As at 31st March, 2019 |
| a Income tax recognised in profit or loss | |
| Current tax expense | 53.58 |
| Deferred tax expense | |
| Origination and reversal of temporary differences | (1.91) |
| Total tax expenses | 51.67 |
| b Reconciliation of effective tax rate | |
| Profit before tax | 172.48 |
| Domestic tax rate | 34.944% |
| Tax using the Company's domestic tax rate | 60.28 |
| Increase / reduction in Taxes on account of | |
| Deduction / exemptions in taxable income | (9.50) |
| Other non deductible expenses | 0.89 |
| Income tax expenses charged to statement of profit and loss | 51.67 |
| Effective tax rate | 29.955% |

During the year ended March 31, 2019, company has taken deduction/ availed exemption for followings :

- Under section 80-IC of the Income-Tax Act on 30% Profits of eligible industrial undertakings at Kashipur, Utarakhand
- Under section 32AD of the Income-Tax Act, 1961 @ 15% on the Plant & Machinery installed at newly set-up unit at Hindupur in the notified backward area of the state of Andhra Pradesh.
- Research and development expenditure @ 150% in accordance with the provisions of Section 35(2AB) of the Income-Tax Act, 1961.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

28 REVENUE FROM OPERATIONS

| | (₹ in crore) |
|---|--|
| | For the year ended 31st March, 2019 |
| a. Sale of products (net of GST); | |
| i. Steel pipe and strips | 4,373.06 |
| ii. Lighting and consumer durables | 1,535.71 |
| | 5,908.77 |
| Less Inter Segment Sales | 5.07 |
| | 5,903.70 |
| b. Other operating revenue; | |
| i. Investment promotion assistance (refer note no.43) | 34.34 |
| ii. Export incentives and claims | 34.62 |
| | 68.96 |
| c. Sale of services | 2.38 |
| | 2.38 |
| | 5,975.04 |

29 OTHER INCOME

| | (₹ in crore) |
|--|--|
| | For the year ended 31st March, 2019 |
| a. Interest Income from financial assets | 3.73 |
| b. Profit on sale of property, plant and equipment | 0.19 |
| c. Miscellaneous income | 0.19 |
| | 4.11 |

30 COST OF MATERIALS CONSUMED

| | (₹ in crore) |
|---|--|
| | For the year ended 31st March, 2019 |
| i. Steel pipe and strips | |
| a. Raw materials (Imported) | 162.30 |
| b. Raw materials (Indigenous) | 3,544.56 |
| ii. Lighting and consumer durables | |
| a. Raw materials (Imported) | 170.09 |
| b. Raw materials (Indigenous) | 485.04 |
| c. Packing materials consumed | 43.97 |
| | 4,405.96 |
| Less Inter Segment Consumption | 5.07 |
| | 4,400.89 |

31 PURCHASE OF STOCK-IN-TRADE

| | (₹ in crore) |
|---|--|
| | For the year ended 31st March, 2019 |
| Lighting and consumer durables (outsourced) | 288.60 |
| | 288.60 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

32 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

| | (₹ in crore) |
|---|--|
| | For the year ended 31st March, 2019 |
| Inventories at the end of the year | |
| Finished goods | 321.80 |
| Work in Progress | 144.05 |
| | 465.85 |
| Inventories at the beginning of the year | |
| Finished goods | 401.91 |
| Less : Excise Duty on opening stock | - |
| Finished goods (Net) | 401.91 |
| Work in Progress | 102.82 |
| | 504.73 |
| | 38.88 |

33 EMPLOYEE BENEFIT EXPENSES

| | (₹ in crore) |
|--|--|
| | For the year ended 31st March, 2019 |
| a. Salaries, wages and bonus | 274.50 |
| b. Contribution to provident and other funds | 13.22 |
| c. Staff welfare expenses | 6.04 |
| | 293.76 |

34 FINANCE COST

| | (₹ in crore) |
|-------------------------|--|
| | For the year ended 31st March, 2019 |
| a. Interest expenses | 107.37 |
| b. Other borrowing cost | 7.71 |
| | 115.08 |

35 DEPRECIATION AND AMORTISATION EXPENSES

| | (₹ in crore) |
|--------------------------------|--|
| | For the year ended 31st March, 2019 |
| a. Depreciation (refer note 5) | 88.51 |
| | 88.51 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

36 OTHER EXPENSES

| | (₹ in crore) |
|---|--|
| | For the year ended 31st March, 2019 |
| a. Consumption of stores and spares | 34.17 |
| b. Power, fuel and water charges | 87.41 |
| c. Repairs and maintenance : | |
| - plant and machinery | 2.31 |
| - buildings | 0.78 |
| - others | 1.12 |
| d. Product warranties | 79.90 |
| e. Sales promotion expenses | 35.49 |
| f. Commission on sales | 10.48 |
| g. Advertisement and publicity | 16.15 |
| h. Freight and forwarding expenses | 185.85 |
| i. Allowance for doubtful debts / bad debts W/off | 5.12 |
| j. Rent | 11.89 |
| k. Rates and taxes | 0.34 |
| l. Insurance | 2.37 |
| m. Postage and telephone | 2.24 |
| n. Travelling and conveyance | 23.93 |
| o. Loss on discard / disposal of property, plant and equipment | 0.22 |
| p. Corporate social responsibility expenses | 2.57 |
| q. Legal and professional expenses | 3.93 |
| r. Auditor's remuneration (excluding GST / service tax input credit) | |
| for audit | 0.14 |
| for tax audit | 0.06 |
| for certification work | 0.05 |
| s. Miscellaneous expenses | 74.38 |
| | 580.95 |

37 OTHER COMPREHENSIVE INCOME

| | (₹ in crore) |
|--|--|
| | For the year ended 31st March, 2019 |
| i Items that will not be reclassified to profit or loss | |
| - Remeasurements of the defined benefit plans | (4.84) |
| ii Income tax relating to items that will not be reclassified to profit or loss | |
| - Related to remeasurements of the defined benefit plans | 1.69 |
| | (3.15) |

38 EARNING PER SHARE

| | | (₹ in crore) |
|--|--|--|
| | | For the year ended 31st March, 2019 |
| The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share: | | |
| A | Issued equity shares | 5,44,08,974 |
| | Weighted average equity shares outstanding - Basic and | |
| B | Diluted | 5,44,08,974 |
| C | Net profit after tax | 120.81 |
| | Basic Earning per equity share (C/B) | Per / ₹ 22.20 |
| | Diluted Earning per equity share (C/B) | Per / ₹ 22.20 |
| | Face Value per Equity Share | ₹ 10.00 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

39 LEASES

The Group have leasing arrangements in the nature of operating leases for premises (offices / godown etc.). These leasing arrangements are usually renewable by mutual consent or cancellable on mutually agreeable terms. The aggregate lease rentals payable are charged as rent in the statement of profit and loss.

40 EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 read with schedule III are as below:

| | | (₹ in crore) |
|----|--|--|
| | | For the year ended 31st March, 2019 |
| A | Gross amount required to be spent by the Group during the year | 2.57 |
| B | Amount spent during the year | |
| i | Construction/ acquisition of asset | NIL |
| ii | On purpose other than (i) above – | |
| | (a) Rural Development | 2.04 |
| | (b) Naturopathy | 0.41 |
| | (c) Other administrative expenses | 0.12 |
| | | 2.57 |

Out of the above amount spent through Surya Foundation ₹ 2.57 crores

41 CONTINGENT LIABILITIES

| | | (₹ in crore) |
|-----------|--|---------------------------|
| | | As at 31st March, 2019 |
| I | Guarantees | |
| | Bank Guarantees issued by banks for which counter guarantee given by the Group | 386.78 |
| II | Other contingent liabilities | |
| a) | Export obligation under EPCG Scheme | |
| | Duty involved on EPCG License (Bonds Executed by the Group to Custom Department of ₹ 16.10 Crore) | 6.39 |
| b) | Estimated amount of contract remaining to be executed on capital account (Property, Plant and Equipment) and not provided for | 8.60 |
| c) | Claims against the Group not acknowledged as debt | 3.34 |

III Entry of Goods into Local Area Act, 2008 :

The Haryana Government levied Local Area Development Tax (The LADT Act) w.e.f. 5th May, 2000, which was declared ultra vires by the Hon'ble Punjab & Haryana High Court on 14th March, 2007. Later on, the Haryana Government has repealed the LADT Act w.e.f. 8th April, 2008 and introduced in its place 'The Haryana Tax on Entry of Goods in to Local Areas Act, 2008' (Rules not notified), which was also held ultra vires by the Hon'ble High Court on 1st October, 2008. Both these Acts were declared unconstitutional on the ground of non-compensatory. Subsequently, on the SLP of the Haryana Government, the Hon'ble Supreme Court Constitutional Bench vide its judgment dated 11th November, 2016 held the applicability of entry tax valid on compensatory ground. However, directed its Divisional Bench for examining the provisions on the issue of discrimination, local area etc. The Divisional Bench remanded back the matters to the Hon'ble Punjab & Haryana High Court on 21st March, 2017 with a direction to file fresh writ petitions in this regard for factual backgrounds and other constitutional statutory issues. Accordingly the Group has filed fresh writ petition on 27-05-2017 on the issues left open and the Hon'ble High Court issued order for stay of demand on 31-05-2017 and proceedings are undergoing with the Hon'ble High Court. As neither the Rules of the said Act of 2008 were notified nor the same can be prescribed now by deletion of Entry 52 of the Constitution on implementation of GST. Subsequently, we have also revised our Writ petition on 25th September, 2018 wherein reference has also been given on judgment of Hon'ble High court in CWP No. 20788 of 2015 in which it was ordered that in absence of machinery provisions, Act can't be operated. In view of above and based on the facts of our case and consultations made by the Group, a sum of ₹ 33.97 crore excluding interest has been considered as contingent liability. Accordingly, no provision has been made in accounts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

IV Income Tax Act.

In respect of Income-tax assessments of the Group (for the year 2009-10, 2010-11 & 2012-13) demand of ₹ 56.34 cr. were raised wherein, Group had appealed and the cases were decided in favour of the Group by CIT (A). Revenue has preferred an appeal before ITAT. Based on the decision in favour of the Group, interpretations and decisions of appellate authorities and Courts in similar cases and as per the consultations made, the Group is not liable for such tax and accordingly no provision has been made.

42 MOVEMENT IN WARRANTY PROVISION

| | (₹ in crore) |
|--|---------------------------|
| | As at 31st March, 2019 |
| Movement in warranty provision during the financial year are provided below: | |
| As at beginning of the year | 26.44 |
| Arising During the Year | 79.90 |
| Utilised during the year | 61.93 |
| Closing balances as at | 44.41 |

The Group gives warranties on certain products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of expected cost of meeting such obligation on account of repair/ replacement. It is expected that significant portion of these cost is to be incurred within a period of two years.

43 GOVERNMENT GRANTS (INVESTMENT PROMOTION ASSISTANCE)

a Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2004 & 2010

The Group has made investment of ₹ 122.11 Crores and ₹ 82.64 Crores for establishing manufacturing facilities at Malanpur, a notified backward district of Madhya Pradesh, in the eligible investment period as per the provisions of Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2004 and 2010 respectively. The Group has been eligible for capital linked grant (to the extent of aforesaid capital investment on satisfying the conditions) up to 27th March, 2020 & 1st March, 2025 respectively.

On GST implementation, the State Government has revised the policy by which the Group continues to be eligible for the said periodical assistance. Accordingly, grants of ₹ 23.22 Crores has been accounted as other operating revenue during the current year. The cumulative recognised grants are of ₹ 75.48 Crores up to 31st March, 2019, out of which ₹ 36.17 Crores remained outstanding as at 31st March, 2019.

b Andhra Pradesh Industrial Investment Policy (IDP) 2015-2020

The Group has made an investment of ₹ 62.64 Crores for establishing manufacturing facilities at Hindupur, a notified backward district of Andhra Pradesh, during the eligible investment period, as per the provisions of Andhra Pradesh Industrial Investment Policy (IDP) 2015-2020. The Group has been eligible for Capital linked grant (to the extent of aforesaid capital investment) by way of 50% reimbursement of VAT/CST/SGST paid during the period of 7 years and partial reimbursement of power cost @ Re 1.00 per unit, during the period of 5 years from 1st March, 2017, on satisfying the conditions mentioned under the scheme.

The Group has recognised grants towards VAT/CST/ SGST of ₹6.29 Crores during the current year as other operating revenue. The grant receivable in the form of reimbursement of Power Cost of ₹ 0.76 Crores during the year has been netted from the power cost. The Cumulative recognised grants are of ₹10.44 Crores up to 31st March, 2019, out of which ₹ 10.44 Crores remained outstanding as at 31st March, 2019.

c GST Reimbursement against Excise Exemption

The Group's manufacturing unit at Mahuakheraganj, Uttarakhand was under area based excise exemption scheme vide Notification No.50/2003 Dated.10.06.2003 for the period up to 14th December, 2019. Accordingly, the products manufactured by the Group were exempted from the payment of excise duty up to 30th June, 2017 and on implementation of GST w.e.f 1st July, 2017, the Group is eligible for the grant for compensating the earlier benefit of excise exemption by way of reimbursement of GST for which required application/ representations have been made. Based on the benefits available under the erstwhile excise exemption scheme, scheme announced and the representation made, the Group is entitled for similar benefits under GST regime. Accordingly income of ₹ 4.83 Crores recognised during the current year and cumulative recognised income of ₹ 8.41 Crores up to 31st March, 2019 out of which ₹ 7.20 Crores remained outstanding as at 31 March, 2019 towards reimbursement of GST paid by the unit.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

44 REVENUE RECOGNITION

The Group has adopted Ind AS 115 'Revenue from contracts with customers' from 1st April, 2018 under the modified retrospective approach there were no significant adjustments required to be made in retained earnings as at 1st April, 2018.

45 PROJECT FOR SUPPLY, IMPLEMENTATION, OPERATION AND MAINTENANCE OF ORISSA GREENFIELD STREET LIGHTING SYSTEM THROUGH SPV COMPANY

SRL has been awarded project by Directorate of Municipal Administration(DMA), Orissa for designing, implementing, operating, maintaining the Greenfield Pubic Street Lighting System along with other infrastructure including CCMS and automation. The project is to be executed through Special Purpose Vehicle Company (SPV) as per terms of LOA and accordingly SRL has incorporated a wholly-owned subsidiary namely SURYA ROSHNI LED LIGHTING PROJECTS LIMITED (CIN –U31200DL2019PLC344720) on 21st January, 2019 vide Certificate of Incorporation dated 23rd January, 2019.

SRL has executed Supply Installation Operation and Maintenance (SIOM) Agreement on 29th December, 2018 with the DMA and 21 Urban Local Bodies. As per terms of SIOM, the SRL has to execute shareholder agreement with the SPV Company and novation agreement with the DMA and the SPV company. SRL has committed the funding requirement of SPV for project completion including enhancement in the value of project. SRL has also committed to compensate the losses/ damages, if any, suffered by the DMA due to breach of contract by the SPV, as per terms & conditions of SIOM.

46 PRE-OPERATIVE EXPENSES CAPITALISED DURING THE YEAR:

The Group has incurred capital expenditure for establishing on 3 LPE coating unit at Anjar (Gujarat) , wherein following pre-operative expenses are capitalised

| | (₹ in crore) |
|------------------------|--|
| | Year ended 31st March, 2019 |
| Raw materials consumed | 6.73 |
| Employee benefits | 1.57 |
| Borrowing cost | 2.58 |
| Other expenses | |
| Power charges | 2.36 |
| Outward freight | 0.15 |
| Others | 0.65 |
| Total | 14.04 |
| Less: Realisation | 10.54 |
| Total | 3.50 |

47 EMPLOYEE BENEFITS

Disclosures pursuant to Ind AS -19 "Employee Benefits" (Specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act) are given below

Contribution to Defined Contribution Plan, recognised as expenses are as under :

| | (₹ in crore) |
|---|--|
| | Year Ended 31st March, 2019 |
| Employer's Contribution to defined contribution plans | 13.22 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

I The principal actuarial assumptions used for estimating the Group's defined benefit obligations are set out below:

| | Valuation as at |
|---|------------------|
| | 31st March, 2019 |
| Attrition rate for various ages in % | 1.00 to 5.00 |
| Discount Rate in % | 7.66 |
| Expected Rate of increase in salary in % | 5.75 |
| Mortality rate - Indian Assured Lives Mortality (2006-08) | 100% |
| Expected Average remaining working lives of employees (years) | 16.30 |

- a) Discount rate is based on the prevailing market yields of Indian Government securities as at the balances sheet date for the estimated term of obligations.
- b) The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

II Movement in Obligation

(₹ in crore)

| Particulars | As at | |
|---|--------------------------------|---------------------------------------|
| | Gratuity (partly funded) | Compensated absences (Unfunded) |
| Present value of obligation as at the beginning of the period | 38.60 | 11.47 |
| Current Service cost | 3.37 | 1.72 |
| Past Service Cost including curtailment Gain/Losses | - | - |
| Interest cost | 2.99 | 0.89 |
| Benefits paid | (4.24) | (3.01) |
| Actuarial loss / (gain) arising from changes in Demographic assumptions | - | - |
| Actuarial loss / (gain) arising from changes in Financial assumptions | 0.26 | 0.08 |
| Actuarial loss / (gain) arising from experience adjustment | 4.58 | 1.93 |
| Present value of obligation as at the end of the period | 45.56 | 13.08 |

III Amount recognised in the statement of Profit and Loss:

(₹ in crore)

| Particulars | Year ended | |
|--|-------------|-------------------------|
| | Gratuity | Compensated absences |
| Current Service cost | 3.37 | 1.72 |
| Interest cost | 2.98 | 0.89 |
| Remeasurement - Actuarial loss/(gain) | - | 2.01 |
| Expenses recognised in the statement of Profit and Loss | 6.35 | 4.62 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

IV Component of defined benefit costs recognised in other comprehensive income

| | (₹ in crore) | |
|--|--|-------------|
| | Gratuity | |
| | Year ended 31st March, 2019 | |
| Actuarial loss / (gain) arising from changes in demographic assumptions | | - |
| Actuarial loss / (gain) arising from changes in Financial assumptions | | 0.26 |
| Actuarial loss / (gain) arising from experience adjustment | | 4.58 |
| Actuarial loss / (gain) arising on plan asset | | - |
| Component of defined benefit costs recognised in other comprehensive income | | 4.84 |

V Current and non-current provision for Gratuity and Compensated absences

| | (₹ in crore) | |
|------------------------|-----------------------------------|---------------------------------|
| Particulars | As at 31st March, 2019 | |
| | Gratuity | Compensated absences |
| Current provision | 5.55 | 2.41 |
| Non-current provision | 40.01 | 10.67 |
| Total provision | 45.56 | 13.08 |

VI Maturity profile of Defined Benefit Obligation are as under :-

| | (₹ in crore) | |
|----------------|-----------------------------------|---------------------------------|
| Particulars | As at 31st March, 2019 | |
| | Gratuity | Compensated absences |
| 0 to 1 Year | 5.54 | 2.41 |
| 1 to 5 Years | 6.97 | 2.25 |
| 5 Year Onwards | 33.06 | 8.42 |

VII Movements in the fair value of the plan assets are as follows:

| | (₹ in crore) | |
|---|--|-------------|
| | Gratuity | |
| | Year ended 31st March, 2019 | |
| Opening fair value of plan assets | | 0.02 |
| Interest income | | - |
| Return on plan assets (excluding amounts included in net interest expenses) | | - |
| Benefits paid | | - |
| Closing fair value of the plan assets | | 0.02 |

Note:

The Group has invested the plan assets in India only with Life insurance corporation of India & SBI Life and closing value of the plan assets are the fair value of plan assets

VIII Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rate. The sensitivity analyses below have been determined based on reasonably

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

possible changes of respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

(₹ in crore)

| Particulars | Year ended 31st March, 2019 | |
|---|-------------------------------------|--|
| | Effect on Gratuity Obligation | Effect on Compensated absences Obligation |
| One percentage point increase in discount rate | (3.64) | (1.16) |
| One percentage point decrease in discount rate | 3.91 | 1.30 |
| One percentage point increase in salary growth rate | 3.96 | 1.31 |
| One percentage point decrease in salary growth rate | (3.72) | (1.17) |
| One percentage point increase in attrition rate | 0.98 | 0.36 |
| One percentage point decrease in attrition rate | (1.04) | (0.40) |

Note :

- The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.
- There was no change in the method and assumptions used in preparing the sensitivity analysis from prior years.

48 RELATED PARTY TRANSACTIONS

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are reported here

List of related parties

1 Key Management Personnel

| S.No. | Name | Designation |
|-------|---|----------------------------|
| 1 | Mr. Jai Prakash Agarwal | Chairman |
| 2 | Mr. Raju Bista | Managing Director |
| 3 | Mr. Vinay Surya (Appointed on 1st January, 2018) | Whole Time Director |
| 4 | Mr. Kaustubh N Karmarkar (Appointed on 10th August, 2018) | Whole Time Director |
| 5 | Mr. Mukesh Tripathi § | Whole Time Director |
| 6 | Mrs. Urmil Agarwal | Director |
| 7 | Mr. Krishan Kumar Narula | Independent Director |
| 8 | Mr. Ravinder Kumar Narang | Independent Director |
| 9 | Mr. Tara Shankar Sudhir Bhattacharya | Independent Director |
| 10 | Mr. Sudhanshu Kumar Awasthi | Independent Director |
| 11 | Mr. Surendra Singh Khurana | Independent Director |
| 12 | Mr. Sunil Sikka | Independent Director |
| 13 | Mr. Utpal Kumar Mukhopadhyay* | Independent Director |
| 14 | Mrs. Shivani Singla # | IDBI Bank - Nominee |
| 15 | Mr. R.N. Maloo | ED & Group CFO |
| 16 | Mr. Ramanjit Singh | CEO - Lighting Operations |
| 17 | Mr. Tarun Baldua | CEO - Steel Operations |
| 18 | Mr. B B Singal | Sr. VP & Company Secretary |

§ Resigned from the Board of the Company on 18th May, 2018

* Resigned from the Board of the Company on 2nd June, 2018 and later deceased on 20th June, 2018

Nomination withdrawn w.e.f. 5th March 2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

2 Relatives of key management personnel where transactions have taken place

| S.No. | Name of Relatives | Relationship |
|-------|-------------------------|-----------------------------|
| 1 | Mr. Rajesh Bista | Brother of Mr. Raju Bista |
| 2 | Mrs. Puja Surya | Spouse of Mr. Vinay Surya |
| 3 | Master Jaivardhan Surya | Son of Mr. Vinay Surya |
| 4 | Ms. Parinistha Surya | Daughter of Mr. Vinay Surya |
| 5 | Ms. Vasudha Surya | Daughter of Mr. Vinay Surya |

i Compensation of Key Management Personnel of the Group

(₹ in crore)

| S. No. | Nature of transaction/ relationship | Year ended 31st March, 2019 |
|--------|--|--------------------------------|
| a) | Short Term Benefit - (see notes below) | 13.09 |
| b) | Directors commission | 4.32 |
| | Total Short-Term benefits | 17.41 |
| c) | Director sitting Fee's | 0.21 |

Notes:

- Short-term benefits comprises the expenses recorded under the head employee benefit expenses (eg. Salary and wages, contribution to provident fund, NPS, Leave encashment payments, and taxable value of perquisites etc)
- The liability for gratuity and compensated absences are provided on actuarial basis, amounts accrued pertaining to key managerial personnel are not included above.
- The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

ii Loan given to Key Management Personnel

(₹ in crore)

| S. NO. | Transaction during the year | Year ended 31st March, 2019 |
|--------|--|--------------------------------|
| | Transaction during the year | 0.36 |
| | Balance at year end | 0.19 |
| iii | Dividend paid to Key Management Personnel | 0.43 |
| iv | Payment of Salaries and perquisites to relatives of Key Management Personnel | 0.34 |
| v | Dividend paid to relatives of Key Management Personnel | 0.11 |

49 SEGMENT INFORMATION

Description of segments and principal activities

The Chief operational decision makers (CODM) monitor the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products/ services and have been identified as per the quantitative criteria specified in the Ind AS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

Specifically, the Group's reportable segments under Ind AS are as follows:

- 1 Steel Pipe and Strips (comprises Steel pipes and cold rolled strips)
- 2 Lighting and consumer durables (comprises Lamps, fittings, street light, fans, electric appliances and allied items)

Identification of Segments:

For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment after taking into consideration the similar nature of the products, production processes and other risk factors. For financial statements presentation purposes, these individual operating segment's have been aggregated into a single operating segment taking into account the following factors:

- i. These operating segments have similar long-term gross profit margins;
- ii. The nature of the products and production processes are similar; and
- iii. The methods used to distribute the products to the customer are same

The additional factors taken into consideration for aggregation into a single operating segment are as follows:

- i. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.
- ii. Finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.
- iii. Segment assets represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial assets, deferred tax assets and income tax recoverable.
- iv. Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.
- v. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).
- vi. Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

I. Segment revenues and results

| | | (₹ in crore) |
|--|--------------------------------|--|
| Particulars | | For the year ended 31st March, 2019 |
| Segment revenue | Steel Pipe and Strips | 4,426.70 |
| | Lighting and consumer durables | 1,553.41 |
| | | 5,980.11 |
| Less : Inter Segment revenue | | 5.07 |
| | | 5,975.04 |
| Segment profit (earning before interest and taxes) | Steel Pipe and Strips | 161.15 |
| | Lighting and consumer durables | 126.41 |
| | | 287.56 |
| Finance costs | | 115.08 |
| Profit before tax | | 172.48 |
| Tax expense | | 51.67 |
| Profit after tax | | 120.81 |

II. Segment Assets and Liabilities

| | | (₹ in crore) |
|--------------------|--------------------------------|-----------------------------------|
| Particulars | | As at 31st March, 2019 |
| Segment assets | Steel Pipe and Strips | 1,889.38 |
| | Lighting and consumer durables | 1,112.19 |
| | Total Segment assets | 3,001.57 |
| | Unallocated assets | 27.10 |
| | | 3,028.67 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

| | | (₹ in crore) |
|---------------------|----------------------------------|---------------------------|
| Particulars | | As at 31st March, 2019 |
| Segment liabilities | Steel Pipe and Strips | 371.02 |
| | Lighting and consumer durables | 232.79 |
| | Total Segment Liabilities | 603.81 |
| | Unallocated Liabilities | 1,272.97 |
| | | 1,876.78 |

Notes :

I Unallocated assets are comprises of MAT and income tax refundable.

II Unallocated liabilities are comprises borrowings, provision for income tax, deferred tax etc.

III. Other segment information

| | | (₹ in crore) |
|---|--------------------------------|---------------------------|
| Particulars | | As at 31st March, 2019 |
| Cost incurred on acquisition of tangible assets | Steel Pipe and Strips | 88.47 |
| | Lighting and consumer durables | 19.93 |
| | | 108.40 |
| Depreciation and amortisation expense | Steel Pipe and Strips | 65.73 |
| | Lighting and consumer durables | 22.78 |
| | | 88.51 |

IV. Geographical information

The Group operates in seven geographical areas: India (country of domicile), Asia, Africa, North-America, Central America, South-America and Europe.

The Group's revenue from operations from customers by location of operations and information about its non-current assets by location of assets are detailed below:

a. Revenue from external customers

| | | (₹ in crore) |
|---------------|--|--------------------------------|
| | | Year ended 31st March, 2019 |
| India | | 5,141.22 |
| Outside India | | 833.82 |
| Total | | 5,975.04 |

b. Non-current assets

| | | (₹ in crore) |
|--------------------|---------------|---------------------------|
| Particulars | | As at 31st March, 2019 |
| Non-Current Assets | Within India | 1,166.46 |
| | Outside India | Nil |
| | | 1,166.46 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

V. Information about major customers

Group has no single customer from whom the revenue is not less than 10 % of the revenue from external customers of the Group

50 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

(₹ in crore)

| Particulars | Year ended 31st March, 2019 |
|--|--------------------------------|
| Dividend proposed for Equity shareholders @ ₹ 2.00 per share | 10.88 |

There are no other significant subsequent event items which require an adjustment in financial statements

51 FINANCIAL INSTRUMENTS

Fair value of financial assets and liabilities

The carrying value and fair value of financial assets and liabilities by categories were as follows:

As at 31st March, 2019

(₹ in crore)

| S. No. | Particulars | Amortised cost | Fair value (Level 2) | Total carrying value |
|---------------------|-------------------------------------|-----------------|----------------------|----------------------|
| Assets: | | | | |
| i | Cash and cash equivalents | 1.64 | - | 1.64 |
| ii | Bank Balances other than (ii) above | 0.43 | - | 0.43 |
| iii | Trade receivables | 835.32 | - | 835.32 |
| iv | Other financial assets | 84.29 | - | 84.29 |
| | Total | 921.68 | - | 921.68 |
| Liabilities: | | | | |
| i | Non Current Borrowings | 394.86 | - | 394.86 |
| ii | Current Borrowings | 796.67 | - | 796.67 |
| iii | Trade payables | 350.01 | - | 350.01 |
| iv | Other financial liabilities | 108.89 | 0.67 | 109.56 |
| | Total | 1,650.43 | 0.67 | 1,651.10 |

The fair value hierarchy is based on inputs to valuation techniques that are use to measure fair value that are either observable or unobservable and consists of the following three levels :

Level 1: Quoted prices in active markets for identical assets and liabilities

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

Level 3: Inputs which are not based on observable market data.

52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's risk management policies are established to identify and analyse the risks faced by the Group's, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Group is exposed to financial market risk, credit risk and liquidity risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

I Financial Market risk

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

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. In order to optimize the Group's position with regards to interest and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate with reset clause and floating rate financial instruments in its total portfolio. The borrowings of the Group are on floating interest rate along with periodical interest reset.

The Group is not exposed to significant interest rate risk at the respective reporting dates. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings are taken.

| Interest rate sensitivity | Effect on profit before tax | |
|--|-------------------------------|-------------------------------|
| | Decrease by 50 basis point | Increase by 50 basis point |
| For the year ended 31st March, 2019 | 5.96 | (5.96) |

(₹ in crore)

b. Foreign currency risk

The Group's transacts business primarily in Indian Rupee, USD and Pound sterling (GBP). The Group's has taken foreign currency loans and has trade payables as well as receivables in foreign currency. The Company evaluates foreign currency exposure time to time and follows established risk management policies by taking foreign exchange forward contracts mostly with a maturity less than one year from the reporting date. The Group's do not use derivate financial instrument for trading or speculation purpose to hedge exposure of foreign currency risk. The net exposure of foreign currency payable in USD stand ₹ 13.27 crore as on 31st March, 2019 after considering forwarding contracts taken by the Company.

The particulars of forward contract taken are given below

| | Type | No. of Contract | US\$ Equivalent (Million) | (₹ In Crore) |
|-------------------------------|------|-----------------|------------------------------|--------------|
| As at 31st March, 2019 | Sell | 11 | 8.58 | 59.32 |
| | Buy | 37 | 52.32 | 361.79 |

II Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents. To manage this, the Company periodically assesses the financial risk limits of the customers, taking into account the payment behaviour, aging of outstanding, credit ratings, current economic trends, and analysis of historical bad debts further the Company makes provision on trade receivables based on Expected Credit loss (ECL) method based on provision matrix.

Trade Receivable

The Group's exposure to credit risk is influenced by the individual characteristics of each customer, Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group has a detailed review mechanism of overdue trade receivables at various levels in the organisation to ensure proper attention and focus on realisation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

| Particulars | (₹ in crore) |
|-----------------------|---------------------------|
| | As at 31st March, 2019 |
| Not past due | 637.51 |
| 1-180 days past due | 155.13 |
| 181-365 days past due | 13.88 |
| More than one year | 28.80 |
| | 835.32 |

Expected credit loss assessment

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk

The movement in the allowances for impairment in respect of trade receivables during the year was as follows:

| Particulars | (₹ in crore) |
|---|---------------------------|
| | As at 31st March, 2019 |
| Opening Balances | 7.08 |
| Add : Impairment loss recognised / reversed | 4.68 |
| Less : Write off of bad debts | 0.07 |
| Closing balance | 11.69 |

Cash and Cash Equivalents, Deposit in Banks and other Financial instruments

The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances as it has sufficient vacant cash credit limits with its bankers. For other financial assets the Group monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the Group adjust its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

III Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Group's finance department manage the liquidity through verity of sources of borrowings, by ensuring sufficient liquidity to meet its liabilities when due, under all circumstances, without incurring unacceptable losses or risk to the Group's reputation. The current committed borrowing limit are sufficient to meet its requirement. The Group monitor rolling forecast for its liquidity requirements.

Maturity profile of financial liabilities

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

| As at 31st March, 2019 | (₹ in crore) | | |
|-----------------------------|---------------------|-----------------|-----------------|
| | Less than 1 year | Above 1 year | Total |
| Non Current Borrowings | 60.01 | 334.85 | 394.86 |
| Current Borrowings | 796.67 | - | 796.67 |
| Trade payables | 350.01 | - | 350.01 |
| Other financial liabilities | 109.56 | - | 109.56 |
| Total | 1,316.25 | 334.85 | 1,651.10 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

53 CAPITAL MANAGEMENT

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's Capital Management is to maximize shareholder value. The Board of Directors of respective companies monitors the return on capital, dividend to shareholders, maintain balance between capital and borrowing in the light of changes in economic environment and the business requirements. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings.

Further the Group monitors capital using gearing ratio, which is net debt divided by Equity and net debt. as under: -

(₹ in crore)

| Particulars | As at 31st March, 2019 |
|---|---------------------------|
| Debt (consist of long term and short term borrowings refer note 17 and 21) | 1,191.53 |
| Less: Cash and cash equivalents | 1.64 |
| Net Debt | 1,189.89 |
| Equity | 1,151.86 |
| Equity and Net Debt | 2,341.75 |
| Gearing ratio in % | 50.81% |

54 EXPENDITURE ON R&D

Group has made Capital and Revenue expenditure from the financial year 2011-12 to 2018-19 in respect of its Unit : Surya Technology & Innovation Centre (R&D LAB) D-63, Hosiery Complex, Phase – II, Noida (U.P) as tabulated below :

Capital & Revenue Expenditure Break-Up Financial Year Wise

(₹ in crore)

| Financial Year | Capital Expenditure | Revenue Expenditure | Total Expenditure incurred during the year |
|----------------|---------------------|---------------------|--|
| 2011 – 2012 | 11.18 | 0.04 | 11.22 |
| 2012 – 2013 | 0.02 | 1.47 | 1.49 |
| 2013 – 2014 | 0.05 | 1.70 | 1.75 |
| 2014 – 2015 | 0.30 | 2.39 | 2.69 |
| 2015 – 2016 | 0.14 | 2.99 | 3.13 |
| 2016 – 2017 | 0.23 | 3.14 | 3.37 |
| 2017 – 2018 | 0.05 | 3.36 | 3.41 |
| 2018 – 2019 | 0.10 | 3.16 | 3.26 |

Further, the capital and revenue expenditure as stated above of respective financial years of the above mentioned R & D Centre is reflected and forms part of the Fixed Assets (in case of capital expenditure) and Employee benefit expenses, Administrative expenses and other revenue expenses (in case of revenue expenditure) were grouped under relevant Notes / Schedules of the financial statements / Annual Accounts of respective financial years of the Group. Development cost on intangible assets are Nil (previous year- Nil) during the year.

- 55 The Group has perpetual system of balance confirmation and reconciliation of Trade receivables and Trade payables, however at year end some of the balances remain subject to confirmation and reconciliation.**
- 56 As the sole subsidiary in the Group was incorporated on 21st January, 2019, Opening figures of standalone financial statements are considered as opening figures of these statements wherever required not disclosed separately.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019 (Contd.)

57 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

(₹ in crore)

| Name of entity | Net assets | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|--|---------------------------------|-----------------|-------------------------------------|---------------|---|---------------|---|---------------|
| | as % of consolidated net assets | Amount | as % of consolidated profit or loss | Amount | as % of consolidated other comprehensive income | Amount | as % of consolidated total comprehensive income | Amount |
| Surya Roshni Limited | 100.01 | 1,151.93 | 100.06 | 120.88 | 100.00 | (3.15) | 100.06 | 117.73 |
| Indian Subsidiary | | | | | | | | |
| Surya Roshni LED Lighting Projects Limited | (0.01) | (0.07) | (0.06) | (0.07) | - | - | (0.06) | (0.07) |
| Total | 100.00 | 1,151.86 | 100.00 | 120.81 | 100.00 | (3.15) | 100.00 | 117.66 |

58 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved for issue by the Board of Directors on 21st May, 2019



Introducing
NEO GOLD
 Series
 with better
 light spread!



Normal LED Lamp

The newly launched series comes with new design, aesthetics and covering a wider area for better light distribution.

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This Lamp which is worth **GOLD**.

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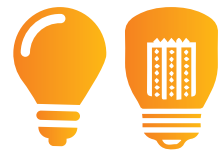
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Pipes



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SURYA

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SURYA

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Corporate Identity Number (CIN) – L31501HR1973PLC007543
Phone: +91-1276- 241540 Fax No. +91-1276-241886
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NOTICE

Notice is hereby given that the Forty Sixth (46th) Annual General Meeting of the members of **SURYA ROSHNI LIMITED** ("the Company") will be held on **Wednesday, the 4th September, 2019 at 11.00 A.M.**, at the Registered Office of the Company at Prakash Nagar, Sankhol, Bahadurgarh 124 507 (Haryana) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend of ₹ 2/- per equity share.
3. To appoint a Director in place of Smt. Urmil Agarwal (Director Identification No. – 00053809) who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company or a committee of Directors authorised by the Board in this behalf for creating such mortgage and/or charge of all the immovable and movable properties of the Company where so ever situated, present and future and the whole of the undertaking of the Company in favour of IDBI Bank Limited and / or Punjab National Bank, acting for itself and as an agent of Banks / Financial Institutions to secure:

- a) Term Loan of ₹ 2500 lakh (Rupees Two thousand five hundred lakh only) lent and advanced by Canara Bank (CB) to the Company.
- b) Term Loan of ₹ 2500 lakh (Rupees Two thousand five hundred lakh only) lent and advanced by Export – Import Bank of India (EXIM) to the Company.
- c) The Working Capital Limits including CEL Limits for forward cover of ₹ 231332 lakh, secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank, IDBI Bank Ltd., Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited and Union Bank of India to the Company,

together with interest thereon at the respective agreed rates, interest tax, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to State Bank of India, Punjab National Bank, IDBI Bank Ltd., Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited, Union Bank of India and Export Import Bank of India under Loan Agreements entered into/to be entered into by the Company in respect of the aforesaid loans.

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee of Directors authorised by the Board in this behalf be and is hereby authorised to finalise all agreement(s) for creating mortgage and/or charge as aforesaid and to do all such acts, deeds and matter as may be necessary or expedient for giving effect to the above resolution."

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

"RESOLVED THAT in accordance with the provisions of Section

196,197,198,200, 203 and Schedule V and such other applicable provisions, if any, of the Companies Act, 2013, (the Act) including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and as recommended by Nomination and Remuneration Committee (NRC), approval of the members of the Company be and is hereby accorded to the re-appointment of, Shri Raju Bista (DIN – 01299297) as the Managing Director of the Company for a period of five years commencing from 14th November, 2018 to 13th November, 2023, on terms and conditions as set out in the statement annexed to this notice.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Shri Raju Bista remuneration payable as aforesaid shall be the minimum remuneration subject to the compliance of Section 197 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors including the Nomination and Remuneration Committee of the Company be and are hereby authorised to modify the terms and condition of appointment of Shri Raju Bista including but not limited to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri Raju Bista in the light of the further progress of the Company which revision should be in conformity with any amendments to the relevant provisions of the Act and /or the rules and regulations made there under and/or such guidelines as may be announced by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and such other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force, the Cost Auditor M/s R J Goel & Co. (a Cost Audit firm FRN:000026) appointed by the Board of directors of the Company to conduct the audit of its cost records for the financial year ending 31st March, 2020 at a remuneration of ₹ 5,00,000 (Rupees Five lakh only) be and is hereby ratified."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to be and is hereby ratified do all such acts, deeds, matters, things and take all such steps as may be necessary desirable or expedient to give effect to this resolution."

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

RESOLVED THAT in accordance with the provisions of Section 149, 150, 152, 160 and Schedule IV and such other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force read with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Sh. Krishan Kumar Narula (DIN – 00098124), aged 80 years, who was appointed as an Independent Director upto 4th September, 2019, being eligible, be and is hereby re-appointed as Non-executive; Independent Director not liable to retire by rotation and to hold office for a second term of three consecutive years w.e.f 5th September, 2019 to 4th September, 2022 on the Board of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

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

RESOLVED THAT in accordance with the provisions of Section 149, 150, 152, 160 and Schedule IV and such other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force read with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Sh. Ravinder Kumar Narang (DIN – 02318041), aged 80 years who was appointed as an Independent Director upto 4th September, 2019, being eligible, be and is hereby re-appointed as Non-executive; Independent Director not liable to retire by rotation and to hold office for a second term of three consecutive years w.e.f 5th September, 2019 to 4th September, 2022 on the Board of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

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

RESOLVED THAT in accordance with the provisions of Section 149, 150, 152, 160 and Schedule IV and such other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force read with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force Sh. Tara Sankar Sudhir Bhattacharya (DIN – 00157305) aged 71 years who was appointed as an Independent Director upto 4th September, 2019, being eligible, be and is hereby re-appointed as Non-executive; Independent Director not liable to retire by rotation and to hold office for a second term of five consecutive years w.e.f 5th September, 2019 to 4th September, 2024 on the Board of the Company for the Second term.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

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

RESOLVED THAT in accordance with the provisions of Section 149, 150, 152, 160 and Schedule IV and such other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force read with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Sh. Sudhanshu Kumar Awasthi (DIN – 02162923) aged 74 years who was appointed as an Independent Director upto 4th September, 2019, being eligible, be and is hereby re-appointed as Non-executive; Independent Director not liable to retire by rotation and to hold office for a second term of three consecutive years w.e.f 5th September, 2019 to 4th September, 2022 on the Board of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

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

Registered Office:

Prakash Nagar, Sankhol,
Bahadurgarh – 124 507 (Haryana)

Dated: 02nd August, 2019

RESOLVED THAT in accordance with the provisions of Section 149, 150, 152, 160 and Schedule IV and such other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force read with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Sh. Surendra Singh Khurana having (DIN – 02126149) who was appointed as an Independent Director upto 4th September, 2019, being eligible, be and is hereby re-appointed as Non-executive; Independent Director not liable to retire by rotation and to hold office for a second term of five consecutive years w.e.f 5th September, 2019 to 4th September, 2024 on the Board of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 4 & 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, including any statutory modification or re-enactment thereof, for the time being in force, and subject to the necessary approval of the Central Government or any other statutory authority(ies), if any required in this behalf, the consent of the members be and be and is hereby accorded for effecting the following alterations in the existing Memorandum of Association (the "MOA") of the Company by substitution/deletion of certain clauses in the following manner:-

- i. Sub-heading III(A) "THE MAIN OBJECT TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE" be substituted by the new sub-heading "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE".
- ii. Sub-heading III(B) "OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS are" be substituted by the new sub-heading "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A)".
- iii. Under sub-clause 3A, 10A and 19 of Clause III(B)", the words "Companies Act, 1956" be substituted with the words "the Companies Act, 2013".
- iv. Under sub-clause 13 of Clause III(B)", the words "subject to Section 76 of the Companies Act, 1956" be substituted with the words "subject to provisions of the Companies Act, 2013".
- v. The existing Clause III(C) comprising sub clauses 1 to 4 be and is hereby deleted permanently.
- vi. The existing Liability Clause i.e. Clause (IV) shall be substituted by the following

"IV. The Liability of members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deem to include any of its duly constituted Committee) or any officer/executive/representative and/or any other person so authorised by the Board, be hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, to settle any questions, difficulties or doubts that may arise in this regard and accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other authority arising from or incidental to the said amendment without requiring the Board to secure any further consent or approval of the members of the Company."

By order of the Board

B. B. Singal
Sr. V.P & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Proxies, in order to be effective, must be received at 2nd floor, Padma Tower-I, 5 Rajendra Place, New Delhi – 110 008 or at Registered Office, not less than forty-eight hours before the commencement of this Annual General Meeting i.e. before **11.00 a.m. on 2nd September, 2019**. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

In case of joint holders attending the meeting, only such joint holder who is higher in the order of the names as per the Register of Members of the Company will be entitled to vote.

Members/ Proxies / Authorised Representatives should bring the Attendance slip duly filled in for attending the meeting.

2. In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the Rules), as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is providing its members facility to exercise their right to vote on the Items of Business given in the AGM Notice dated 2nd August, 2019 proposed to be passed in the Annual General Meeting ("meeting") of the Company scheduled to be held on Wednesday, 4th September, 2019 at the Registered office of the Company Prakash Nagar Sankhol, Bahadurgarh -124507 (Haryana). The members may cast their votes using an electronic voting system from a place other than the venue of the meeting (remote e-voting). The Company has engaged National Securities Depository Limited (NSDL) to provide e-voting platform to members. The process of remote e-voting shall be as follows :

(A) In case of members receiving e-mail (For those members whose e-mail addresses are registered with the Company)

- i) Open email and open attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (In case you are holding shares in physical mode) as password, which contains your "USER ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
- ii) If you are holding shares in demat form and had logged on to www.evoting.nsdl.com and voted on an earlier voting of any company, then your existing password is to be used. If you forget your password, you can reset your password by using "Forgot User Details / Password ?" or "Physical User Reset Password ?" option available on www.evoting.nsdl.com or contact NSDL at toll free No. 1800-222-990

- iii) Launch internet browser by typing the following URL : <https://www.evoting.nsdl.com/>
- iv) Click on "Shareholders – Login"
- v) Put User ID and Password as initial password noted in step (i) above. Click Login.
- vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note New Password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) Home page of remote e-voting opens. Click on remote e-voting Active Voting Cycles.
- viii) Select "EVEN" (e-voting event number) of "**Surya Roshni Limited**".
- ix) Now, you are ready for remote e-voting as Cast Vote page opens.
- x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "CONFIRM", else to change your vote, click on "BACK" and accordingly modify your vote.
- xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiii) You can also take out print of the voting done by you by clicking on "click here to print" option on the voting page.
- xiv) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send a scanned copy (PDF /JPG Format) of the Board Resolution /Authority Letter / Power of Attorney (POA) etc. together with attested specimen signature of the authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail to sgsdel@gmail.com with a copy marked to evoting@nsdl.co.in

(B) In case of members receiving the physical copy of Notice of AGM (for members whose e-mail IDs are not registered with the Company / depository participant(s) or requesting physical copy).

- a) Initial Password is provided in the box
- b) Please follow all steps from sl. no. (ii) to sl. no. (xiv) above to cast vote.

General Instructions:

- a) The remote e-voting period begins on Friday, 30th August, 2019 at 9.00 a.m (IST) and ends on Tuesday, 3rd September, 2019 at 5.00 p.m (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of 28th August, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

- b) A person, whose name appears in the register of Members / Beneficial owners as on cut-off date i.e. 28th August, 2019, only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting.
- c) Any person who becomes members of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 28th August, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company Registrar - MAS Services Limited at info@masserv.com. If the member is already registered with NSDL than he can use his/her existing user ID and password to cast the vote through remote e-voting.
- d) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at www.evoting.nsdl.com or call on toll free no. 1800-222-990.
- e) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 28th August, 2019,
- f) Members can also download the notice of the meeting at www.surya.co.in for exercising their e-voting rights.
- g) Members who have cast their vote through remote e-voting prior to the meeting may attend the meeting but shall not be allowed to cast their vote again.
- h) The Board of Directors has appointed SGS Associates (Company Secretaries Firm) 14, First floor, Rani Jhansi Road, New Delhi – 110055 as Scrutiniser for conducting the e-voting process.
- i) At the end of the Annual General Meeting voting exercise, Scrutiniser will download the entire voting data using its scrutiniser login.
- j) The Scrutiniser will submit his final report after the conclusion of voting at the Annual General Meeting but not later than closing of the business hours on 5th September, 2019.
- k) The Chairman of the meeting shall announce the result of voting on the resolutions taken up at the 46th Annual General Meeting on or after submission of final report by the Scrutiniser.
- l) The results along with the Scrutiniser's Report, will be placed on the Company's website at www.surya.co.in and the website of NSDL immediately after the result is declared. The results shall simultaneously be communicated to the Stock Exchange where the securities of the Company

are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

Important Note:

As Surya Roshni Limited, being a listed Company and having more than 1000 shareholders, is compulsorily required to provide e-voting facility to members in terms of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 46th Annual General Meeting in view of the further provisions of Section 107 read with Section 114 of the Act.

3. A statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of item no. 4 to 12 are annexed hereto.
4. The Record date for taking into account the list of shareholders for dividend entitlement is 28.08.2019. The dividend on Equity Shares, if declared at the Annual General Meeting, will be payable to those shareholders whose names appear on the Company's register of members on 28th August, 2019. In respect of shares held in dematerialised form, the dividend shall be payable on the basis of beneficial ownership as on 28th August, 2019, as per the details furnished by National Securities Depository Ltd./ Central Depository Services (India) Ltd. for the purpose, as on that date.
5. Relevant documents referred to in the Notice or in the accompanying Statement are open for inspection to the Members at the registered office of the Company during business hours on all working days up to the date of Annual General Meeting.
6. Pursuant to the provisions of Section 124(5) and (6) of the Companies Act, 2013, Ministry of Corporate Affairs (MCA) vide notification dated February 28, 2017 and 16th October, 2017 has notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2017 ('IEPF Rules') and inter-alia specified the manner for transfer of Unclaimed Dividend along with the shares, in respect of which dividend is unpaid or unclaimed for a period of seven years, to Investor Education and Protection Fund (IEPF) established by the Central Government. During the year, the Company has transferred 15,778 equity shares to IEPF Account as tabulated below in respect of which dividend stands unclaimed for a continuous period of seven years starting from F.Y - 2010-11 onwards.

Disclosure with respect to transfer of shares to IEPF account as per the provisions of section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 .

| Year | Total No. of Shareholders at the beginning of the year | Outstanding Shares in IEPF demat suspense account at the beginning of the year | Total No. of Shareholders whose shares are transferred to IEPF demat account during the year | Total No. of Shares transferred to IEPF account during the year | Total No. of Shareholders who approached the Company for transfer of shares from IEPF account during the year | No. of Shares Transferred from IEPF Account during the year | Outstanding Shares in demat account lying at the end of the year. | Voting Rights Frozen |
|--------------|--|--|--|---|---|---|---|----------------------|
| 2010-11 | 1329 | 1,49,513 | 152 | 15,778 | 5 | 218 | 1,65,073 | Yes |
| Total | 1329 | 1,49,513 | 152 | 15,778 | 5 | 218 | 1,65,073 | |

The Company has uploaded full details of such shareholders and shares transferred to IEPF Account on its website www.surya.co.in. Any future dividend / benefits, if any, in respect of shares so transferred shall also be credited to the IEPF Fund. After the shares are transferred to the IEPF Account, the claimant can claim those shares in accordance with the procedure and on submission of necessary forms and documents to the IEPF Authority.

7. Pursuant to the provisions of Section 125 of the Companies Act, 2013, dividend, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education & Protection Fund of the Central Govt. Members who have not en-cashed their dividend warrant so far for the financial year ended 31st March, 2012, or any subsequent financial year(s), the details of which are available at the following link. <http://www.surya.co.in/wp-content/uploads/2016/04/IEPF-Report-28.09.2018.pdf> are requested to address their claim with supporting documents to Registrar & Transfer Agent - MAS Services Limited (Unit Surya Roshni Limited) T- 34, 2nd floor, Okhla Industrial Area, Phase II, New Delhi - 110 020 or to the Company at 2nd floor, Padma Tower-I, 5 Rajendra Place, New Delhi - 110 008.
8. Pursuant to Regulation 39(4) read with Schedule VI of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, and in compliance with the provisions of Section 124(5) and (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2017 ('IEPF Rules') the Company out of unclaimed equity shares of 12 shareholders comprising 1599 equity shares lying in the escrow account titled "Surya Roshni Limited - Unclaimed Suspense Account" maintained with National Securities Depository Limited has transferred shares of 2 shareholders comprising 191 equity shares to IEPF Authority Account and balance 10 shareholders comprising 1408 equity shares stands in the Unclaimed suspense account as on 31st March, 2019. No shareholders whose shares are lying in the above mentioned escrow unclaimed suspense account have claimed their shares during the Financial Year 2018-19. Members who have not claimed their shares lying in Unclaimed Suspense Account are requested to address their claim with supporting documents to Registrar & Transfer Agent - MAS Services Limited (Unit Surya Roshni Limited) T- 34, 2nd floor, Okhla Industrial Area, Phase II, New Delhi - 110 020 or to the Company at 2nd floor, Padma Tower-I, 5 Rajendra Place, New Delhi - 110 008.
9. In compliance to Section 20 of the Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, Ministry of Corporate Affairs permits service of documents by electronic mode to members / shareholders. Members holding shares in physical form and wish to avail this service register their e-mail address with the Company by sending a consent letter to Sr. V.P & Company Secretary, Padma Tower - 1, 2nd floor, 5 Rajendra Place, New Delhi - 110008 / Registrar and Transfer Agent - MAS Services Limited, T-34, 2nd floor, Okhla Industrial Area, Phase - II, New Delhi -110020.
10. Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 in regard to Strengthening the guidelines and Raising Industry Standards for RTA, Issuer Companies and Bankers to an Issue, the provision has been made with regard to payment of Dividend through electronic channels. Members who have not yet registered their Bank Details / Change in Bank Account Details, are requested to submit the bank details along with the cancelled cheque which bears the name of the securities holder either with the Company Registrar and Transfer Agent - MAS Services Limited, T-34, 2nd floor, Okhla Industrial Area, Phase - II, New Delhi -110020 or with their concerned depository (if shares are held in demat form).
11. Registers under Section 170 and 189 of the Companies Act, 2013 will be available for inspection at the AGM of the Company.
12. **Information provided as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the "Listing Regulations".**
Smt. Urmil Agarwal (DIN -00053809) aged about 63 years, is the director of the Company since December, 2016 and has sound business acumen & understanding of both the businesses of the Company. She holds directorship in Pankaj Investments Limited. She is not having any inter-se relationship with other Directors of the Company except Shri Jai Prakash Agarwal (Executive Chairman of the Company) and Shri Vinay Surya (Whole-time Director) being as a spouse and son respectively. Further, she holds 2,10,431 equity shares in the Company. Smt. Urmil Agarwal is not debarred from re-appointment by any order of SEBI or any other authority.
13. The route map showing directions to reach the venue of the AGM is annexed and forms part of this Notice.
14. The details in regard to other directors who are proposed to be re-appointed during the year are provided in their item no(s) of the explanatory statement as furnished below.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

ITEM NO. 4

The Company has availed / been sanctioned the Term Loans from Canara Bank and Export - Import Bank of India and the revised working capital limits from consortium Banks i.e. State Bank of India, Punjab National Bank, IDBI Bank Ltd., Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited and Union Bank of India for its Steel Pipes & Strips and Lighting Segments. The details are as under:

- a) Term Loan of ₹ 2500 lakh (Rupees Two thousand five hundred lakh only) lent and advanced by Canara Bank (CBC) to the Company.
- b) Term Loan of ₹ 2500 lakh (Rupees Two thousand five hundred lakh only) lent and advanced by Export - Import Bank of India (EXIM) to the Company.
- c) The Working Capital Limits including CEL Limits for forward cover of ₹ 231332 lakhs, secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank, IDBI Bank Ltd., Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited and Union Bank of India to the Company,

the financial assistance together with interest thereon at the respective agreed rates, interest tax, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to State Bank of India, Punjab National Bank, IDBI Bank Ltd, Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited, Union Bank of India and Export Import Bank of India under Loan Agreements entered into/to be entered into by the Company in respect of the aforesaid loans have to be secured by a joint mortgage of all the immovable and movable properties of the Company, present and future.

Section 180(1)(a) of the Companies Act, 2013 provides inter alia that the Board of Directors of a Public Company shall not, without the consent of shareholders of such Public Company in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking. Since

the mortgage by the Company of its immovable and movable properties as aforesaid in favour of the Lenders may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a **Special Resolution** under Section 180(1)(a) of the Companies Act, 2013, before creation of the said mortgage/charge.

The Board of Directors recommends the resolution(s) as set out in item No.4 for the approval of the shareholders as a **Special Resolution**.

Copy of the Loan Agreement(s) to be executed between the Company and Lenders and copies of the relevant documents / correspondence between the said Lenders and the Company are open for inspection at the Registered Office of the Company during business hours on any working day prior to the date of meeting.

None of the Directors, Key Managerial Personnel or relatives of Directors or Key Managerial personnel have any interest financial or otherwise in the said resolution.

ITEM NO. 5

The Shareholders of the Company at the Annual General Meeting held on 05.09.2014 had approved the appointment of Shri Raju Bista as Managing Director for a period of 5 years.

The Shareholders are aware that since Shri Raju Bista assumed the office of Managing Director of the Company, the Company has made all-round progress. The Company rather owes its present stature and position to his guidance and foresight. His unshakable determination along with a vast experience has helped the Company scale new heights year after the other. Under the management control and guidance Shri Raju Bista, Managing Director, the Company has consistently maintained growth in sales and profitability.

Furthermore, on the recommendation of Nomination and Remuneration Committee and subject to the approval of the Members at the Annual General Meeting, the Board of Directors in their meeting held on 14th November, 2018 approved the re-appointment of Shri Raju Bista, as Managing Director for a period of five years w.e.f. 14th November, 2018 to 13th November, 2023 on the remuneration and terms and conditions, as set out in the Agreement executed on 17th November, 2018 and as stated below by suppressing the earlier Principal Agreement dated 30th May, 2014 along with all subsequent supplementary Agreements executed time to time between the Company and Shri Raju Bista related to his earlier tenure of appointment

SALARY : Salary of ₹ 20.00 lakh per month w.e.f. 14th November, 2018 with an annual increment of ₹ 1.00 lakh per month on 1st April of every year.

COMMISSION : 1% of the Profit before tax (PBT) of the financial year derived on the basis of Audited Financial Statements of the Company and will be due and paid on or after the approval of Audited Financial Statements by the Board of Directors of the Company for the concerned financial year per annum basis for the period served under the agreement.

PERQUISITES : Perquisites will be allowed in addition to salary. For this purpose unless the context otherwise requires, perquisites are classified into three categories Parts A, B and C and the ceiling shall apply only to Part – A.

PART-A

1. **Medical Reimbursement** : Expenses incurred for self and family subject to a ceiling of one month's salary per year or three month's salary in a period of three years.
2. **Leave Travel Concession** : For self and family once in a year incurred with the rules specified by the Company.
3. **Club Fees** : Fees of clubs subject to a maximum of two clubs. Admission and life membership fees shall not be allowed.
4. **Personal Accident Insurance** : Premium not to exceed ₹ 4000/- per month.

PART-B

The following prerequisites shall not be included in the computation of the ceiling on remuneration specified in Paragraph I of Section IV of part II of Schedule V of the Companies Act, 2013.

1. Contribution to provident fund to the extent this is not taxable under the income Tax Act.
2. Gratuity payable shall not exceed a half month's salary for each completed year of service.
3. Encashment of leave at the end of the tenure.

PART-C

The Company shall provide a car with driver and telephone facility at the residence of the Managing Director. Provision of car with driver for use of Company's business and telephone facility at the residence will not be considered as prerequisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company on the Managing Director.

The aforesaid remuneration shall be subject to the limit of 5% of the net profits as laid down under sub-section (1) of section 197 of the Companies Act, 2013.

If the Company has no profits or the profits are inadequate in any financial year during the terms of his office as the Managing Director, Sh. Raju Bista will be entitled to receive the above remuneration and prerequisites as minimum remuneration, provided that the total remuneration, of salary, prerequisites and any other allowances shall be paid only in compliance with section II of the Part II of Schedule V of the Companies Act, 2013 or such other amount and prerequisites as/is may be provided in the said schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

Apart from the aforesaid remuneration, Shri Raju Bista will be entitled to reimbursement of expenses incurred in connection with the business of the Company.

No sitting fees will be paid to him for attending the meetings of the Board of Directors of the Company or Committees thereof.

The Company has received necessary disclosure of disqualification under Section 164 of the Companies Act, 2013 from Sh. Raju Bista. Further he is also not debarred from appointment pursuant to any order of SEBI or any other relevant authority.

The Board of Directors recommends the resolution(s) as set out in item No.5 for the approval of the shareholders as an Ordinary Resolution.

Copy of the agreement dated 17th November, 2018 executed between the Company and Shri Raju Bista along with other relevant documents related to his appointment as Managing Director are open for inspection at the Registered office of the

Company during business hours on any working day prior to the date of meeting.

None of the Directors except Sh. Raju Bista (whose interest is only to the extent of appointment and remuneration as Managing Director), Key Managerial Personnel or relatives of Directors or Key Managerial personnel have any interest financial or otherwise in the said resolution.

Shri Raju Bista, aged about 33 years, an MBA is the young and dynamic Managing Director of the Company with an overall experience of over a decade at Senior Management level. He has been the growth engine which yielded profitable growth for the Company. Under his dynamic leadership, Company has successfully forayed into the fans and home appliances segment. His discipline, dedication, visionary power and relentless efforts has helped in achieving the overall development of the Company.

The journey of Mr. Raju Bista started when he joined Surya Foundation, an NGO to fulfil the deep rooted desire to work for the nation, build a better future for each citizen to thrive and guide the youth of our country to reach their full potential. He was identified as a leader from a very early age and appointed as the director of the Company in 2009.

His understanding of the business environment, formulating effective strategy, team building skill with mutual trust, ability to mentor the team and his own hard work had not gone unnoticed. His decisive role in the development of the Company both in scale and product quality was rightly acknowledged and appreciated. The board of directors appointed him as the Managing Director of the Company in the year 2012 entrusting him with responsibility of managing the Company.

Considering his deep involvement and association with the industry, he has become the President of ELCOMA. He is also the Member of Parliament.

He is not holding Directorship / Committee Position in any other Company except Surya Roshni Limited where he is also a member of Stakeholder's Relationship Committee, Corporate Social Responsibility Committee and Committee of Directors. He has not having any inter-relationship between other Directors of the Company. Further he is not holding any shares of the Company.

ITEM NO. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee in their meeting held on 21st May, 2019 approved the appointment of M/s R J Goel & Company (a Cost auditor firm having registration No.000026) as Cost Auditors to conduct the Audit of the cost records of the Company for the financial year ending 31st March, 2020 at a remuneration of ₹ 5,00,000/-

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought via Ordinary Resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to M/s R J Goel & Company (a Cost auditor firm) for the financial year ending 31st March, 2020.

The Board of Directors recommends the resolution set out in item No.6 for the approval of the shareholders as an Ordinary Resolution.

Copy of the resolution(s) and relevant documents (if any) are open for inspection at the Registered Office of the Company during business hours on any working day prior to the date of the meeting.

None of the Directors, Key Managerial Personnel or relatives of Directors or Key Managerial personnel have any interest financial or otherwise in the said resolution.

ITEM NO. 07

Shri Krishan Kumar Narula having DIN -00098124 was last appointed as Non-Executive Independent Director of the Company for a period of 5 years from 5th September, 2014 to 4th September, 2019 by the Shareholders in the 41st Annual General Meeting (AGM) of the Company held on 5th September, 2014.

Subsequently, in view of the amended regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), which came into force with effect from 1st April, 2019, members of the Company at the 45th Annual General Meeting held on 28th September, 2018 had approved by Special Resolution continuation of Shri Krishan Kumar Narula w.e.f 1st April, 2019 onwards as a Non-Executive; Independent Director for the remaining period of his first tenure even on attaining the age of 75 years or more.

Shri Krishan Kumar Narula, aged about 80 years, is an industry veteran and has been Director on the board of the Company since March 2000. He has 55 years of prolific experience in the field of Banking and Finance. He is the Chairman of the Company's Audit Committee. He is an Ex- Chief General Manager from SBI Chandigarh (LHO) and is currently working as Banking and Management Consultant. Under his guidance the Company has achieved higher growth and emerged today as the leading organisation in the Steel Pipes and Lighting Industry. The Board has benefitted from his relevant specialisation and expertise. Details on his attendance of various Board Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report.

As per the provisions of Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the board of a company for two consecutive terms and shall not be included in the total number of directors for retirement of rotation. Shri Krishan Kumar Narula meets the criteria of independence and is eligible for reappointment for a second term as per the provisions of the Companies Act, 2013 and the rules made thereunder read with Listing Regulations and he is not debarred from re-appointment by any order of SEBI or any other authority.

Further as per Listing Regulations, no listed entity can continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years or reappoint for the second term unless a special resolution is passed to that effect.

Pursuant to Section 149, 150, 152 160 and Schedule IV (Code for Independent Directors) of the Companies Act, 2013, and the Articles of Association of the Company and all other relevant provisions and that of Listing Regulations, Board of Directors upon the recommendation of the Nomination and Remuneration Committee and based on his exceptional performance evaluation report over the years, in its meeting held on 2nd August, 2019 proposed the name of Shri Krishan Kumar Narula for re-appointment as a Non-executive Independent Director of the Company for the second term for a consecutive period of three years from 5th September, 2019 to 4th September, 2022 not liable to retire by rotation and recommends the same for the approval by the shareholders of the Company as a **Special Resolution** as set out at item no. 7.

Except Shri Krishan Kumar Narula, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolution.

Information as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the "Listing Regulations"

Shri. Krishan Kumar Narula, aged about 80 years, an M.Com. from the University of Delhi and also a Certified Associate of Indian Institute of Bankers (CAIIB). He holds Chairmanship of Company's Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Committee of Directors. Shri Narula, possess a vast experience of over 55 years in the field of Banking and Finance. He retired as Chief General Manager from SBI Chandigarh (LHO) and is providing Banking and Management Consultancy. He has no inter-se relationship with any other director of the Company. Further he is not holding any shares of the Company.

ITEM NO. 8

Shri Ravinder Kumar Narang having DIN -02318041 was last appointed as Non-Executive Independent Director of the Company for a period of 5 years from 5th September, 2014 to 4th September, 2019 by the Shareholders in the 41st Annual General Meeting (AGM) of the Company held on 5th September, 2014.

Subsequently, in view of the amended regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which will come into force with effect from 1st April, 2019, members of the Company at the 45th Annual General Meeting held on 28th September, 2018 had approved by Special Resolution continuance of Shri Ravinder Kumar Narang w.e.f 1st April, 2019 onwards as a Non-Executive Independent Director for the remaining period of his first tenure even on attaining the age of 75 years or more.

Shri Ravinder Kumar Narang, aged about 80 years, has been Director on the Board of the Company since 2009. He is also a member of the Stakeholder's Relationship Committee and Remuneration Committee in the Company. He is an Ex-Chairman of IOCL with vast experience in the field of Operations, Project Development and marketing Network. Under his guidance the Company has achieved new heights and emerged as the leading organisation in the Steel Pipes and Lighting Industry. The Board has benefitted from his relevant specialisation and expertise. Details on his attendance of various Board Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report.

As per the provisions of Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the board of a company for two consecutive terms and shall not be included in the total number of directors for retirement of rotation. Shri Ravinder Kumar Narang meets the criteria of independence and eligible for reappointment for second term as per the provisions of the Companies Act, 2013 and the rules made thereunder read with Listing Regulations and he is not debarred from re-appointment by any order of SEBI or any other authority.

Further as per Listing Regulations, no listed entity can continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years or reappoint for the second term unless a special resolution is passed to that effect.

Pursuant to Section 149, 150, 152 160 and Schedule IV (Code for Independent Directors) of the Companies Act, 2013, and the Articles of Association of the Company and all other relevant provisions and that of Listing Regulations, Board of Directors upon the recommendation of the Nomination and Remuneration Committee and based on his exceptional performance evaluation report over the years, in its meeting held on 2nd August, 2019 proposed the

name of Shri Ravinder Kumar Narang for re-appointment as a Non-executive Independent Director of the Company for the second term for a consecutive period of three years from 5th September, 2019 to 4th September, 2022 not liable to retire by rotation and recommends the same for the approval by the shareholders of the Company as a Special Resolution as set out at item no.8.

Except Shri Ravinder Kumar Narang, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolution.

Information as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the "Listing Regulations"

Shri Ravinder Kumar Narang, aged about 80 years, is a member in Nomination & Remuneration Committee and Stakeholder's Relationship Committee of the Company. He has done B.E (Mech) from University of Roorkee. He is a Distinguished Fellow of The Energy and Resources (TERI) and was full time director in Reliance Petroleum Limited followed by advisor after the merger of Reliance Petroleum with Reliance Industries Ltd. He acted as an advisor of established groups for feasibility study and project development in the area of Coal Bed Methane, Refinery, Liquefied Natural Gas (LNG) terminal, development of marketing network .He was also the Chairman of Indian Oil Corporation Limited, Indo-Mobil Limited, Indian Oil Tanking and many other established corporates during his service tenure. He has a vast experience of over 56 years in the field of Operations, Project Development, Marketing Network and other functional areas. He has no inter-se relationship with any other director of the Company .Further, he is not holding any shares of the Company.

ITEM NO. 9

Shri Tara Sankar Sudhir Bhattacharya having DIN -00157305 was last appointed as Non-Executive; Independent Director of the Company for a period of 5 years from 5th September, 2014 to 4th September, 2019 by the Shareholders in the 41st Annual General Meeting (AGM) of the Company held on 5th September, 2014.

Shri Tara Sankar Sudhir Bhattacharya, aged about 71 years has been the Director of the Board of the Company from 2011 onwards. He is also a member of the Audit Committee in the Company. He retired as a Managing Director from State Bank of India and carries with him a vast experience of over 46 years. He also worked with Saha Institute of Nuclear Physics, an affiliate of Tata Institute of Fundamental Research. Further he is also holding Associateship of Indian Institute of Bankers. The Board has benefitted from his relevant specialisation and expertise. Details on his attendance of various Board Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report.

As per the provisions of Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the board of a company for two consecutive terms and shall not be included in the total number of directors for retirement of rotation. Shri Tara Sankar Sudhir Bhattacharya meets the criteria of independence and eligible for reappointment for second term as per the provisions of the Companies Act, 2013 and the rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and he is not debarred from re-appointment by any order of SEBI or any other authority.

Further as per Listing Regulations, no listed entity can continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years or reappoint for the second term of five consecutive years unless a special resolution is passed to that effect.

Pursuant to Section 149, 150, 152 160 and Schedule IV (Code for Independent Directors) of the Companies Act, 2013 , and the Articles of Association of the Company and all other relevant provisions and that of Listing Regulations, Board of Directors upon the recommendation of the Nomination and Remuneration Committee and based on his exceptional performance evaluation report over the years, in its Meeting held on 2nd August,2019 proposed the name of Shri Tara Sankar Sudhir Bhattacharya for re-appointment as a Non-executive Independent Director of the Company for the second term for a consecutive period of five years from 5th September, 2019 to 4th September, 2024 not liable to retire by rotation and recommends the same for the approval by the shareholders of the Company as a Special Resolution as set out at item no.9.

Except Shri Tara Sankar Sudhir Bhattacharya, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolution.

Information as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the "Listing Regulations"

Shri Tara Sankar Sudhir Bhattacharya, aged about 71 years besides holding directorship in the Company also holds directorship in Jindal Stainless Limited, Nandan Denim Limited, Uflex Limited, Arshiya Limited .Sharven Consultancy Private Limited, IDFC Projects Limited and Bajaj Energy Limited. He also holds membership of Audit Committee in Surya Roshni Limited, Jindal Stainless Limited, Nandan Denim Limited, Uflex Limited, .Arshiya Limited and Nomination & Remuneration Committee in Jindal Stainless Limited and Nandan Denim Limited and also holds membership of Corporate Social Responsibility Committee in Arshiya Limited. Sh. T S Bhattacharya retired as a Managing Director from State Bank of India carried with him a vast experience of 46 years. Shri T S Bhattacharya is a Master of Science in Nuclear Physics and holds Post Graduate Diploma in Management Science from Jamnalal Bajaj Institute of Management, Mumbai. Further he is also holding Associateship of Indian Institute of Bankers. He has no inter-se relationship with any director of the Company. He has no inter-se relationship with any other director of the Company Further, he is not holding any shares of the Company.

ITEM NO. 10

Shri Sudhanshu Kumar Awasthi having DIN -02162923 was last appointed as Non-Executive Independent Director of the Company for a period of 5 years from 5th September, 2014 to 4th September, 2019 by the Shareholders in the 41st Annual General Meeting (AGM) of the Company held on 5th September, 2014.

Shri Sudhanshu Kumar Awasthi, aged about 74 years, has a vast experience of over 54 years in the field of Banking and Finance. Shri Awasthi retired as General Manager from PNB and is working as a Banking and Management Advisor.

As per the provisions of Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the board of a company for two consecutive terms and shall not be included in the total number of directors for retirement of rotation. Shri Sudhanshu Kumar Awasthi meets the criteria of independence and eligible for reappointment for second term as per the provisions of the Companies Act, 2013 and the rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and he is not debarred from re-appointment by any order of SEBI or any other authority.

Further as per Listing Regulations, no listed entity can continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years or reappoint for the second term unless a special resolution is passed to that effect.

Pursuant to Section 149, 150, 152 160 and Schedule IV (Code for Independent Directors) of the Companies Act, 2013 , and the Articles of Association of the Company and all other relevant provisions and that of Listing Regulations, Board of Directors upon the recommendation of the Nomination and Remuneration Committee and based on his remarkable performance evaluation report over the years, in its meeting held on 2nd August,2019 proposed the name of Shri Sudhanshu Kumar Awasthi, for re-appointment as a Non-executive Independent Director of the Company for the second term for a consecutive period of three years from 5th September, 2019 to 4th September, 2022 not liable to retire by rotation and recommends the same for the approval by the shareholders of the Company as a Special Resolution as set out at item no.10.

Except Shri Sudhanshu Kumar Awasthi, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolution.

Information as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the "Listing Regulations"

Shri Sudhanshu Kumar Awasthi (DIN- 02162923) aged about 74 years, a P.G Diploma in Bank Management from National Pune Institute of Bank Management (NBIM) and Post-Graduation in Business Administration from Lucknow and also a certified Associate of Indian Institute of Bankers Mumbai is an independent director of the Company from September, 2014. He carried with him a vast experience of 54 years and was retired as Ex-General Manager of Punjab National Bank and also served as Managing Director in PNB Capital services Limited. As a Senior most General Manager of PNB Core Management team he headed functions such as Human Resources, Information Technology, Credit, Treasury, Internal Audit, Priority Sector, Management Advisory Services. During his experience with the bank, he was closely involved with initiatives like Restructuring, Technology up gradation, Public offering, Management of Debt insurance besides managing the business and growth issues on regular basis. Shri Awasthi was also a member of working groups set up by Indian Banks' Association, Reserve Bank of India including working groups on Cheque Transaction and e-Cheques constituted by Reserve Bank of India. His keen interest in people took him to many schools and institutions as a guest lecturer on variety of issues related to academic and current affairs. He is not holding directorship in other Company except Surya Roshni Limited Further, he is not holding any chairmanship / membership of the Committees in the Company. He has no inter-se relationship with any other director of the Company. Further he is not holding any shares of the Company.

ITEM NO. 11

Shri Surendra Singh Khurana having DIN - 02126149 was last appointed as Non-Executive; Independent Director of the Company for a period of 5 years from 5th September, 2014 to 4th September, 2019 by the Shareholders in the 41st Annual General Meeting (AGM) of the Company held on 5th September, 2014.

Shri Surendra Singh Khurana, aged about 69 years, is also a member of the Audit and Nomination & Remuneration Committee in the Company. He possess has a vast experience of over 43 years in the field of Administration, and Corporate Management. He is a Fellow member of the Institute of Engineers, Life member of Institute of Rail Transport, Life Member of AIMA, Senior Member of IEEE/USA, Life member of the Institute of Railway Electrical Engineers (IREE) and member of Indian National Academy of Engineers (INAE). He is the Former Chairman, Railway Board and ex-officio Principal Secretary to Government of India

As per the provisions of Section 149, an independent director can

hold office for a term up to 5 (five) consecutive years on the board of a company for two consecutive terms and shall not be included in the total number of directors for retirement of rotation. Shri Surendra Singh Khurana meets the criteria of independence and eligible for re-appointment for second term as per the provisions of the Companies Act, 2013 and the rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and he is not debarred from re-appointment by any order of SEBI or any other authority.

However, in view of the provisions of the Companies Act, 2013 and the rules made thereunder read with Listing Regulations, company cannot re-appoint any person as an independent director for the second term of five consecutive years unless a special resolution is passed to that effect.

Pursuant to Section 149, 150, 152 160 and Schedule IV (Code for Independent Directors) of the Companies Act, 2013, and the Articles of Association of the Company and all other relevant provisions and that of Listing Regulations, Board of Directors upon the recommendation of the Nomination and Remuneration Committee and based on his exceptional performance evaluation report over the years, in its Meeting held on 2nd August, 2019 proposed the name of Shri Surendra Singh Khurana for appointment as a Non-executive Independent Director of the Company for the second term for a consecutive period of five years from 5th September, 2019 to 4th September, 2024 not liable to retire by rotation and recommends the same for the approval by the shareholders of the Company as a **Special Resolution** as set out at item no.11.

Except Shri Surendra Singh Khurana, no other Director(s) and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the said Resolution.

Information as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the "Listing Regulations"

Shri Surendra Singh Khurana (DIN- 02126149) aged about 69 years, a Bachelor of Engineering (Mech.) from Roorkee. advance leadership programme from Stern Business School, New York, U.S.A and Management Development programme from IIM- Ahmedabad has been appointed as an independent director of the Company on 5th September, 2014. He is not holding directorship in other Company except Surya Roshni Limited Further, he holds membership in Audit Committee and Nomination & Remuneration Committee of the

Company. Shri Khurana carried with him a bend of 43 years of strong Administrative, Corporate, Managerial and Technical experience in Indian Railways. Sh. Khurana, served key positions of Indian Railway such as Chairman, Railway Board and Ex-officio Principal Secretary to the Government of India, Shri Khurana is also a Fellow member of the Institute of Engineers, Life member of Institute of Rail Transport, Life Member of AIMA, Senior Member of IEEE/USA, Life member of the Institute of Railway Electrical Engineers (IREE) and member of Indian National Academy of Engineers (INAE). Sh. Surendra Singh Khurana was also awarded with Life Time Achievement Awards from Institution of Engineers, Distinguished Alumnus Award 2009 from IIT Roorkee and Eminent Engineers Award from IET/UK. He has no inter-se relationship with any other director of the Company Further he is not holding any shares of the Company.

ITEM NO. 12

Pursuant to the provisions of Section 4 & 13 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, alterations in the existing Memorandum of Association (the "MOA") of the Company by substitution/deletion of certain clauses as approved by the Board of Directors at their meeting are in conformity with the provisions of Companies Act 2013.

Adoption / substitution / deletion / alteration of Memorandum of Association of the Company in accordance with the requirement of Companies Act, 2013 will subject to the approval of the members of the Company. The same shall be adopted in substitution of existing clauses of Memorandum of Association of the Company

The Board of Directors recommends the resolution(s) as set out in item No.12 for the approval of the shareholders as a Special Resolution.

Copy of the Memorandum of Association to be adopted are open for inspection at the registered office of the Company during business hours on any working day prior to the date of meeting.

None of the Directors, Key Managerial Personnel or relatives of Directors or Key Managerial personnel have any interest financial or otherwise in the said resolution.

By order of the Board

Registered Office:

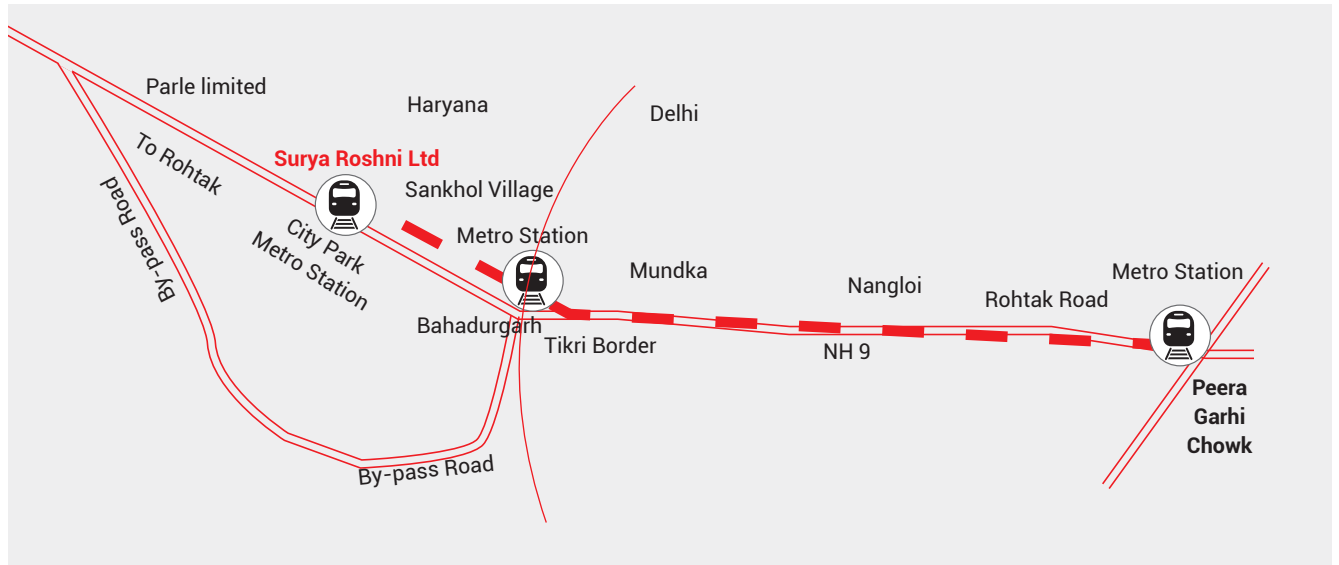
Prakash Nagar, Sankhol,
Bahadurgarh – 124 507 (Haryana)

Dated: 02nd August, 2019

B. B. Singal
Sr. V.P & Company Secretary

SURYA

ROUTE MAP OF THE VENUE OF 46TH ANNUAL GENERAL MEETING (AGM) OF EQUITY SHARE HOLDERS OF SURYA ROSHNI LIMITED AT BAHADURGARH (HARYANA)



SURYA

SURYA ROSHNI LIMITED

Regd. Office: Prakash Nagar, Sankhol, Bahadurgarh – 124507 (Haryana)
Corporate Identity Number (CIN) – L31501HR1973PLC007543
Phone: +91-1276- 241540 **Fax No.** +91-1276-241886
Website: www.surya.co.in, **Email id:** investorgrievances@sroshni.com

ATTENDANCE SLIP

Member's Name.....

(In Block Letters)

I hereby record my presence at the Forty Sixth (46th) Annual General Meeting of Surya Roshni Limited being held at Prakash Nagar, Sankhol, Bahadurgarh – 124507 (Haryana) on Wednesday, the 4th September, 2019.

Folio/Client ID & DP ID No.....

No. of Shares held

Name of Proxy

(If attending for Member)

Signature of the Member/Proxy

1. Members/Proxies are requested to bring the DULY SIGNED Attendance Slip to the Meeting and hand it over at the entrance.
2. For the convenience of Members, persons other than Members/Proxies WILL NOT BE ADMITTED.

SURYA ROSHNI LIMITED

Regd. Office: Prakash Nagar, Sankhol, Bahadurgarh – 124507 (Haryana)
Corporate Identity Number (CIN) – L31501HR1973PLC007543
Phone: +91-1276- 241540 Fax No. +91-1276-241886
Website: www.surya.co.in, Email id: investorgrievances@sroshni.com

FORM NO. MGT-11 PROXY FORM

(Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No. / DPID & Client ID:.....

I / We being the Member(s) of _____equity shares of ₹ 10/- each of Surya Roshni Limited hereby appoint:

1. Name :

Address :

E-mail ID : _____ Signature _____
or failing him / her

2. Name :

Address :

E-mail ID : _____ Signature _____
or failing him / her

3. Name :

Address :

E-mail ID : _____ Signature _____
or failing him / her

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the forty sixth (46th) Annual General Meeting of the Company, to be held on Wednesday, 4th September, 2019 at Prakash Nagar, Sankhol, Bahadurgarh – 124507 (Haryana) and at any adjournment(s) thereof in respect of the resolutions, as indicated below :

| Item Nos. | Description of the Resolution |
|--------------------------|---|
| ORDINARY BUSINESS | |
| 1. | Adoption of Audited Financial Statements including Consolidated Financial Statements of the Company for the year ended 31st March, 2019 and the Report of Directors' and Auditors thereon. |
| 2. | Declaration of Equity Dividend of ₹ 2/- each on the paid up Share Capital of the Company as at 31st March, 2019 |
| 3. | Re-Appointment of Smt. Urmil Agarwal (DIN – 00053809) who retires by rotation. |
| SPECIAL BUSINESS | |
| 4. | Consent for Mortgage of Properties for Working Capital limit u/s 180(1)(a) of the Companies Act, 2013. |
| 5. | Approval of Re-appointment and Remuneration of Shri Raju Bista (DIN – 01299297) as Managing Director of the Company for a period of five years as per the provisions of the Companies Act, 2013. |
| 6. | Ratification of Remuneration of Cost Auditors M/s R J Goel & Co. for the F.Y – 2019-20, in compliance to the provision of the Companies Act, 2013. |
| 7. | Re-Appointment of Shri Krishan Kumar Narula (DIN – 00098124) for Second term as an Independent Director of the Company for the period of three years as per the provisions of the Companies Act, 2013. |
| 8. | Re-Appointment of Shri Ravinder Kumar Narang (DIN – 02318041) for Second term as an Independent Director of the Company for the period of three years as per the provisions of the Companies Act, 2013. |
| 9. | Re-Appointment of Shri Tara Sanakar Sudhir Bhattacharya (DIN – 00157305) for Second term as an Independent Director of the Company for the period of five years as per the provisions of the Companies Act, 2013. |
| 10. | Re-Appointment of Shri Sudhanshu Kumar Awasthi (DIN – 02162923) for Second term as an Independent Director of the Company for the period of three years as per the provisions of the Companies Act, 2013. |
| 11. | Re-Appointment of Shri Surendra Singh Khurana (DIN – 02126149) for Second term as an Independent Director of the Company for the period of five years as per the provisions of the Companies Act, 2013. |
| 12. | Approval for Adoption / substitution / deletion / alteration of Memorandum of Association of the Company in substitution of existing Memorandum of Association of the Company as per the provisions of the Companies Act, 2013. |

Signed this _____ day of _____ 2019

Signature of the Member(s) :

Signature of Proxy holder(s):

Signature of Proxy holder(s):

Affix Re.1/-
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



MAS SERVICES LIMITED

Regd. Office : T-34, 2nd Floor, Okhla Indl. Area, Ph-II, New Delhi – 110 020

PHONE:- 011-26387281, 82 & 83, FAX:- 011 – 26387384

E-mail:- info@masserv.com & CIN : U74899DL1973PLC006950

GST No.: 07AAACM1642B1Z4

Date: 5th August, 2019

To,
Surya Roshni Limited
Prakash Nagar, Sankhol
Bahadurgarh – 124507
Haryana - 124507

SUBJECT: DISPATCH OF ANNUAL REPORT 2018-19 ALONG WITH 46th ANNUAL GENERAL MEETING(AGM) NOTICE TO EQUITY SHAREHOLDERS OF SURYA ROSHNI LIMITED TO COMMENCE FROM 5TH AUGUST, 2019

Dear Sir,

We Mas Services Limited (Category-I, SEBI Registrar having Registration No. INR000000049) having its Registered Office at T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110020 in the capacity as Registrar and Transfer Agent of M/s Surya Roshni Limited hereby informed you that the dispatch of the Annual Report 2018-19 of the Company along with 46th Annual General Meeting Notice to Equity Shareholders (as registered on 26st July, 2019) of Surya Roshni Limited (the 'Company') having Registered Office at : Prakash Nagar, Sankhol, Bahadurgarh – 124507 (Haryana) and Corporate Office at Padma Tower – I, 2nd floor, 5 Rajendra Place, New Delhi- 110008 to commence from 5th August, 2019 through Registered Post / Courier / E-mail.

for Mas Services Limited

Sanjay Rastogi
Manager (Acct. & Admin)

