भारतीय मानक ब्यूरो
मानक पथप्रदर्शकः
Bureau of Indian Standards
An IS/ISO 9001, An IS/ISO 14001 & IS: 18001 Company

SURYA

SURYA ROSHNI LIMITED

CIN - L31501HR1973PLC007543
2nd Floor, Padma Tower-1, Rajendra Place, New Delhi-110 008
Ph.: +91-11-25810093-96, 47108000 **Fax :** +91-11-25789560
E-mail : cs@surya.in **Website :** www.surya.co.in

SRL/se/18-19/34
October 01, 2018

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 2017-2018

Dear Sir,

In compliance to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the soft copy of the Annual Report 2017-2018 as approved and adopted by the shareholders of the company in its 45th Annual General Meeting held on 28th September, 2018 at Registered office of the company.

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,
for SURYA ROSHNI LIMITED

SURYA ROSHNI LIMITED NEW DELHI 110008

B. B. SINGAL
Sr. V.P & COMPANY SECRETARY

Enclosed : as above.

SURYA

Future Perfect!

SURYA ROSHNI LIMITED

Annual Report 2017-18

You will come across...

Corporate Overview

Strong foundation for a sustainable future 02 | Diversified product offering 04 | Pan-India presence 10 | Milestones of success 11 | Financial performance snapshot 12 | Chairman's message 14 | From the Managing Director's desk 16 | Leading the way 18 | Key management personnel 21 | Caring for the future of the community 22 | Corporate information 24

Statutory Reports

Management Discussion and Analysis 25 | Board's Report 41 | Corporate Governance Report 75

Financial Section

Independent Auditor's Report 96 | Balance Sheet 100 | Statement of Profit and Loss Account 101 | Cash Flow Statement 102 | Statement of Changes in Equity 103 | Notes to Financial Statements 104

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.

Investor Information

Market capitalisation as on March 31st, 2018:
₹ 2,076 crore

BSE Code:
500336

NSE Symbol:
SURYAROSNI

Dividend for 2017-18:
₹ 2.00 per Equity Share

AGM Date: 28th September, 2018

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

With improved business environment and upbeat consumer sentiments, the nation is on track to achieve a sustainable growth going ahead.

Prudent macroeconomic policies, a new inflation-targeting framework, energy subsidy reforms, fiscal consolidation, higher quality of public expenditure and a stable balance of payment situation are some of the measures that have strengthened the country's responsiveness to uncertainties.

Amidst this backdrop, Surya Roshni is perfectly positioned to leverage the future growth potential. GST implementation has further strengthened its presence being in the organised space. The Company's business segments – Steel Pipes & Strips and Lighting & Consumer Durables – will largely benefit from the strong macro-economic indicators. Both the segments are heading towards accomplishing a business model that is capable of generating sustainable individual values.

Strong infrastructural and housing opportunities, favourable Government initiatives like National Steel Policy 2017, 'Housing for All', 'Make In India', Smart Cities, railways & airport modernisation, coupled with expansions across oil and gas pipelines, city gas distribution and water transportation will drive strong demand for the Company's steel pipes & strips segment.

The future potential of the lighting segment is equally strong. Government's increasing awareness drive about replacing the 14 Million conventional street lights with energy efficient LEDs along with its ambitious plans of electrifying 40 Million households across rural and urban India through initiatives like Saubhagya Yojna (Bijli Har Ghar) will drive strong future LED demand. Besides, higher disposable incomes and customer aspirations also play a key role in generating demand for the Company's lighting & consumer durable products. The Company's completely backward integrated facilities will be crucial in playing a key role in this segment.

Promising industrial optimism along with the Company's readiness to embrace the hidden opportunities, leveraging its key USP of providing quality and value for money, gives a visibility of a strong and vibrant future going ahead.

₹3,617 crore

Gross revenues from steel pipes and strips segment

₹1,395 crore

Gross revenues from lighting & consumer durable segment

○ Infrastructure ○ Housing ○ Urban ○ Railway ○ Airport ○ Agriculture ○ Water Transportation
○ City Gas ○ Oil and Gas Transportation ○ Fire Fighting ○ Smart City ○ Street Lighting

SURYA

Strong foundation for a sustainable future

Malanpur Plant, Gwalior (M.P.)

R&D Centre, STIC (Noida)

Anjar Plant, Kutchh (Gujarat)

In lighting & consumer durable segment, Surya Roshni Limited is engaged in manufacturing of energy-efficient LED lights, conventional lighting, fittings, fans and home appliances products. In steel pipes & strips segment, the Company manufactures ERW Steel Pipes (GI, Black, Hollow section), API & Welded Spiral Pipes, 3LPE Coated Pipes and CR sheets.

Established in 1973, the Company has spearheaded the technological revolution and evolved as one of the fully integrated steel pipes, lighting and consumer durable conglomerate with over ₹ 5,000 crore turnover. The Company's 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 are exported across 50 countries globally. It has gained strong market reputation with best-in-class quality offerings across the Company's businesses.

The Company is amongst India's market leaders in the ERW steel tube & pipe industry, catering to the need of diverse industries such as agriculture, infrastructure, oil & gas and construction sectors. It is India's largest manufacturer of ERW GI Pipes and largest exporter of ERW Pipes. The steel pipe products for oil & gas sector are also approved by the reputed API (American Petroleum Institute). In 1984, Surya Roshni ventured into lighting operations and seamlessly transitioned from being a leader of conventional lamps manufacturer to one of the leading LED brands in the lighting industry. It is working in tandem with the India's sustainable and economic goal of lighting every house with low cost and energy-efficient lights.

50+	3,614	100%	5 years+	₹5,012 crore
Export across countries globally	Employees as on 31st March, 2018	Backward integrated	Association with over 50% of lighting distributors	Revenue from operations

In 2014-15, Surya Roshni strategically forayed into related products like fans and home appliances with large range of quality product offerings at affordable selling prices, providing smart and user-friendly interface. The widespread marketing network of 2,500 distributors and 2.5 lakh retailers / dealers has allowed to mark a Pan-India presence.

The Company has a 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 and Innovation Centre (STIC) at Noida (NCR).

7Ps that make the Company Future Perfect!

Professionalism

Validation of promise and delivery, driving the Company to become better each day.

Product Development

Deliver innovative and energy-efficient offering to customers.

Productivity and Perfection

Efficient to deliver more with better capacity utilisation and perfection with higher economies of scale.

Promotions

Enhance branding and visibility of the Company's brands 'Prakash Surya' and 'Surya'.

Performance Evaluation

Regularly monitor the outcomes and evaluate the strategies for a sustainable future.

Payback

Ensure faster ROI on capex through capacity rationalisation and enhanced shareholders' value-creation.

Profitable Growth

Strengthen revenues, optimise cost with higher EBITDA, ROE and ROCE.

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, CR strip, lighting & consumer durable products and technology for markets across the world."

Mission

Energising lives and beyond

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

₹349 crore	₹243 crore	₹108 crore	12.54%	10.81%
EBITDA	Cash Profit	PAT	ROCE	ROE

EBITDA: Earnings before Interest, Tax, Depreciation and Amortization | PAT: Profit After Taxes | ROCE: Return on Capital Employed | ROE: Return on Equity

SURYA

Diversified product offering

At Surya Roshni, the Company's product offerings across both the segments that find its applications across the areas having strong future growth potential.

Lighting

Consumer (Trade)

- LED lamps
- LED downlighters
- LED fittings
- FTL fittings
- CFL
- GLS lamps
- Value-added offerings like colour-changers and auto-dimming

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

Fans

- Ceiling fans (includes value-added products like dust-free 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
- Glass cooktop
- Induction cooktop
- Sandwich maker/toaster
- Pop-up toaster

Garment care

- Dry iron
- Steam iron

Heating appliances

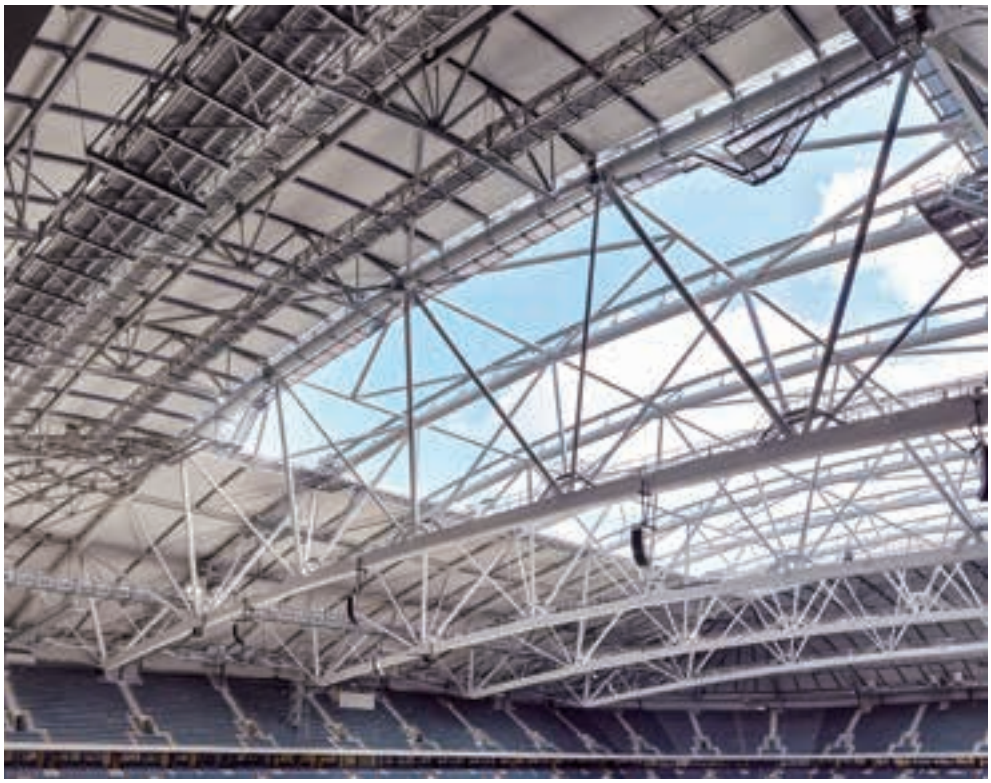
- Storage water heater
- Instant water heater
- Immersion water heater

Climate control

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

SURYA

Steel pipes and strips



ERW Steel Pipes (GI, Black, Hollow section)

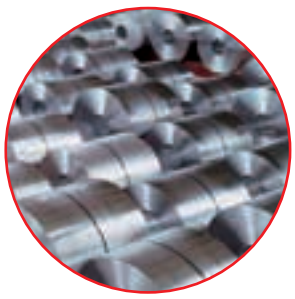
Applications:

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

API & Welded Spiral and 3 LPE Coated Pipes

Applications:

O Natural gas, oil pipelines O Crude refinery - cross country pipelines O Oil well casing O City gas distribution O Water pipelines – mains, sewerage, industrial water lines and plant piping O Piping pile foundation for high-rise buildings



CR Sheets / Strips

Applications:

O Auto components O Motor stamping O Furniture and fittings O Domestic appliances O Drums and barrels O Cycle rims O Umbrella tubes and rips O Engineering applications

Reaching out to the lighting customers

- Strong marketing and secondary sales network that ensures effective promotions
- Distribution network backed by wide product range, strong R&D and quality management teams to develop in-house solutions for specific micro-markets and resolve issues in a timely manner
- Decentralised branch and depot networks that helps in quick logistics movement, prompt delivery and customer satisfaction
- Strong trade network and retail outlets supports enriching product baskets and scaling up of revenues

300+
RTFs

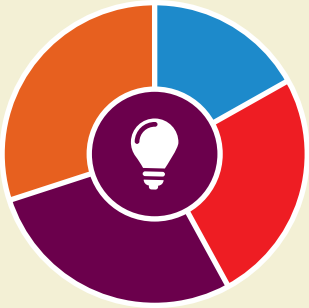
2,500+
Distributors

2,50,000
Retailers / Dealers

Distribution penetration

Rural	53%
Tier II	29%
Metro cities	18%

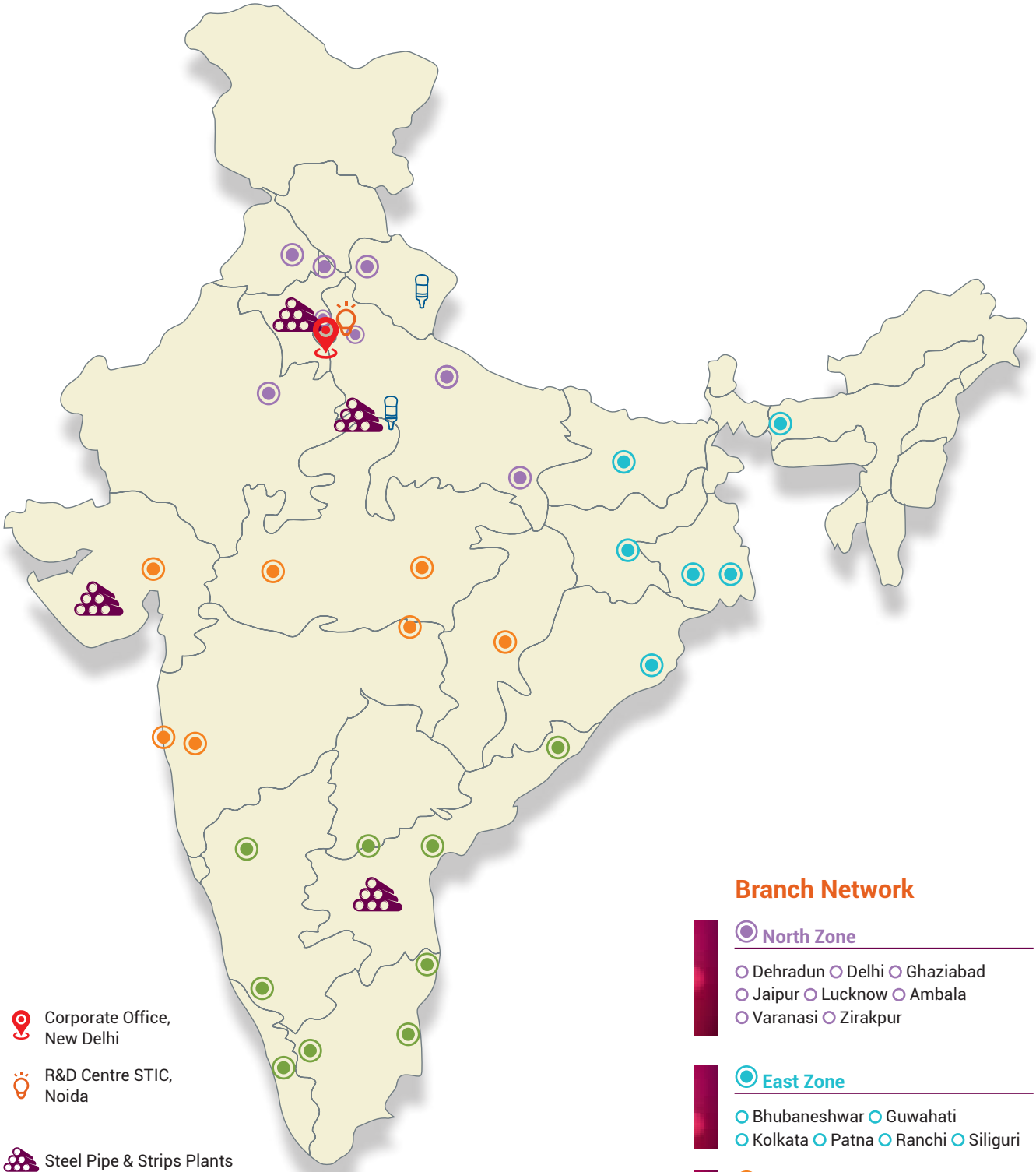
Revenue by region



East	17%
West	25%
North	28%
South	30%

SURYA

Pan-India presence



Corporate Office, New Delhi

R&D Centre STIC, Noida

Steel Pipe & Strips Plants
- Bahadurgarh (Haryana)
- Malanpur, Gwalior (M.P.)
- Hindupur (A.P.)
- Anjar, Kutchh (Gujarat)

Lighting Plants
- Kashipur (Uttarakhand)
- Malanpur, Gwalior (M.P.)

Branch Network

North Zone

Dehradun, Delhi, Ghaziabad, Jaipur, Lucknow, Ambala, Varanasi, Zirakpur

East Zone

Bhubaneshwar, 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

Milestones of success

2018

Completed merger of associate company Surya Global Steel Tubes Limited (SGSTL) with Surya Roshni Limited

2017

Commissioned New Steel Pipe Plant at Hindupur (A.P.) in March 2017; Expanded further to 1,50,000 MT in December 2017

2015

Launched Surya Home Appliances

2014

- Launched Surya Fans
- Commenced production of LED products at the Kashipur plant

2012

Commenced operations at the STIC (R&D) centre at Noida for energy efficient LED lights

2010

- Set up of Steel pipe Plant at Malanpur, Gwalior (MP)
- A new world-class pipe unit started production at Anjar (Kutchh), Gujarat (e-SGSTL Unit)
- PVC plant became operational

2006

Installed CFL unit at Malanpur, Gwalior (MP)

1998

Asia's largest ribbon glass plant started with annual capacity of 400 Million GLS and 25 Million FTL shells

1994

Started the new modern glass plant

1992

Started commercial operations of the second lighting plant at Gwalior (MP), production of filament for GLS and FTL commenced

1991

Commenced production of CR strips

1989

Commenced production of HPSVL and energy-efficient 26mm FTL

1984

Started the first lighting plant at Kashipur

1980

Started the Galvanizing plant

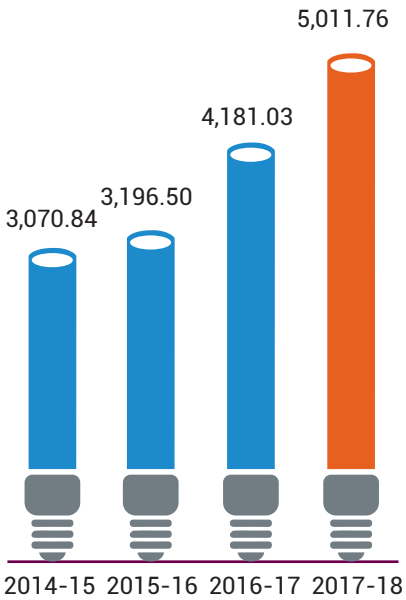
1973

Set up steel pipes plant at Bahadurgarh

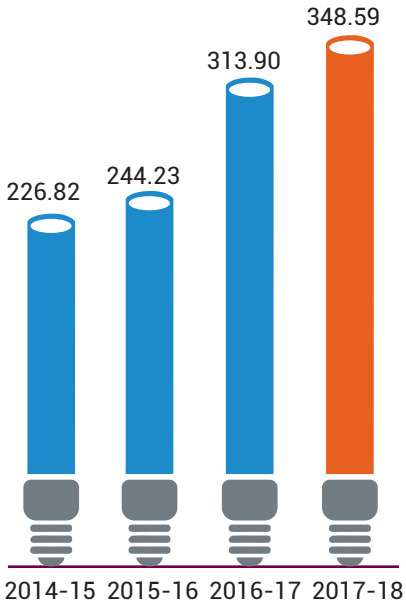
SURYA

Financial performance snapshot

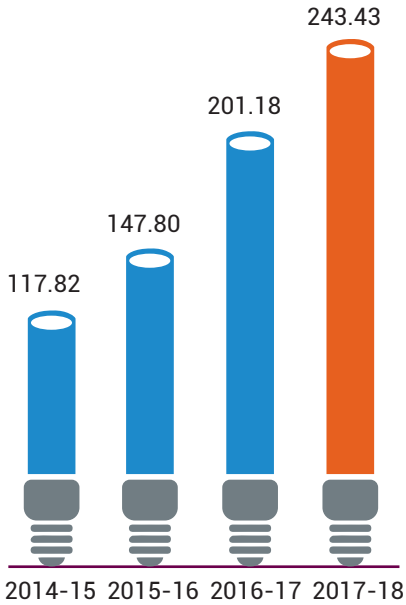
Revenues From Operations (₹ Crore)



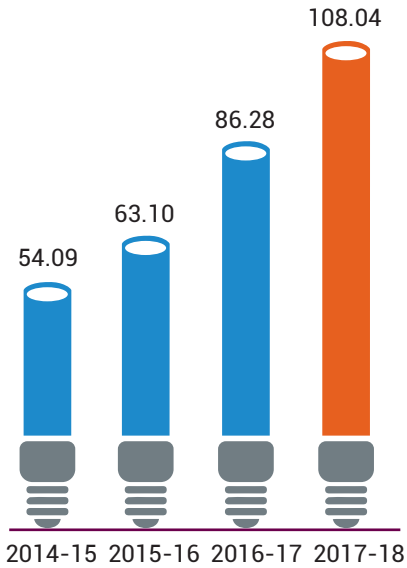
EBITDA (₹ Crore)



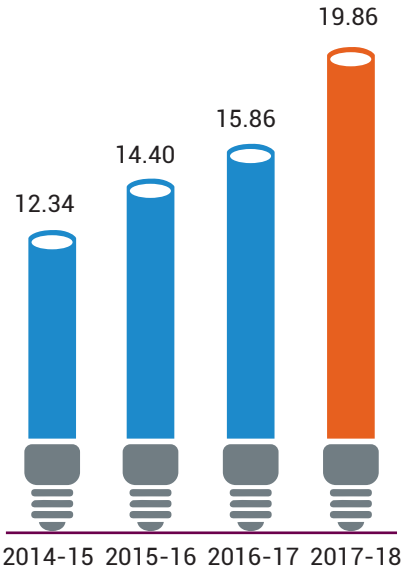
PBDT – Cash Profit (₹ Crore)



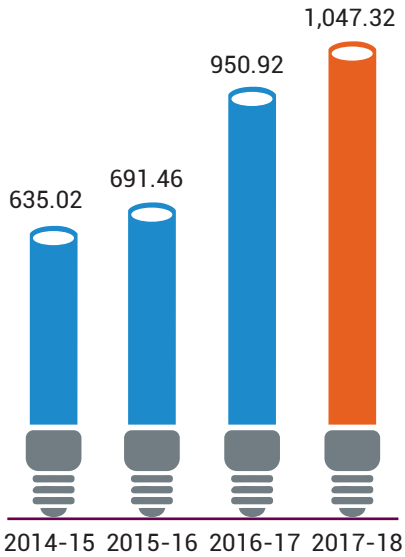
PAT (₹ Crore)



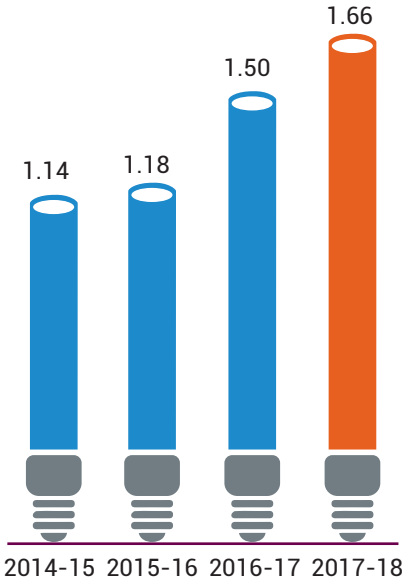
EPS (₹)



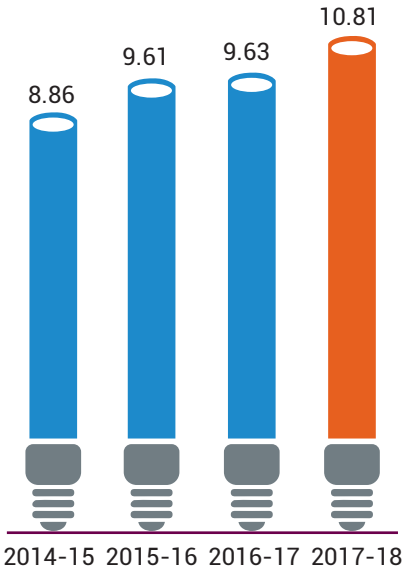
Net Worth (₹ Crore)



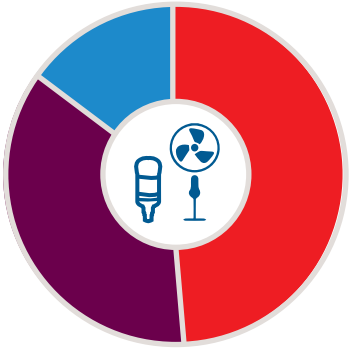
Interest Coverage Ratio



ROE (%)

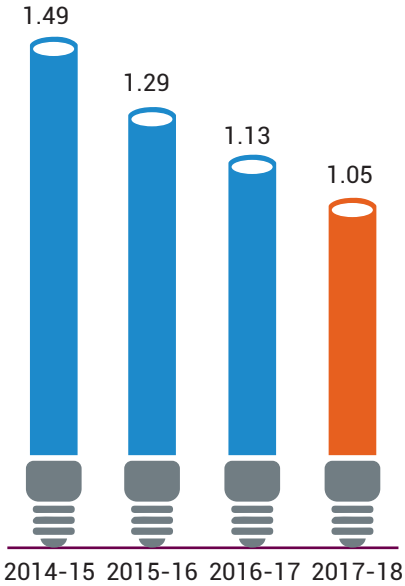


Lighting and Consumer Durables: Product-wise revenue

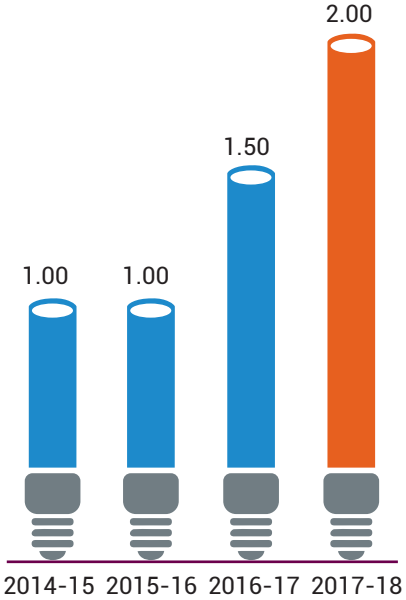


LED Lighting	49%
Conventional Lighting	33%
Consumer Durables/PVC	18%

Debt Equity



Dividend (₹)



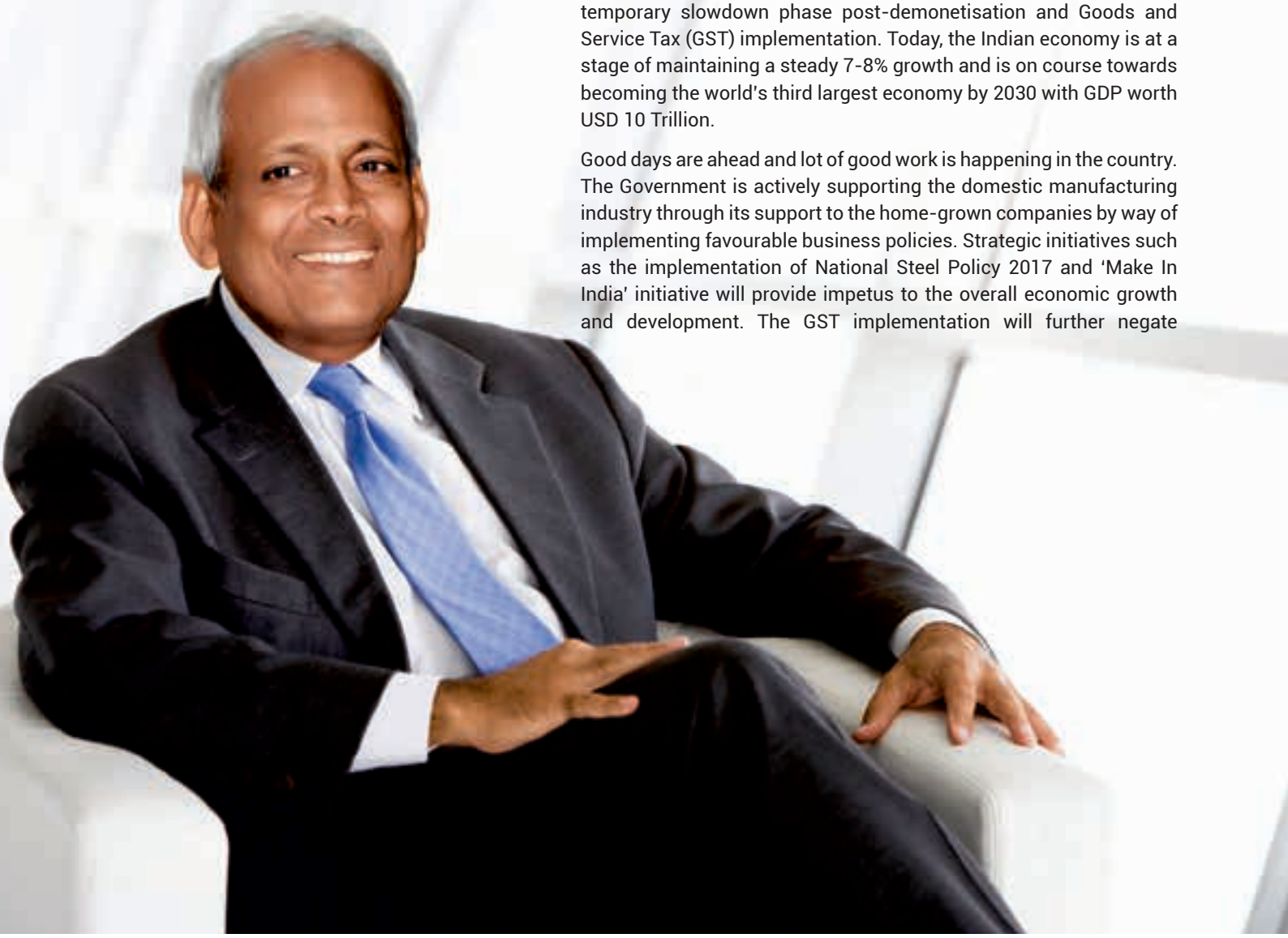
Steel Pipes and Strips: Product-wise revenue

GI Pipes	35%
Structural Pipes	27%
CR Sheets	14%
Black Round Pipes	13%
API & Spiral Pipes	11%

Notes:
1. Figures of FY 2018 and FY 2017 are of merged entity
2. Revenue from operation under IND AS for FY 2018, FY 2017 and FY 2016 are net off discount, rebate and allowances and under IGAAP for FY 2015 were before discount, rebate and allowances, hence to the extent not comparable.
3. 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 message

With a vision to emerge as a value-creator, we are significantly improving our products and process excellence.



Dear Shareholders,

Warm greetings to all of you!

I am always amazed by the speed of innovation and firmly believe that change is the only constant. Yet each year, the pace of change only accelerates. As we get into this new financial year, let me briefly share with you how Surya Roshni as an organisation is evolving by perfecting its strategies for the great future ahead. Over the years, we have continually displayed our allegiance to the nation and supported its ongoing needs, while also laying foundations and strategies in line with the nation's long-term vision, backed by resilience and a preparedness for every contingency.

Favourable macro-economic factors

The Indian growth story has never been so exciting. Our economy retained its recognition as 'the fastest growing major economies' by registering 6.7% GDP in 2017-18. The resilience to change is clearly reflected in this growth, as the country successfully overcame the temporary slowdown phase post-demonetisation and Goods and Service Tax (GST) implementation. Today, the Indian economy is at a stage of maintaining a steady 7-8% growth and is on course towards becoming the world's third largest economy by 2030 with GDP worth USD 10 Trillion.

Good days are ahead and lot of good work is happening in the country. The Government is actively supporting the domestic manufacturing industry through its support to the home-grown companies by way of implementing favourable business policies. Strategic initiatives such as the implementation of National Steel Policy 2017 and 'Make In India' initiative will provide impetus to the overall economic growth and development. The GST implementation will further negate

competition from unorganised players in the steel sector and lighting segment. This initiative will help us in leveraging upon the additional business share from unorganised players as well as strengthen the industry operations.

Favourable industry dynamics

Our optimism is further driven by the opportunities from our end-use industries. Our steel tubes and pipes segment is expected to reap rich benefits from the Government's vision of increasing the natural gas usage in households from 6.5% to 25% in the next ten years. Besides, several new tenders are in pipeline to build over 12,000 kms of pipelines across the nation. Rapid construction activities, revival in the real estate segment and affordable housing, shall further contribute towards the demand of our products. And lastly, but most importantly, is the demand from the rural segment. With Government's rural-centric policies in the recent budget, lots of activities in the areas of irrigation and construction will be driving the demand for our tubes and pipes.

The Indian lighting industry is expected to witness a CAGR of 17% by FY 2020. The industry has evolved rapidly, moving from using conventional lighting products to LEDs. This transition is driven by an increasing number of government initiatives for energy conservation, 100% rural electrification through EESL, rising consumer awareness about energy-efficient LEDs and innovative products offered by the industry that are in sync with the overall trend of digitisation. All the conventional products such as lamps, tubes, downlighters, street lights, outdoor lighting products are being changed to LED-based lighting products. Most importantly, the prices have settled in 2017-18, which are now more or less stabilised. The important thing to note here is the change in the customer perception about lighting. It has now become more of a designer product. Higher disposable incomes have further led to increase in number of points per home. The shift in perception will create more value for the lighting industry.

Our preparedness

As one of India's most respected and trusted brands for steel pipe and lighting products, we are making rapid strides in line with the 'Make In India' vision of the Government. We have been consistently meeting the customer's expectations through our world-class quality products. An innovation-driven approach has enriched our product portfolio, enhanced our clientele, strengthened our brands across diverse industries and de-risked our business model. We have already built up sufficient capacities across both our businesses that allow us to play the volume game. The upcoming 3LPE coated pipe manufacturing unit at Anjar, for pipe size between 4" to 64", shall further strengthen our positioning in the oil and gas segment. We have the advantage of being backward integrated in lighting as all the key components and assemblies are manufactured in-house. We have the desired capabilities and capacities in place to meet the volumes. Our smart and innovative products are a result of the continuous efforts of our R&D team at Surya Technology & Innovation Centre(STIC) at Noida – an advanced state-of-the-art lighting laboratory and research centre. This would drive the values.

Care for people

The passion and commitment of our people are key enablers of our success. Our team strength is magnified by the experience of our leadership teams and their daily execution of our plans. The combined excellence of our people and our world-class operating platform enables us to fully invest in our strong brands and product innovation pipeline. The resulting combination of brand strength, product innovation and best cost structure is a winning formula which has helped us deliver consistent performance over the years.

Care for community

As a responsible corporate, community development is inherited in our core value system. We have been an active contributor in the social and economic development of the weaker communities through various community building programmes in the field of health, skill development and education through our CSR arm – Surya Foundation. We have been committed towards creating a developed yet sustainable world through conscious efforts in elevating the level of weaker sections of the society. We have also enabled preservation of the scarce energy resource as a commitment to give back to the society, hence the entire range of our products is energy efficient and manufactures using world's best technology. Further, we are committed to empower the lives of as many underprivileged people through our health-based and other social initiatives.

Care for stakeholders - framework for long-term value creation

Our long-term value creation framework is built upon a strong foundation. We are a consistent dividend-paying company with a vision to emerge as a global value-creator. We are significantly improving our products and process excellence. The result is business resilience, strong efficiencies, high customer satisfaction and loyalty. We remain confident in our ability to effectively manage our business regardless of the operating environment and expect to continue delivering long-term value for all of our shareholders.

As we look beyond, we are all set to explore the multiple avenues for profitable growth.

In closing, I express deep appreciation for our Company's Board of Directors and professional & committed workforce. I also extend my sincere gratitude towards our stakeholders, bankers and customers for the deep faith they have imposed on us. I look forward towards your continuous association in the forthcoming years and co-create a sustainable future.

Best Wishes,

Jai Prakash Agarwal
Chairman

From the Managing Director's desk

We are evenly poised to leverage the future opportunities and drive positive outcome for our organisation, customer satisfaction and stakeholders' value-creation.

Dear Shareholders,

Each year we leave behind an important demonstration of our success story. A company with solid capabilities, right capacities and a sound strategic direction – is Surya Roshni of today, the largest GI Pipe manufacturer and the second largest lighting products manufacturer. We are evenly poised to leverage the future opportunities and drive positive outcome for our organisation, customer satisfaction and stakeholders' value-creation.

Performance to ponder

In the year gone by, your company demonstrated resilient performance despite market challenges from demonetisation and GST implementation. We maintained our strong balance sheet through our disciplined and conservative financial policies and our efficiency measures. We are happy to report that our gross revenues crossed ₹ 5,000 crore landmark during the year.

Our operational revenues from steel pipes and strips segment reported 36% growth, with 20% YoY increase in volumes. Cash profits and pre-tax profit increased 31% and 74%, respectively. The growth was largely driven by our commercial operations of Hindupur plant, operational efficiencies, supply to oil and gas sectors, strong brand premium as well as the merger of e-SGSTL (an associate company) which led to enhancement of our steel and pipes business. It is interesting to note that our newly set-up state-of-the-art ERW pipe manufacturing unit at Hindupur (for production of GI, black and section pipes) started yielding positive results from the very first year itself. We achieved economies of scale at lower capital cost, savings in logistics cost and improved our market share in the premium market of South India. Looking at this success, we have initiated a further expansion of 1,50,000 MT in this unit. Our Anjar unit successfully supplied 3LPE coated API pipes of ₹ 174 crore against the order of ₹ 314 crore (excluding taxes) to IOCL. Besides, there has been a satisfactory progress in setting up of our captive 3LPE coated API pipe manufacturing unit and are all set to commence with the commercial production during the second quarter of 2018-19. This will also lead to higher capacity utilisation of spiral and API pipe mills in the coming years.

Our growth in the lighting and consumer durable segment rebounded during the last quarter of FY 2017-18. The GST disruption led to de-stocking by several dealers across the country. We supported our trade partners by implying training and consultation to bring the sales back on track. As such, we ended the year with 8% increase in revenues from operations, 11% increase in cash profits and 14% increase in pre-tax profits. During the year, we launched several innovative LEDs like dynamic colour changing lamps, app-controlled lights, dimming lights, motion-sensors and solar lights, among others. Besides, we were very much prepared for the price erosion in LED and have built sufficient capacities for the volume play going ahead.

During the year, we augmented our fans portfolio by launching higher premium fans range with automatic colour changing LED Lights, electroplated finish, aero-dynamically designed blades and wood-finish aluminium blades. We also introduced fans with anti-dust technology, which attract 50% less dust than a regular fan and also developed a 32W super-efficient BLDC fan, which saves around 60% energy as compared to conventional fan. We have also introduced new models of energy-efficient and BEE five-star rated fans. The Company is gradually adding different types of consumer durables to its existing product basket which gives a competitive advantage and provide one-stop solution to the customers. We have introduced many new products under the Home Appliances segment, with special focus on glass cooktops, water heaters, mixer grinders, juicers and irons.

Bullish on opportunities

At Surya Roshni, we are extremely bullish about the future industry potential that will drive revenues across both our business segments. Consider the following facts:

- In the oil and gas segment there is an investment opportunity of ₹ 1 lakh crore for the expansion of API cross country line; out of these, 50% is for the pipeline augmentation
- This will be followed by city gas pipelines, necessitating the need for smaller pipe for interconnectivity
- There is a tremendous scope for diverting water from rivers and canals to the dry interior areas which will necessitate the demand for water pipelines
- Our upcoming 3LPE coating unit will enhance our market share in oil and gas pipelines and strengthen our exports
- Strong growth in the automobiles segment, will continue to drive demand for our CR strips
- Low per capita steel consumption of 61 Kg in India, as compared to world average of 208 Kg, will gradually improve owing to Government's increasing thrust towards the country's infrastructural development, leading to demand for pipes
- The LED industry size is at present estimated to be ₹ 18,000 crore and over the next 5 years, it is expected to reach ₹ 40,000 crore; thanks to the dynamic and quick transformation of conventional lighting source to LED owing to its energy efficiency quotient. Besides, the Government's thrust on electrification, 'Bijli Har Ghar Yojna' to electrify over 40 Million families across rural and urban areas and 'Smart Cities' project will continue to drive demand for LED street lights, bulbs and lighting products. I am happy to share that we have been procuring significant orders from EESL, which is the biggest testimony of our quality and abilities; there are several EESL tenders in the pipeline which will come up in the second quarter of 2018-19
- Our fans and appliances business has been strategically leveraging our electrical outlet network of over 250,000 counters, leading to good results over the past two years; these are the 'fast moving electrical goods' and hence promotional expenses are increased by 5-10% annually; we will also explore new business segments such as Canteen Stores Department, Central Police Canteen, E-commerce and Modern Retail format

The value-creation strategies

Going ahead we aim to create value by doubling our revenues and EBITDA for both the segments. These would be achieved through:

- Full capacity utilisation of our existing capacities and the future capacities post expansion; no further major capex is needed
- Upgrade technology, focus on modernisation and automation to enhance efficiencies, de-bottlenecking the capacities
- Continue to be a low-cost producer which will lead to strengthening of ROCE, ROE, overall profitability and asset utilisation
- Manage and expand our existing dealer and distributor network to under-penetrated areas

We now have a strong foundation and are well-poised to achieve the new heights with healthy growth. We will continue to leverage our global operating platform, consumer-relevant innovations and unmatched brand portfolio. Thank you for your continued support and your investments in our company. We look forward to furthering our legacy of long-term value creation for our shareholders while improving the lives of consumers throughout the world.

Best wishes,

Raju Bista

Managing Director

Leading the way

Board of Directors

Shri Jai Prakash Agarwal

Executive Chairman

An industry veteran, Shri Jai Prakash Agarwal has been the Promoter and Executive Chairman of the Company since inception. He is a graduate from the University of Calcutta.

He inherits the excellent entrepreneurship skills form his father Shri B. D. Agarwal (Former Chairman) and his exceptional managerial skills have helped the Company in transforming from a small steel unit into one of the most reputed and successful business conglomerate of the country today.

Shri Raju Bista

Managing Director

Shri Raju Bista is the young and dynamic Managing Director of the Company. He has done Executive Masters Programme in Business Administration with specialisation in Marketing Management from National Institute of Business Management.

He has been the driving force for propelling the growth engine and yielding profitable results for the Company. Under his dynamic leadership, Surya Roshni has successfully forayed into the fans and home appliances segment. His discipline, dedication, visionary power and relentless efforts have helped in achieving the holistic growth and development of the Company. He is also the Vice President of ELCOMA.

Smt. Urmil Agarwal

Woman Director

Smt. Urmil Agarwal, wife of Shri Jai Prakash Agarwal (Executive Chairman) holds the position as Woman Director in the Company. She has been providing her valuable assistance in the business from past 39 years. She is having sound business acumen and understanding of both the businesses of the Company.

Vinay Surya

Whole-time Director

Shri Vinay Surya is an additional whole-time director appointed on the Company board w.e.f. 18th May, 2018. He possesses vast experience of over 20 years in marketing, export, commercial, financial and operational fields. He has done an MBA from Swinburn University, Australia.

T S Bhattacharya

Independent Director

Shri T S Bhattacharya is a Director on the Company Board since 2011. He is an M.Sc in Nuclear Physics and holds PG Diploma in Management Science from Jamnalal Bajaj Institute of Management, Mumbai. In his illustrious professional career of 45 years, he has served significant management positions like the MD of SBI and many more. He is also on the Board of Directors of Jindal Stainless Limited, IDFC Securities Limited, IDFC Projects Limited, Nandan Denim Limited, Uflex Limited, Bajaj Energy Limited and Sharven Consultancy Pvt. Limited. Further, he is also holding the position of Associate at Indian Institute of Bankers.

Ravinder Kumar Narang

Independent Director

Shri Ravinder Kumar Narang has been a Director on the Company Board since June, 2009. He is also a member of the Remuneration Committee in the Company. He had completed his B.E (Mech) from the University of Roorkee. Presently, he is a Distinguished Fellow of The Energy & Resources Institute (TERI) and extending his expertise in the areas of Sustainable Development Outreach, Corporate Social Responsibility & Environment. He has vast experience of over 57 years in the field of Operations, Project Development and Marketing Network.

He has also served as a full-time Director in the Reliance Petroleum Limited and as an Advisor, post the merger of Reliance Petroleum with Reliance Industries Limited. He has also acted as an Advisor of established groups for the feasibility study and project development in the area of Coal Bed Methane, Refinery, Liquefied Natural Gas (LNG) terminal and development of marketing network. He is an Ex-Chairman of the Indian Oil Corporation Limited, Indo-Mobil Limited and Indian Oil Tanking including many others.

K.K. Narula

Independent Director

Shri K.K. Narula is an industry veteran and has been a Director on the Board of the Company since March 2000. He has done M.Com from the University of Delhi and also a Certified Associate of Indian Institute of Bankers (CAIIB). He has 54 years of prolific experience in the field of Banking and Finance. He is also the Chairman of the Company's Audit Committee. He is retired as the Chief General Manager from SBI Chandigarh (LHO) and is currently working as Banking and Management Consultant.

Sunil Sikka

Independent Director

Shri Sunil Sikka, a post graduate in Management (FMS-Delhi) and an Ex-President of Havells (India) Limited and ELCOMA. He has been appointed as an additional independent Director on the Board of the Company w.e.f. 12th February, 2018. During his illustrious career he led multiple initiatives to accelerate growth in marketing of consumer electrical and lighting in India. He is also a Director in Sudhir Power Limited.

Board of Directors (contd...)

Sudhanshu Kumar Awasthi

Independent Director

Shri Awasthi has been appointed as an Independent Director of the Company in September, 2014. He has a degree in Business Administration from Lucknow and has also completed PG Diploma in Bank Management from the National Institute of Bank Management (NIBM), Pune. He is also a Certified Associate of the Indian Institute of Bankers, Mumbai (CAIIB).

His illustrious professional experience of 52 years includes serving the key positions like General Manager of Punjab National Bank and Managing Director of PNB Capital Services Limited. Deputed as Senior General Manager in PNB Core Management team, he headed functions such as HR, IT, Credit, Treasury, Internal Audit, Priority Sector and Management Advisory Services.

Surendra Singh Khurana

Independent Director

Shri Khurana is an engineering graduate BE (Mech.) from Roorkee and also holds diploma in Advance Leadership Programme from the Stern Business School, New York, US. He has also completed Management Development Programme from IIM Ahmedabad. He is a Fellow member of the Institute of Engineers, Life member of the Institute of Rail Transport, Life Member of AI MA, Senior Member of IEEE /USA, Life member of the Institute of Railway Electrical Engineers (IREE) and member of the Indian National Academy of Engineers (INAE).

He has 41 years of experience in Administrative, Corporate, Managerial and Technical domains in the Indian Railways. He has also served the key positions of Indian Railways such as Chairman of Railway Board and Ex-officio Principal Secretary to the Government of India, Chairman of IRCON International Limited, Chairman of Dedicated Freight Corporation of India Limited (DFCCIL), General Manager of Eastern Railway & East Coast Railway.

He is awarded with the Life Time Achievement Awards from Institution of Engineers, Distinguished Alumnus Award 2009 from IIT Roorkee and Eminent Engineers Award from IET/UK.

Shivani Singla

Director

Smt. Shivani Singla, positioned as a General Manager in IDBI Bank Limited, was nominated as Director from 11th December, 2017. She has done her Masters in Management studies from BITS, Pilani. Her prolific career of 20 years includes hands on experience and in depth knowledge of Corporate finance and SME financing.

Key management personnel

Shri R. N. Maloo

Executive Director & Group CFO

A qualified Chartered Accountant with 32 years of experience in Corporate Affairs, Finance, Commercial and Taxation. Before joining Surya, he has also held CFO position in various large corporates and has partnered reputed CA Firm.

Shri Tarun Baldua

CEO – Steel Operations

A qualified Chartered Accountant with over 32 years of experience in Commercial, Operations and Administration of various businesses across industries.

Shri Ramanjit Singh

CEO – Lighting Operations

A qualified MBA with 31 years of experience in operational expertise. He has served on the post of Sr. Director at Philips India. He led multiple initiatives to accelerate innovation and growth in lighting industry.

Shri B. B. Singal

Sr. Vice President & Company Secretary

A qualified Chartered Accountant, Company Secretary and Cost Accountant having a rich experience of over 23 years in Secretarial Function, Corporate Laws, Accounts, Direct Tax & Investor Relationships.

SURYA

Caring for the future of the community

The Company lives by its core values of improving the quality of life for the communities and building trust. It is of the opinion that there is an underlying connect that binds all of us, beyond business. This community connect is central to the Company's corporate philosophy and operational ethos. Nurturing this connect remains high on the Company's progressive agenda, on translating its CSR agenda into on-ground programs and initiatives.

While corporate social responsibility is an ongoing campaign, the Company continues to strengthen its community connect through proactive measures year after year. Upholding the legacy of Surya Group, the Company has invested in varied community development programmes across its operations and is largely focussing on the fields of health, skill development and education. The responsibilities are discharged through the Surya Foundation.

Projects:

Adarsh Gram Yojna

The Company has established "Bal Vikas Kendras" in the remote and far-flung interior rural villages across 15 states in India. These centres focus on imparting moral education and values and train the young school going children and drop outs. They teach yoga and meditation and inculcate the spirit of patriotism in them to develop them into responsible citizens of the country.

Within a short duration, massive improvement has been observed in the overall behaviour of the children They are doing extremely well in their exams with overall improvement in their conduct and behaviour. Surya feels proud to be a part of this endeavour.

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

Promoting good health is the need of the day. We understand this reality, and have been extremely proactive in promoting naturopathy and yoga through naturopathy wing, the International Naturopathy Organization (INO) across India. In pursuance of same, the Foundation has organised various Naturopathy awareness camps and seminars throughout the year across various Indian states. The foundation also conducts Naturopathy Doctors and Management Training Programme for practitioners from India as well as abroad.

Ideal Village Projects with emphasis on Literacy and Personality Development of Youth

Youth is the foundation of a nation's future. We are engaged in developing the overall personality of youth through various personality development programmes. The regular training sessions on personality development has initiated remarkable changes in the behaviour of youth.

₹2.04 crore

CSR spends in 2017-18

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

REGISTERED OFFICE AND WORKS - STEEL DIVISION

Rohtak Road, Sankhol
Bahadurgarh -124507 (Haryana)
email : surya@suryasteelpipe.com

WORKS - STEEL DIVISIONS

- 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 Discussions and Analysis

Section A: Company review

Surya Roshni has emerged as a reputed manufacturing conglomerate, catering to diverse consumer need in both domestic and industrial categories. Established in 1973, the Company has evolved and manifested, not just a strong brand image, but also an irreplaceable mark onto the minds and consideration of customers. Today, it is considered amongst reputed manufacturing conglomerate and is India's largest exporter of ERW pipes and producer of ERW GI Pipes and the second largest manufacturer of lighting goods.

The Company operates across two business segments – Steel Pipes and Strips, and Lighting and Consumer Durables. Both the segments are poised to grow owing to the positive developments in the end-user industry. The future growth will be supported by the Company's strong brand presence for both the businesses in the organised segment, its locational advantage, strong distribution capabilities and innovative product offerings.

Section B: Economic review

1. Global economy

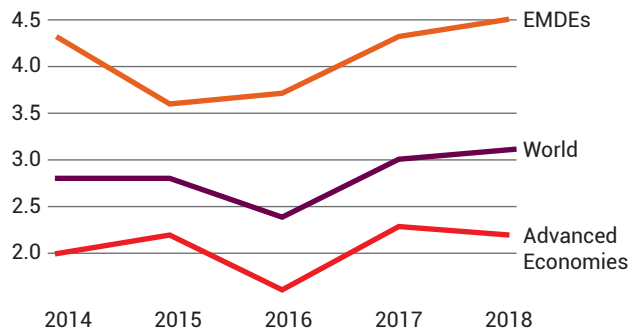
The global economy seems to be leaving the legacy of the global financial crisis of the past decade behind, as about half the world's countries have experienced a positive growth. The Global growth accelerated to 3.7% in 2017, supported by a broad-based recovery across advanced economies and emerging market and developing economies (EMDEs). The World Economic Outlook projects the global economic growth to further touch 3.9% in 2018.

However, over the medium term, this growth will remain flat as global slack dissipates, trade and investment moderate and financing conditions tighten. The advanced economies growth is further forecasted to edge down as monetary policy is normalised and the effects of U.S. fiscal stimulus wane. The possibility of financial market stress, escalating trade protectionism and heightened geopolitical tensions continue to cloud the global economic growth prospects going forward.

In the emerging market and developing economies (EMDEs), a cyclical recovery is underway in most of the regions. With strong market sentiments, EMDEs are expected to grow by 4.5 % and 4.7% in 2018 and 2019, respectively. The upturn in these regions is expected to mature, as commodity prices plateau. Robust economic activity in EMDE regions with large number of commodity importers is forecasted to continue. However, risks to the growth outlook continue to tilt to the downside in many regions.

Stronger economic activity, expectations of more robust global demand, reduced deflationary pressures and optimistic financial markets are all upside indicators. However, structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term, remain important challenges to be met in the coming years.

Global Economic Growth (%)



Source: World Bank

2. Indian economy

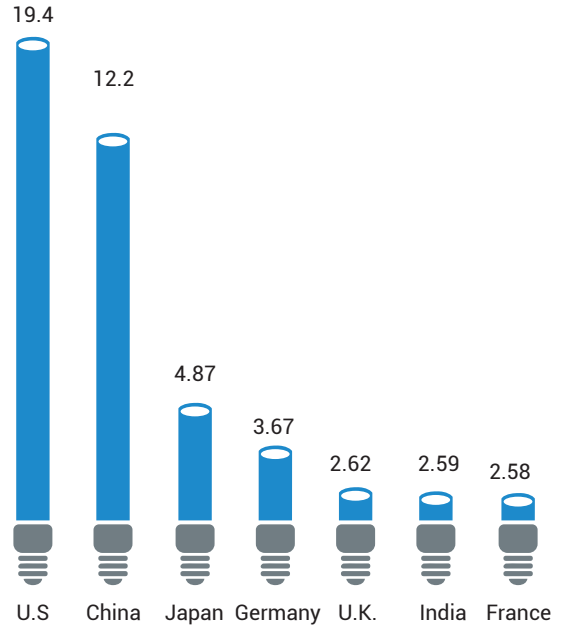
The Indian economy witnessed a GDP of 6.7% during 2017-18 and emerged as the fastest growing economy. The country became the sixth largest global economy, surpassing France, with a gross domestic product of $2.59 Trillion. The economic fundamentals continued to remain positive during the year with Index of Industrial Production (IIP) touching 4.3% and core sectors showing a satisfactory growth.

The Indian Government has taken various initiatives to strengthen policy reforms and improve the ease of doing business. These include implementation of Insolvency and Bankruptcy Code (IBC), Real Estate Regulation Act (RERA) and Goods and Services Tax (GST).The impact of sustained structural reforms is now being felt on the ground as a mammoth economy is turning around. GST, India's biggest indirect tax reform, created a temporary disruption at the time of implementation. However, the teething problems got a quick response from the Government, leading to relatively smooth transition.

Businesses have now settled down and there is a strong broad-based recovery in the investments and consumption. Furthermore, with the elimination of inter-state barriers and implementation of e-way bill system, transport and logistics have become more competitive and less expensive. The impact of this seminal tax is now being felt in formalisation of enterprises, wider tax base and higher tax revenues. The Government's flagship project, 'Make in India' also continued to gain momentum, attracting added investments from global MNCs.

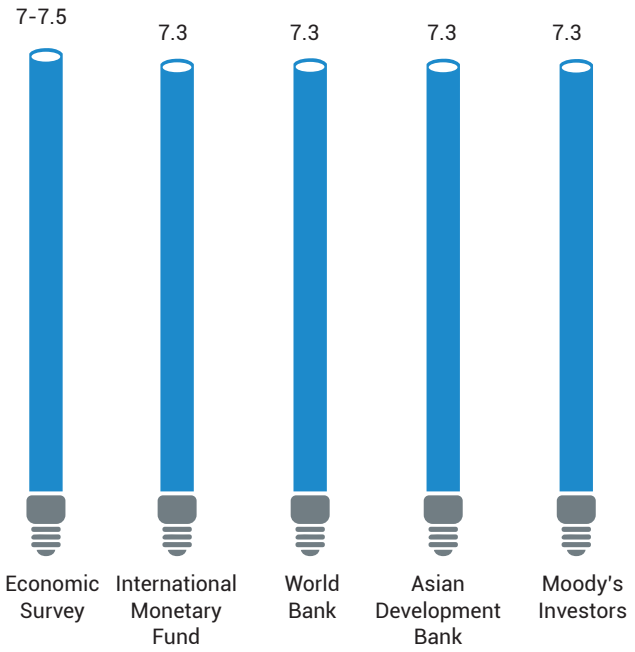
The Government has further avoided slippage in the fiscal deficit despite the rise in oil prices and has also undertaken continuous measures to keep the inflation in check. The Union Budget further stressed on improving country's infrastructural growth, agricultural activities and strengthening the MSMEs. As such, businesses across several key sectors are experiencing firm growth indicating better capacity utilisation and higher investment expectations. With strong economic sentiments, IMF forecasts India's growth to rise to 7.3% in 2018 (2018-19) and 7.5% in 2019 (2019-20).

GDP in 2017 ($ Trillion)



Source: World Bank

Indian economic growth forecasts for 2018-19 (%)



Section C: Industry review

1. Steel

Steel is one of the world's most essential materials. It is fundamental to every aspect of our lives. From construction, industrial machinery to consumer products, steel finds its way into a wide variety of applications. It is one of the most important products of the modern world and is of strategic importance to any industrial nation. It is also an industry with diverse technologies based on the nature and extent of use of raw materials.

Excess steel capacity was found to be the single phenomenon damaging the interests of the global steel producers during 2014-2017 in terms of lowering the prices and thereby the profitability of the industry. China, having accounted for nearly 50% of the estimated surplus steel capacities, had to assure the outside world that its commitment to bring down the carbon footprint would entail elimination of some of the polluting units in steel, coal and cement. This has provided an interesting opportunity to the steel players across the world, especially India.

India is currently the second largest steel producer after China. Besides, the Government of India has proactively addressed the issues faced by the domestic steel makers and has proactively safeguarded the interest of the industry. There is significant potential for growth given the low per capita steel consumption of 61 Kg in India, as compared to world average of 208 Kg.

India's crude steel production and consumption (MT)

Production	FY14	FY15	FY16	FY17	FY18
Public Sector	16.8	17.2	17.9	18.5	19.8
Private Sector	64.9	71.8	71.9	79.5	82.5
Total	**81.7**	**89.0**	**89.8**	**98.0**	**102.3**

Consumption	FY14	FY15	FY16	FY17	FY18
	74.1	77.0	81.5	84.0	90.7

(Source: Joint Planning Commission)

The Union Cabinet approved the National Steel Policy (NSP) with a long-term vision to give thrust to the domestic steel sector. It seeks to enhance domestic steel consumption, ensure high quality steel production and create a technologically advanced and globally competitive steel industry. Some of the key elements of this policy include:

- Increase consumption of steel across major segments of infrastructure, automobiles and housing, resulting in a potential rise in per capita steel consumption to 160 kg by 2030 from ~61 kg at present
- Achieve 300 MT of steel-making capacity by 2030 through additional investments of ₹ 10 lakh crore by 2030-31
- Domestically produce steel for high-end applications - electrical steel (CRGO), special steel and alloys for power equipment, aerospace, defence and nuclear applications
- Reduce reliance on imports to nil and export ~24 MT of steel by 2030

Several Indian companies have undertaken capacity expansions to achieve the targets. Besides, the acquisition of debt-laden steel companies will further reduce time for ramping up existing capacities. With the Government's extension of anti-dumping duty on steel and imposition of quality standards, it is likely that India will be on a fast track growth path in steel production going ahead. Besides, Government programs such as Smart Cities, Skill India, Renewal and revival of road / rail infrastructure projects will further provide a big boost to the steel demand. The demand drivers of the steel segment will also lead to positive developments in the steel pipe sector.

2. Steel tubes and pipes

India is amongst the fastest growing steel tubes and pipe manufacturers globally with production estimated at about 10 million tons a year. Over the years, India has emerged as the global pipe manufacturing hub owing to its best quality offerings at lower cost and geographical advantages. The global accreditations and certifications owned by the Indian companies have further made them preferred suppliers for many leading oil and gas companies in the world and particularly those in the Middle East, North America and Europe.

The steel pipes demand has been increasing on a steady basis owing to requirements from the sectors like water transportation, agriculture, boring, fire-fighting and most importantly infrastructure for oil and gas. It is interesting

to note that India is currently under-invested in the pipeline infrastructure with only 1/3rd of the petroleum products moving through the pipeline which is the most efficient mode of transport for fluids.

The Government has ambitious plans to improve network of oil and gas pipelines across the nation. Recently, tenders for construction of over 12,000 kms of pipelines have been floated by several oil and gas companies for the mammoth expansion plans over the next five years. Besides, rapid industrialisation in the country and real estate demand from affordable housing and 'Housing for All' schemes will lead to increasing investments in building and construction activities. This will necessitate strong requirements of steel tubes and pipes.

River water transportation system is another key area of growth. Several areas in India either suffer from drought or excessive flooding owing to uneven distribution of river water. Around 5 lakh tonnes of large diameter pipes were required for connecting rivers for water transportation in the State of Gujarat alone. The same model is anticipated to be deployed across other states in India, which will necessitate the demand for large diameter pipes. And lastly, but most importantly, is the demand from the rural segment. With thr Government's rural-centric policies in the recent budget, lots of activities in the areas of irrigation and construction will be driving the demand for steel tubes and pipes going ahead.

3. Gas transmission

India at present, has a network of about 13,000 km of natural gas transmission pipelines with a design capacity of around 337 MMSCMD. The natural gas demand has increased significantly owing to its higher availability, development of transmission and distribution infrastructure, the savings from the usage of natural gas in place of alternate fuels, the environment friendly characteristics of natural gas as a fuel and the overall favourable economics of supplying gas at reasonable prices to end consumers. India has six major regional natural gas markets namely Northern, Western, Central, Southern, Eastern and North-Eastern market, out of which the Western and Northern markets currently have the highest consumption due to better pipeline connectivity. However, with the increasing coverage and reach of natural gas infrastructure in India, this regional imbalance is expected to get corrected. Gong ahead, the pipeline network is expected to expand to around 32,000 Kms with a total design capacity of around 815 MMSCMD by 2030, putting in place most of the National Gas Grid that would connect all major demand and supply centre in India.

Planned additions to the pipeline infrastructure

Pipelines	Design Capacity (mmscmd)	Length (kms)
Existing till 2012	306	12,144
Expected addition in the 12th plan	416	15,928
Expected addition in the 13th plan	60	3,360
Capacity addition MBBVPL/MBPL/Surat Paradip/pipelines beyond 13th plan and till 2030	33	1,295
Total	**815**	**32,727**

(Source: 'Vision 2030', Natural Gas Infrastructure in India, Report by Industry Group For Petroleum & Natural Gas Regulatory Board)

4. City gas distribution

In India, the Petroleum and Natural Gas Regulatory Board (PNGRB) is the regulatory body for City Gas Distribution (CGD), responsible for authorising new areas to set up infrastructure amongst interested players. India's CGD sector has seen rapid growth in recent years and consumes approx.13.6 MMSCMD of natural gas. There are 15.22 lakh domestic connections, 10,631commercial customers and 2,974 industrial customers at present in India.The Government's intent to establish a gas-based economy is

a good strategic move and hence the CGD segment appears to be positive for its future prospects. To align with the goal of reducing the carbon footprints the Government has set a target of connecting 1 Crore households with PNG by 2019, the introduction of stringent emission levels for vehicles and the proposal to develop green corridors.

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.

5. Lighting

The Lighting Industry in India can be broadly categorised into three segments:

- LED Bulbs, LED Street Lights, Down Lighters and Luminaries
- Conventional Lamps such as General Lighting Service (GLS), Fluorescent Tube Lights (FTL), Incandescent Bulbs (ICL) and Compact Fluorescent Lamp (CFL) and others
- Accessories, Components and Control gears (ACCs)

Until a decade ago, India's lighting segment was traditionally dominated by FTLs and ICLs, largely owing to economical cost, easy availability and effortless installation as against other lighting products. However, these lighting sources were high on energy consumption. The Indian Government identified this drawback and started promoting the energy efficient sources of lighting across the country. This led to the advent of CFLs. Initially they were quite expensive. However, rising demand and high economies of scale led to the fall in prices. With the advancement of technology, superior sources of lighting, such as LEDs flocked the lighting market.

LEDs are solid state semiconductor device which are in existence for over three decades. However, its until a few year ago, it gained popularity in the Indian market. The LEDs are highly beneficial in terms of longer life, higher energy efficiencies, environmental-friendliness and durability. Besides, these lights require a low voltage power supply as compared to the traditional conventional lights. It is reported that 20% of the total electricity produced globally, is consumed by domestic lighting users. The outdated incandescent, halogen and fluorescent lamps are swiftly being replaced with the modern LED lights which will further lead to a reduction in the electricity consumption to the level of 4% from 20%.

The Indian LED lighting market in precedent years has been witnessing tremendous growth in terms of value as well as volume. The Government has been taking continuous efforts to promote LEDs through various schemes. According to a Press Information Bureau (PIB) announcement, by 2019, 770 million LED bulbs and 35 million LED streetlights will be deployed to replace conventional lights. Under the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), around 27.3 million LED bulbs will be distributed to the BPL households.

Currently, the demand for street lighting application, accounts for the major opportunity in the Indian LED lighting market. Over 2.1 million conventional streetlights have already been replaced with LED streetlights across the country, under the Street Lighting National Programme (SLNP). Energy Efficiency Services Limited (EESL), a public energy services company under the administration of the Ministry of Power, Government of India (GoI) is the implementing agency for SLNP. The installation of LED streetlights has resulted in annual energy savings of 295 million kWh, avoided capacity usage of over 73MW and reduced carbon emissions by 230,000 million tonnes annually. The project has been implemented across 23 states and union territories

The other factors which have made this significant impact are the promotions towards increasing LED lights awareness amongst the people as well as the new architectural designs which has boost up the growth of LED Panels and down lighters. According, to The Electric Lamp and Component Manufacturers Association of India (ELCOMA), the LED market in India is expected to grow to ₹ 216 billion by 2020.

This leap will result in the LED market accounting for about 60% of India's total lighting industry (approximately ₹ 376 billion) in 2020. Rising consumer awareness about the cost-effectiveness, enhanced life, better efficiency and inherent eco-friendly nature of LED lights will continue to drive volume sales from the industrial, residential and commercial sectors.

Surya Roshni, being the pioneer of technological acceptance in lighting industry, remains committed to offer best quality products and maintain a sustainable leadership in the segment.

6. Consumer durables

A) FANS

India is a tropical country with warm summers lasting for a prolonged period. Hence, fans are a must have for every home. Even though air conditioners and coolers have become a preferred source of maintaining a comfortable temperature, the age old reliable and affordable fans continue to remain in fashion as well. India's electric fan industry is well-established and has grown significantly over the years. The industry is divided into product types like ceiling fans, table fans, pedestal fans, wall fans and others (industrial, exhaust, multi-utility, tower and bladeless, among others).

Indian fan industry dynamics

Key Particulars	Figures
Number of households (2011)	~250 million
Market size	~55 million units
Organised (%)	>70%
Organised (units)	~40 million units
Average replacement cycle	10 years
Replacement demand	~90%
Fresh demand	~10%

(Source: Ambit Capital Research)

There are large number of players in both organised and unorganised market, however, much of the growth has been through organised players as consumers move towards branded and more technologically efficient fans. The above exhibit clearly reflects the large proportion of demand coming from the replacement market. It is interesting to note that the large part of this replacement demand will be driven by value-added and premium categories of fans.

Higher disposable incomes, increased availability of continuous power and a faster shift to the organised sector is further propelling the electric fan market in India. A concerted move has been seen towards widening distribution reach and improving rural penetration by the organised segment.

B) HOME APPLIANCES

The domestic home appliances market growth in India is driven by the continuous expansion in the middle and affluent class, growing working class population (especially women) and improving lifestyles, growing, young and ambitious working-class population with busy schedules leaving less time for traditional cooking. This is leading to the growing demand for appliances for easy and fast cooking.

Besides that, Indian consumers remained optimistic about their personal finance spending capacities. During the year, the customer confidence was further boosted by controlled inflation and falling cost of consumer credit. India's consumer disposable income grew by 11% upto Jan 2018 which also aided in a relatively strong demand for consumer appliances. Besides, changing lifestyle towards premiumisation has led to higher growth in premium segment.

According to PWC, the market is expected to witness 10% CAGR till 2022, with the country having the potential to be one of fastest growing markets in the world in terms of consumption, manufacturing and job creation. Factors like emerging middle class, rising disposable incomes and progressive Government reforms such as 'Digital India' will further drive this growth.

Section D: Operational review

1. Steel Pipes and Strips

Key Particulars	2016-17	2017-18
Contribution to total revenues (%)	68	72
Net revenues (₹ crore)	2,605	3,555
Cash profit (₹ crore)	100	131
EBITDA (₹ crore)	176	211
PBT (₹ crore)	37	64

A) Products

ERW Steel Pipes (GI, Black and Hollow Section)

The Company manufactures ERW Steel pipes in the range of 1/2" to 104" diameter. These pipes find its extensive

application across agriculture, industry and construction activities like scaffolding and casing in bore wells.

These pipes are the mediums of transporting water, gas, crude oil and chemicals at varying pressures and densities over long distances. The pipes manufactured by Surya Roshni have the capabilities to meet the challenging requirements of the industry and delivers high standard products of both national and international specifications.

API & Welded Spiral, 3LPE Coated Pipes

The Company maintains 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. These pipes are produced to meet high standards of specification for both national and international markets, including that of American Petroleum Institute (API). Different other pipes specifications such as EN, BS, AUSTRALIA & ASTRA GRADE are also manufactured by the Company. The API pipes largely find applications across drinking water pipe lines, oil and gas pipelines and plant process water applications. The spiral welded pipes are manufactured in the range of 18" to 105" with maximum thickness of 1' (25.4 mm).

Cold rolled strips and sheets

Cold rolled strips and sheets serve as critical inputs across range of applications in a wide spectrum of industries like auto components, motor stamping, furniture and fittings, domestic appliances, drums and barrels, cycle rims, umbrella tubes and rips and engineering applications. Owing to the sophisticated requirements across these applications, the steel strips possess inherent quality standards, surface finish and close tolerance on dimensions. The Company is fully geared to meet the demanding needs of high value-added segment of CR steel market through its cold rolled plant which was established in 1991 at Bahadurgarh (NCR) and later modernised in the year 2008. The plant serves NCR and adjacent markets of north India, specially focusing on the automotive sector with an installed plant capacity of 1,15,000 MT per annum.

The pipe manufacturing units are located in Haryana, Madhya Pradesh, Gujarat and Andhra Pradesh. All the plants are equipped with state-of-the-art machines, slitting lines, pipe mills, galvanizing units, finishing machines and fail-safe, high pressure hydro testing machines. The plant also has sufficient handling facilities. These pipes are sold under the brand 'Prakash Surya'. The ERW & Spiral welded pipes as well as API pipes are exported and well accepted across 50 countries across the globe.

B) Highlights 2017-18

- Increased capacities of the new manufacturing unit for ERW Black and GI Pipes of the Hindupur unit (Andhra

STEEL PIPES AND STRIPS CAPACITIES

9,00,000 MT ERW pipes includes **2,50,000 MT** GI pipes	**2,00,000 MT** Spiral (including offline)	**1,15,000 MT** CR Sheets	**12,15,000 MT** Total capacities

Pradesh) to 1,50,000 MTPA from the initial 90,000 MTPA which was during the commencement of the plant in March 2017

- Achieved economies of scale with larger and stronger pipes, fetched good premium, as well as witnessed significant savings in logistic cost from the above plant
- Introduced galvanised pipes (GP pipes) and pre-galvanised sheet pipes (PPGI) at the Malanpur, Hindupur and Bhuj facilities
- Introduced infrastructural pipes for solar panel (galvanised structural steel)
- Increased brand visibility and promotional expenses through consistent rise in annual advertising and publicity budget

C) Opportunities and demand drivers

City Gas Distribution: The Government is highly focused on reducing pollution in the cities. Research has found Compressed Natural Gas as the best alternative fuel for vehicles. Hence, the Government has placed City Gas Distribution (CGD) companies on top priority for domestic low-cost natural gas. In order to increase the usage of natural gas in the Indian households from the present of 6.5% to 25% over a decade and to take the Gas Distribution Network across India, PNGRB is coming up with 9th CGD bidding round which is a significant initiative to leapfrog to higher gas usage and address urban population across the country. It also opens new avenues for Oil and Gas sector and provide ample scope of growth for Steel Pipes manufacturing units. The Company will reap benefits from its newly set up 3 LPE Coating Pipe manufacturing unit at Anjar - Kutchh (Gujarat) and tap the unexplored potential.

Interlinking of Rivers: The Government aims at constructing 30 major canals stretching over around 15,000 kms, including 3,000 small and large reservoirs. The project will also enhance irrigation, control flood damage and increase water supply eventually creating massive business opportunity for the pipes requirement for the segment. Hence, river water distribution system has enormous scope across India and will generate higher demand for larger diameter pipes.

Housing for All: The Central Government has launched a 'Housing for all' scheme to provide houses to the economically weaker sections and provide assistance in building close to 3 crore homes. This will boost the construction industry and generate demand for water and sewage pipes.

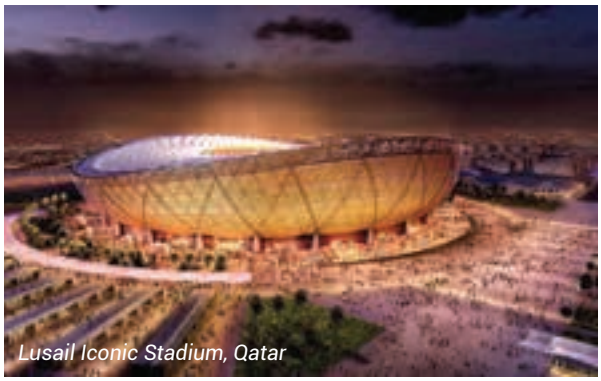
Smart Cities: Under this initiative, the Government wants to develop 100 smart cities with better urban infrastructure. This will attract investments for new infrastructure as well as projects seeking to upgrade existing infrastructure, leading to a greater demand for pipes and structures. The Government has also emphasised the need to have CGD in all Smart Cities, which will further augment the demand for pipes.

Rural India: The Government's rural-centric budget and policies like Food for Work Programme (FWP), Indira Awaas Yojna and Pradhan Mantri Gram Sadak Yojna, will lead to agro-based economic growth and higher consumption of tubes and pipes in this region.

Automobiles: The automotive mission plan envisages the industry to be among the top three in the world in engineering, manufacturing and exporting of vehicles and auto components. This will lead to larger demand for CR strips going ahead. The Company's Bahadurgarh plant is in proximity to several automotive players, which will allow the Company to cater to this demand.

International Events: The 'Prakash Surya' brand is well established across the global markets. The Company will stand to benefit form the major upcoming events like Expo 2020 in Dubai and FIFA 2022 at Qatar.

Jewel of the Creek, UAE



Lusail Iconic Stadium, Qatar

D) Outlook

On account of the Government's emphasis through the National Steel Policy for increasing the capacity of steel sector, generating solar power, wind power, improving road infrastructure, 'Housing for All', elevated tracks for railways, city gas projects etc. and increasing infrastructure spending will accelerate the steel pipes business as the requirements of diverse variety of pipes with different needs will grow

manifold in near future. The strategic plant locations will provide savings in logistics cost and help the Company in catering the customer demand swiftly. Besides, the Company is geared up through adoption of latest technology, operational efficiency, excellent customer service and launch of innovative and diversified products in the market.

2. Lighting and Consumer Durables

Key Particulars	2016-17	2017-18
Contribution to total revenues (%)	32	28
Net revenues (₹ crore)	1,282	1,383
EBITDA (₹ crore)	137	138
Cash profit (₹ crore)	101	112
PBT (₹ crore)	81	92

A) LIGHTING

Overview

Surya Roshni is amongst India's second largest manufacturers of lighting products and the most trusted brands for quality in the lighting industry space. Being a pioneer in introducing energy-efficient lighting solutions, Surya Roshni has been providing innovative and safe lighting to its customers. The Company has large domestic presence with a network of over 2,500 dealers and 2.50 lakh Pan India retailers. It also exports to over 40 countries, including the Middle East and U.K (GE, Osram & Tungsrum). Besides, the Company has dedicatedly worked towards technological advancements and developing products that are not only energy efficient but also environment-friendly. Surya LED is amongst the luminaries of the future, driving the transformation in the lighting industry in India.

The Company has completely backward integrated business model through its state-of-the-art plants in Kashipur (Uttarakhand) and Malanpur, near Gwalior (M.P.) for manufacturing LED lights (lamps, streetlights and downlighters) and conventional lights (GLS, FTL and CFL), respectively. A Compulsory Registration Scheme (CRS) of Deity/BIS for LED products has been introduced in the industry to keep a check on safety standards of LED products. The Company's manufacturing plants have CRS approval from the Bureau of Energy Efficiency (BIS). It also provided star rating plan for LED lamps which will further enhance the luminous efficacy of lamps.

The product development is being supported by its advanced lighting research and development centre, STIC at Noida. The key focus of the research centre is to develop new LED products further augmenting the Company's product portfolio.

Highlights 2017-18

- Achieved 45% growth in LED lighting which contributes 49% of the total lighting turnover
- Launched premium LED lighting range of LED bulbs, down lighters, battens, lamps, street lights, flood lights and decorative luminaries
- Bagged EESL orders to the tune of ₹ 210 crore from EESL for LED bulbs and streetlights

The Company's supply to EESL augurs well for our sustainability, plant utilisation and the resources created for LED production in our Kashipur (Uttarakhand) and Malanpur (Gwalior) plants. For 2018-19, the Company is estimating EESL orders to the tune of ₹ 250 crore.

Going ahead, the Company targets to sell 60 million LED Lamps in 2018-19 and achieve a sales target of ₹ 900 crore, i.e. approx. 55% of the total lighting turnover. Further, the Company is also strategically planning to increase Surya's market share through low cost products with high quality.

LIGHTING CAPACITIES

72 Million pieces	3.60 Million pieces	200 Million pieces	60 Million pieces	10 Million pieces
LED bulbs	LED street lights	GLS	FTL	LED tubes and fittings

Re-inventing the future of lighting

The past two 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
- Spot lights
- LED wall lights
- Smart Motion-sensor LEDs
- Auto-dimming LEDs

B) FANS

Overview

Surya Fans has emerged as one of the fastest growing brands in India through its continuous innovation. The Company commenced the fans business in FY2014.Within a short span of 4 years, the Company has achieved No.6 slot in the fan market. It provides wide categories of designer and colourful range of ceiling, table, pedestal and wall mounting fans, along with a wide range of domestic exhaust fans. Over 85% of the Company's products are sold through large chain of dealers and distributors. Balance is consumed in Government institutions (EESL) and public sector units.

Highlights 2017-18

- Achieved sales of ₹ 172 crore

Brushless Direct Current (BLDC) Fans – a game changer

Surya's SS-32 BLDC super energy-efficient ceiling fan has a uniquely designed motor, which has a structural element with permanent magnets mounted on rotor rings. An electronic controller provides pulses of the current to the stator copper winding that control the speed and torque of the motor. It results in upto 60% savings in power with increased efficiencies, reliability and lower noise levels and better longevity of the fan.

Surya BLDC Fan consumes mere 32 Watt at full speed and saves a substantial 60% power, when compared to 80 Watt that a conventional fan consumes.

- Launched new range of higher premium energy efficient fans range designed with automatic colour changing LED Lights with electroplated finish, aero dynamically designed blades and wood finish aluminium blades
- Offered premium range of fans, such as Plated fans, Kids fans, Under-lite fans, Ventura, Metallica and more than 15 variants of fans with LED All its fans have a premium plated finish, providing an edge to its products
- Launched remote control equipped fans with LED and fans with under light chandelier option, another unique premium offering
- Launched anti-dust fan with that attracts 50% less dust than a regular fan
- Developed a 32W super-efficient BLDC fans, which saves around 60% energy as compared to conventional fans; the fan has the tendency to consume power as per its speed
- Introduced new models of energy efficient and BEE five-star rated fans; this enabled the Company to participate in the Government tenders

Going ahead, the Company is going to capture the strong growth, helping boost its overall fan sales in the coming years. The Company plans to enhance our reach to 50,000 counters with specific focus on new launches planned and with new technologies in the near term.

The Company is fully geared up to increase its share from the present level to capture about 6% of the fan market with its state of-the art offerings by 2020.

C) HOME APPLIANCES

Overview

The Company introduced the category of home appliances as a new business segment, post its success in the fans. Over the span of three years, the division has offered feature-rich, contemporary range of electrical home appliances like

electrical storage water heaters, room heaters, dry irons, steam irons and immersion heater and kitchen appliances like mixer grinder, induction cookers and toasters, among others.

Highlights 2017-18

- Achieved sales of ₹ 45 crore
- Introduced several products largely focussing on water heaters product group including the new Qubo & Arctic series of energy efficient and glass line tank water heaters
- Introduced new range of room coolers

The Company has been following the strategy of leveraging its vast distribution network and the brand equity of 'Surya' for the growth of its new business segments. The key differentiators of the products offered by the Company are efficiency and modern design. Going ahead, it targets to mark further inroads into fast moving electrical appliances.

D) OPPORTUNITIES AND DEMAND DRIVERS

Favourable Macro-economic Trends: With a sustained economic growth coupled with the Government's impetus on improving infrastructure and housing, combined with self-sufficiency of electricity, the electrical space is poised to grow in the coming years.

Government Initiatives: The Government has been strongly promoting the importance of energy efficient LED lights. It aims to change approximately 40 million street lights to LEDs, along with commercial buildings. The 'Bijli Har Ghar Yojna' (Saubhagya) focuses on electrifying 40 million families across rural and urban areas, which will further necessitate the demand for LEDs. The Unnat Jyoti by Affordable LEDs for All (UJALA) Scheme through EESL is already under execution. Under this scheme, the Government has planned to make LED lamps available at subsidised rates and to distribute close to 770 million such lamps.

Organised Sector Growth: With implementation of GST, there has been an increasing focus on the reliability of the organised players. The Government's initiatives towards formalisation of economy will play a key role in driving revenues across our lighting, fans and home appliances division. Besides, Compulsory Registration Scheme (CRS) of Deity/BIS for LED products has been introduced in the industry, to keep a check on the safety standards of LED products. This will significantly curb the unorganised sector leading to better demand prospects for the organised sector.

Growing Awareness: LED lamps have low energy consumption and longer life. With the growing awareness amongst customers, the demand for LED would further grow.

Growing Housing Segment: With the implementation of RERA and Government's initiative for 'Housing for All' as well as smart cities, the real estate sector is poised for a stronger growth ahead. This will drive demand for energy-efficient LEDs and electrical appliances.

Demographics: India's half of its population is under the age of 25. Two-thirds are less than 35. Besides that, India is likely to have the world's largest workforce by 2027, with a billion people aged between 15 and 64. This would lead to aspirational demand for fans and home appliances going ahead.

Energy Efficiency and Premiumisation: With rising electricity cost, more and more consumers are opting for energy efficient solutions. Besides, rising income levels are driving the demand for more value-added products across product categories. This is driving the overall trend of premiumisation in most relevant product markets. Energy efficiency is higher in consumer's purchase criteria, as the life-cycle costs become more salient

Rural India: The rural India is witnessing a stupendous turnaround with better income of the customers, greater accessibility to the products and availability of electricity with the help of rural electrification. The Company will witness strong growth from this segment with strong demand for high-end/premium fans, which otherwise were dominated by urban markets.

E) OUTLOOK

The LED technology will continue to grow and dominate the lighting segment. It will account for increasing share of revenue within the Lighting segment. Low cost and the Government's push for LED lamps will account for a higher share of volume growth in 2017-18. The pricing as well as the introduction of solutions-based products in a competitive market will have a bearing on the growth of the overall lighting market.

The Company has the desired synergies to diversify into consumer durables segment with the launch of high efficiency BLDC fans and other home appliances. The designing of all the products are based on energy efficiency and cost savings. Looking at the increasing benefits of low cost & high efficiency products, consumer demand is increasingly shifting towards these products. Surya has well-trained efficient pool of qualified professionals to handle today's smart consumers, aligned to its brand promise with right delivery in product performance and service. The Company is making every effort to ensure that the customer demands are met seamlessly.

Section E: Value drivers

Brand

'Surya Roshni' is one of the most reputed and trusted brand in both domestic and international markets. The 'Prakash Surya' brand holds a prominent position in the Steel Pipes and Strips segment. Whereas 'Surya' brand prominently caters to its lighting and consumer durables segment. With such strong brand equity, the Company is well poised to capitalise on the opportunities unfolding across both the business segment. Moreover, with GST rolling in, there would be more preference towards organised segment. Besides, established brands will also allow the Company to fetch higher premiums on the value-added offerings.

Locational advantage

The strategically located manufacturing facilities play a key role in reaching out to its end customers across all the regions of our country. The Bahadurgarh plant serves NCR and adjacent markets of North India, largely to the auto-components segment. The Anjar plant, largely caters to the export orders owing to the proximity to ports. The Hindupur plant has proximity to the South Indian markets, savings in logistics cost, improving market share and fetching higher premium on its products besides receiving tax incentives. The Gwalior plant is centrally located, serving UP, MP, Rajasthan and Chhattisgarh markets.

Kashipur Plant, Uttarakhand

Bahadurgarh Plant, NCR

Quality

The Company has accredited quality certifications from the leading international agencies and has a long successful track record of scheduled deliveries. Its commitment to deliver world-class solutions to its clients in the shortest time and quick after sales service has enabled it to build robust customer relationships. With ISO9002:2008, ISO14001:2004&OHSAS18001:2007 certifications under its belt, the Company stands tall on its commitment to deliver eco-friendly and quality products.

Capacities

The Company has already built capacities and is strongly positioned to leverage the industrial opportunities. With no further major capex in site, the benefits derived out of the new business will strengthen the bottom line.

Distribution

The Company leverages the benefits of a strong and extensive Pan India dealers and retailers network, with more than 2,50,000 retailers. The Company is competitively positioned today over its rivals and has become a prominent brand in the consumer market. Besides, most of the dealers are located across tier II and tier III segments, thus giving the Company an advantage to reach out to the interiors of India, including the rural areas.

Raw materials

The Company procures best quality raw material procure from 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 requirement of the prestigious customers.

Experience

The Company's management has more than four decades of experience in the Steel Pipe industry and nearly three decades of experience in the Lighting industry.

Section F: Financial review

Financial summary/highlights, operations, state of affairs

(₹ in Crores)

Particulars	2017-2018	2016-2017
Revenue from Operations	5011.76	4181.03
Other Income	2.66	0.88
Total Revenue	5014.42	4181.91
EBITDA	348.59	313.90
Finance costs	105.16	112.72
Cash Profit	243.43	201.18
Depreciation and amortisation expenses	87.31	83.61
Net Profit Before Tax	156.12	117.57
Tax Expenses	48.08	31.29
Net Profit After Tax	108.04	86.28
Other Comprehensive Income	(3.72)	(3.34)
Total Comprehensive Income	104.32	82.94

Hindupur Plant, Andhra Pradesh

Gwalior Plant, Madhya Pradesh

During the year, the Scheme of Amalgamation between Surya Roshni Limited and its associate Surya Global Steel Tubes Limited got sanctioned by the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT) and was made effective from 11th January, 2018 by filing of form No INC 28 with MCA and consequently business of SGSTL has been transferred to the Company w.e.f. 1st April 2016 being the appointed date as per the scheme. Accordingly, the aforesaid results have been prepared of the merged entity.

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 gross revenue from the Company's operations registered an increase of 19.86% and was reported at ₹ 5,011.76 crore as compared to ₹ 4,181.03 crore in the previous year
- Cash Profits increased 21% to ₹ 243.43 crore as compared to ₹ 201.18 crore in the previous year
- Profit before tax increased 32.78% to ₹ 156.12 crore as compared to ₹ 117.57 crore in the previous year
- Profit after tax increased 25.22% to ₹ 108.04 crore as compared to ₹ 86.28 crore in the previous year

The overall performance is the result of operational excellence, merger of e-SGSTL and rebounding of the performance of Steel Pipe and Strips segment which also improved ROCE and ROE.

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. Considering the ample liquidity conditions, thrust of the Government for borrowings from Bond market and the related lower borrowing cost, the company increases its borrowings through Commercial Papers (CP) and obtained rating for enhanced amount of ₹ 350 crore from ICRA during the year under review. 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 G: 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
- Enabling compliance with appropriate regulations, 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 are (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 organization have been identified. However, there are other risks against which adequate mitigation plans are prepared. Following are some risks and their mitigation measures:

Technology Risk: The ever-evolving technology with continuous updation may lead to product obsolescence, if not addressed regularly.

Mitigation: 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.

Mitigation: 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.

Business Competition Risk: Both business segments face competition in the market from many established as well as unorganised players.

Mitigation: Excellent brand reputation and launch of innovative and reliable products help the Company to sustain competition from peer companies. Besides, strong distribution network, advertisement and backward integration give a strong competitive advantage. With GST implementation, the threat of unorganised segment is nearly wiped out and the preference for branded products is seen increasing. With manufacturing facility in South already established, the logistics cost will further be reduced.

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.

Mitigation: The inventory levels are monitored continuously by the top management and actions are taken as per the requirement. The Company strikes a balance in keeping adequate inventory so that no business is lost, besides keeping a close watch on movement of steel prices and imports. Similarly, inventory levels are adequately planned for LED considering the market requirements and price movement. The Company also monitors global inter-linkages/dynamics and stress testing ensuring preparedness for unknown eventualities.

Regulatory Risk: Non-compliance to stringent regulatory and environment norms may result in liabilities and loss of brand reputation.

Mitigation: 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.

Mitigation: 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.

Mitigation: 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.

Mitigation: 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 H: 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 organizational structures and authorization 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 specialized functions like taxation.

Section I: Material developments in human resources/industrial relations

Surya Roshni is committed to create open and transparent HR policies that are focused on people and their capabilities. These policies foster an environment and enable them to deliver superior performance. Attracting quality talent and focusing on their development through training sessions help them improve their performance. The Company also motivates the employees to perform better. Talent recognition and retention has been the top priority.

The Management wishes to place on record the excellent co-operation and contribution made by the employees, collectively called "SURYA PARIVAR" at all levels of the organization. The Company's industrial relations continue to be harmonious during the year under review. The number of personnel directly employed by the company was 3614 as on 31 March, 2018.

Section J: 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 IV 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 ₹ 2.04 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 realized. The Company disclaims any duty to update the information given in the aforesaid reports.

Mr. Raju Bista, Managing Director (standing second from the left) with the German delegates at the Steel Tubes & Pipes Exhibition at Dusseldorf, Germany, held in April 2018

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting the Forty Fifth Annual Report of the Company for the year ended 31st March, 2018.

1 FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:

(₹ in crore)

Particulars	2017-2018	2016-2017
Revenue from Operations	5011.76	4181.03
Other Income	2.66	0.88
Total Revenue	5014.42	4181.91
EBITDA	348.59	313.90
Finance costs	105.16	112.72
Cash Profit	243.43	201.18
Depreciation and amortisation	87.31	83.61
Net Profit Before Tax	156.12	117.57
Tax Expenses	48.08	31.29
Net Profit After Tax	108.04	86.28
Other Comprehensive Income	(3.72)	(3.34)
Total Comprehensive Income	104.32	82.94

During the year under review the Scheme of Amalgamation amongst Surya Roshni Limited and its associate Surya Global Steel Tubes Limited (SGSTL)sanctioned by the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT) and made effective from 11th January, 2018 by filing of Form No. INC 28 with MCA and consequently, business of SGSTL has been transferred to the Company w.e.f. 1st April, 2016, being the appointed date as per the scheme. Accordingly the aforesaid financial has been prepared of the merged entity.

In the fiscal year under review, the Gross revenue from operations of the Company is ₹ 5011.76 crore as compared to ₹ 4181.03 crore last year register an increase of 19.86%, Cash Profit to ₹ 243.43 crore from 201.18 crore register an increase of 21%, Profit before tax stands at ₹ 156.12 crore as compared to ₹ 117.57 crore last year, registered an increase of 32.78% and Profit after tax stood at ₹ 108.04 crore as compared to ₹ 86.28 crore last year, registered an increase of 25.22%. The overall performance is the result of Operational excellence, merger of e-SGSTL and rebounding of the performance of Steel Pipe and Strips Segment which also improved ROCE and ROE.

Considering the ample liquidity conditions, thrust of the Government for borrowings from Bond market and the related lower borrowing cost, the company increases its borrowings through Commercial Papers (CP) and obtained rating for enhanced amount of ₹ 350 crore from ICRA during the year under review. The CP rating of the company (A1+SO) reflects relatively stronger credit quality and higher degree of safety regarding timely payment of financial obligations.

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 divisions stood at ₹ 3623.40 crore as compared to ₹ 2835.59 crore last year, registered an increase of 27.78% (volume increased by 20%), Cash Profit to ₹ 130.99 crore from ₹ 100.07 crore (an increase of 30.89%) and Profit before tax (PBT) increased by 74.06% to ₹ 64.44 crore from ₹ 37.02 crore from the corresponding period last year.

The better performance of the segment is derived on account of set-up of Hindupur plant at A.P, savings in logistic costs, operational efficiencies, supply to oil and gas sector, better negotiations, increasing share of organized sector and above all merger of e-SGSTL which leads to creation of a larger and stronger steel pipes business of the company at economy of scale and overall improved scenario of Steel Pipes business.

NEWLY SET-UP STEEL PIPE PLANT AT HINDUPUR (A.P)

Hindupur (A.P) plant which was established in March 2017 for manufacture of ERW (GI, Black, Section) pipes has expanded its production capacity to 1,50,000 M.T per annum in November, 2017. The full benefits of operations of expanded capacities will be derived from the current year. Plant is in proximity with premium market of South India resulting in savings

of logistic cost, increasing market share and overall strengthening the Steel Pipes & Strips business.

Above all, being a plant set-up at notified backward area in the State of Andhra Pradesh, is eligible for State incentives of VAT, Electricity etc. as per the investment policy of the State Government of A.P.

ANJAR (KUTCHH) UNIT

Surya Steel Pipes and Strips segment is further strengthened on account of merger of erstwhile -Surya Global Steel Tubes Limited (e-SGSTL) effective from 11th January, 2018 having its appointed date as 1st April, 2016 as per the approved Scheme of Amalgamation by Hon'ble National Company Law Tribunal, Chandigarh Bench vide its Orders dated 11th December, 2017.

The recent merger of e-SGSTL with the Company would bring in economy of scale and also open additional avenues of growth in terms of volume, new products, improved profitability and edge of doing business. This would also lead to the consolidation of steel pipes business leading to optimal utilization of resources and bringing the benefits of overall synergy, common management, reduced finance cost, improved credit rating and other benefit of integration.

Established in the year 2010 on 92 Acres which is 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. Climbing the ladder of success very fast, the company has received prestigious order of ₹ 314 crore from IOCL for API Grade pipes which is under execution as per schedule.

Company is also establishing world's one of the best 3LPE Coating facility having latest technology from Selmer, Netherlands at its Anjar (Kutchh) plant, which will add significant value to existing products basket.

Company, continue 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.

Anjar (Kutchh) 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 21000 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 rebounds during the fourth quarter of the reported financial year and delivered much improved performance after GST-led disruption easing and increasing sales of LED lights resulted into an increase of 15.30% in Revenue from Operations (net of taxes) to ₹ 398.93 crore from ₹ 345.99 crore, Cash Profit increased by 34.98% to ₹ 36.73 crore from ₹ 27.21 crore and Profit Before tax (PBT) increased by 42.64% to ₹ 31.31 crore from ₹ 21.95 crore during the fourth quarter of the reported financial over the corresponding quarter of the last year. The improved performance of the fourth quarter also resulted into an overall increase in Revenue from Operations by 7.88% to ₹ 1383.29 crore from ₹ 1282.24 crore, Cash Profit by 11.20% to ₹ 112.44 crore from ₹ 101.11 crore and PBT by 13.81% to ₹ 91.68 crore from ₹ 80.55 crore during the corresponding last year.

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 45% 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 luminaries and will continue to participate aggressively in the tendering of Street Lights orders of EESL.

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 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.

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. During the year under review, Company achieved a sales of ₹ 172 crore through fans and a sales of ₹ 45 crore from Home Appliances Business. Turning energy into happiness 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, fire-fighting, Infrastructure, Oil & Gas sector and river interlinking etc. The industry will serve as the backbone of industrialization 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, fire fighting, Infrastructure and Oil & Gas sector. Government has ambitious plans to improve network of Gas & oil pipe 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.

In order to increase the usage of natural gas in Indian households from the present of 6.5% to 25% over a decade and to take the Gas Distribution Network across India, Government of India through Petroleum and Natural Gas Regulatory (PNGRB) focuses on revised bidding process for City Gas Distribution licenses, which opens new avenues for Oil and Gas sector and provide ample scope of growth for Steel Pipes manufacturing units. Company will reap benefits of the same as Setting-up of 3 LPE Coating Pipe manufacturing unit 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) is progressing well. With the proposed coating facilities, the Company's presence in supply of pipes in Oil & Gas Sector increases which will also lead to higher capacity utilization 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 also has good presence in Fire Fighting, Agriculture, Section and API pipe 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 newly set-up state of the art ERW Pipe

Manufacturing Mill at Hindupur (A.P) for production of Black, Section and GI pipes which is functional from last year starts yielding results. However, actual realization will be derived once the plant runs throughout the year with production capacity of 1,50,000 MT per annum. Further, 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.

Further, in order to meet the growing demand of Large Diameter Pipes (SAWH), Company completed merger of e-SGSTL situated in west coast of India at Anjar-Bhuj (Gujarat) near International sea port. The Anjar unit of the company is engaged in manufacturing of Spiral Welded Pipes and ERW, API pipes and due to its world-class machines and strategic location in close proximity to Kandla and Mundra Port, it majorly caters to the export business and exporting to over 50 countries across the Globe resulting into further improve profitability & product range of your company.

The entire turnaround story of Steel Pipes and Strips Segment of the Company which provide an edge over its peers is on account of below mentioned features :

- **Better Capacity Utilisation – With four plants operating at 4 different locations -North, Centre, West & South of India, capacity utilisation will be better.**
- **Newly set-up Hindupur Plant – Company's newly steel pipe plant which was established in March, 2017 for manufacture of ERW (GI, Black, Section) pipes has expanded its production capacity to 1,50,000 M.T.P.A. in November, 2017. With the start of the art plant and in close proximity with premium market of South India, it resulting in savings in logistic cost, increasing market share and overall strengthening the Steel Pipes & Steel business.**
- **Merger of e-Surya Global Steel Tubes Limited with the Company – Major benefits derived on account of amalgamation of e-SGSTL with the Company are: -**

1. **Creation of a larger and stronger steel pipes business with economies of scale;**
2. Providing geographical reach in all major parts of the country;
3. Availability of plant at Bhuj in Gujarat having proximity to two major ports which makes both import of raw material as well as export of finished products cost effective, making the Company highly competitive;
4. Benefit of availability of modern facility with newer technologies such as variety of coatings, as per the demands of international customers;
5. Optimal utilization of resources of the two companies and taking the advantage of operational synergies.

- **Overheads Reduction and lower Logistic Cost.**
- **NCLT Orders on defaulted companies on account of tightening from Banks**
- **Increased Government Spending on Infrastructure and other related projects**
- **Approved manufacturer of API pipes by American Petroleum Institute and produces API pipes for India as well as export market.**

With emphasis through the National Steel Policy,for increasing the capacity of steel sector, improving road infrastructure, housing for all, Elevated tracks for Railways and redevelopment of railway stations, city gas projects,development of smart cities and with Union Budget 2018 focuses on strengthening agricultural and rural economy of the Country through various schemes such as Bharat Mala Pariyojana,, Awas Yojna (building 1 crore houses), Ujjawala Yojana (providing LPG Connections to 8 crore women), substantial demand will be generated for the Steel Pipe products of the Company.

LIGHTING & CONSUMER DURABLES SEGMENT

Indian Lighting Industry mainly consist of Conventional and LED products. The total size of industry is expected to grow to ₹ 28,500 Crore by 2020. The growth in the lighting industry will be fueled by LED products due to numerous advantages LED technology have over conventional lighting technology and they have swiftly gained prominence in the Indian lighting market. Although Indian LED lighting market is at a nascent stage, it offers innumerable opportunities for growth over the next few decades.

LED lights are becoming the major source of energy efficient lighting in India. LED products are becoming the part of mainstream of the market owing to government initiatives and increasing public awareness about benefits of using LED lights.

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.

The segment rebounds during the fourth quarter and delivered much improved performance after GST-led disruption easing and increasing sales of LED lights resulted into an increase in Revenue from Operations by 8% to ₹ 1383 crore from ₹ 1282 crore, Cash Profit by 11% to ₹ 112 crore from ₹ 101 crore and PBT by 14% to ₹ 92 crore from ₹ 81 crore during the year.

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 along with orders of Street lights received from EESL.

A total of ₹ 216 crore turnover was realized through EESL's (Energy Efficiency Services Limited) LED Street Lighting upgradation program. Today BU has completed illumination projects in Outdoor street lighting & Indoor LED retrofits in PSUs & Semi Govt. Institutes. Our projects business has successfully executed LED Retrofitting of Border Flood lighting along Indo-Pak border in Rajasthan sector. We have also made in-roads in prestigious projects like Smart Cities, Metros and Airports.

LED Business continues to contribute 49% of total turnover of the lighting & consumer durables segment 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, being only lighting company which provide basic lighting to sophisticated lighting products in India with strong presence in Tier II and Tier III cities will expect to reap benefits due to shift of demand to organized space post GST, The future of the segment is bright on account of operational efficiencies, increase in marketing network, brand building, effective plant locations and professional management, Company will deliver all round progress both top line and bottom line in times to come which shall result into improving the ROCE and ROE.

With Company's continuous focus and energized teams along with its 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 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 Luminaries 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 take every care to design new lights to ensure that the lights meet the best manufacturing and quality standards. Thermal simulations ensure that the thermal management is optimum for the long life of the LED luminaries.

We design and develop our own electronic drivers for use in vast range of LED lights. High quality and reliability of the drivers is ensured right from the design stage. Advanced features of our drivers ensure that we remain at the forefront of LED technology. Thermal, mechanical and environmental tests are performed on the Luminaries during development. All kinds of electrical and safety tests are available and are performed on the products to ensure their functioning during the most adverse conditions.

STIC 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, luminaries and for testing of optical design of lighting system. The centre is also equipped with a 2m Integrating sphere. To carry out measurements for light distribution pattern, illuminance, luminous flux, chromaticity, color temperature, color rendering index of light sources and luminaries. The Photometric Testing Laboratory is also NABL accredited.

STIC has been recognized 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 R & D Centre 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. Surya, is the name reckoned for energy efficient domestic and commercial fan solution market.

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 of ₹ 172 crore by selling over 20 Lacs fans units in 2017-18.

Since the business in the year 2017-18 was affected by India's most Tax Structure reformation by Goods and Service Tax (GST), the Business Growth was not as expected as planned by the organization. Although we have registered positive growth in 2017-18 despite of entire fans industry has registered marginal growth.

Company has expanded its presence across the Segment in Domestic customers, CSD –CPC and Government institutions and further exploring presence in export markets.

Surya newly launched Super energy efficient BLDC Ceiling fan is the biggest success in its journey and creating awareness amongst the customers as the most power saving fan with just 32 Watt power consumption with higher air delivery and other value added features.

Surya Premium Ceiling fan range with unique Anti dust technology offers the variety of choices for customer with different color combinations and unique decoration to suits the interior of home.

HOME APPLIANCES AND CONSUMER DURABLES

Surya's entry in to the Small Domestic Appliances industry in last 2 years have been an important inflexion point in the brand's journey to further strengthen the consumer relationship as it offers wide spectrum of innovative, premium quality, Kitchen and Domestic Appliances. In the FY 2018, many new products had been launched with special focus on Water Heaters product group, Qubo, designer storage water heaters were marketed and promoted with a brand new TVC campaign and Ignito, Gas Water Heaters were launched which were received by the consumers with enthusiasm and vigor. These new products were appreciated and received very well by the consumers, a sizeable number of Water Heaters were sold during last year and plan to grow this segment further in FY 2019.

Room coolers range was expanded last year with addition in personal coolers range with 25 Liters & 50 Liters, with focus on design and higher cooling efficiency and with multiple tank capacities, market responded to the Room coolers enthusiastically and this product segment was again sold on advance payment, Room coolers shall be contributing 30000 units in FY 2019.

Surya is going to launch the Glass Cooktop (Gas Stoves) range in the FY 2019, which marks the entry of the brand further into the kitchen appliances, these Glass Cooktops have been the best of material and design, which enhances the looks and convenience for the consumers, making their cooking a pleasure and enjoyable.

Surya's envisages to further leverage and strengthen the distribution in e- commerce, as initiated last year and also electrical channel by offering new products in the Mixer Grinders like Royale 600 Watts and Royale

750 Watts, Dry & Steam Irons, Electric Kettles, Toasters, Induction Cook tops and shall strive to remain one of the most competitive brands in its segment by offering superior value through innovative products in design, workmanship, efficiency and durability. This business segment achieved a turnover of ₹ 45 crores in FY 2018 and aims to generate sales of over ₹ 75 crores in the FY 2019 .The customer care team is also well established, with a pan India network of service franchises in order to provide impeccable service experience, should the product requires after sales service.

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 on the enhanced equity share capital (allotment of equity shares to the shareholders of e-SGSTL as per the sanctioned scheme of amalgamation approved by Hon'ble NCLT, Chandigarh Bench) of the company for the year ended 2017-18 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 14th September, 2018. In respect of shares held in de-materialised form, the dividend shall be payable on the basis of beneficial ownership as at the end of 10th September, 2018, as per the details furnished by National Securities Depository Ltd./ Central Depository Services (India) Ltd. 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 five times, on 30th May, 2017; 11th August, 2017; 13th November, 2017; 25th January, 2018 and 12th February, 2018.

6 DIRECTORS AND KEY MANANGERIAL PERSONNEL :

As per Article 101 of the Articles of Association of the Company, Shri Raju Bista retire by rotation and, being eligible, offer himself for reappointment.

Change in Directorship

During the year, under review Smt. Shivani Singla has been substituted as a Nominee Director of IDBI Bank Ltd w. e. f 11th December, 2017 in place of Sh. Rajeev Kumar Sinha on the Board of the Company. Your Directors welcome Smt. Shivani Singla and at the same time placed on record the high sense of appreciation for the wise counsel and valuable services rendered by Sh. Rajeev Kumar Sinha during his 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 Shri Sunil Sikka having DIN – 08063385 as an Additional Independent Director of the Company w.e.f 12th February, 2018 as per the provisions of Section 161 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 Operations
Sh. Ramanjit Singh	C.E.O – Lighting 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 familiarise programme for Independent Directors was organised during the year to make them update the recent amendments in the provisions of the Companies Act, 2013. A detailed familiarisation programme was presented by Secretarial team of the Company which was keenly participated by every Independent Director on the Board of the Company and express happiness over the same. The detailed familiarisation programme for Independent Directors was uploaded on the website of the company at the following link :http://www.surya.co.in/familiarization-programme-for-independent-directors/

8. COMPOSITION OF AUDIT & OTHER COMMITTEES

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

Names of the Members	Director Identification No.	Category
Sh. K. K. Narula	00098124	Chairman ; Independent – Director
Sh.Tara Sankar Bhattacharya	00157305	Member ; Independent – Director
Sh. Utpal K Mukhopadhyay	02766045	Member ; Independent – Director
Sh. Mukesh Tripathi	01951272	Member ; Non Independent – Director

All members of audit committee are financially literate and Shri K K Narula, Shri T S Bhattacharya and Shri U K Mukhopadhyay 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 :

Names of the Members	DIN	Position	Category
Shri K K Narula	00098124	Chairman	Non-Executive, Independent
Shri Ravinder Kumar Narang	02318041	Member	Non-Executive, Independent
Shri Surendra Singh Khurana *	02126149	Member	Non-Executive, Independent
Shri Mukesh Tripathi #	01951272	Member	Executive, Non-Independent

* Inducted by re-constitution of the Committee by Board of Directors w.e.f 25th January, 2018

#Not qualified to hold membership on becoming Executive ; Non- Independent director on account of merger of e-Surya Global steel tubes limited with the Company w.e.f. 11th January, 2018

The Nomination and Remuneration Committee is responsible for-

- Appointment of the directors and key managerial personnel of the Company
- 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 :

a. attract, recruit and retain good and exceptional talent;

b. list down the criteria for determining the qualifications, positive attributes and independence of the directors of the Company;

c. 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;

d. ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective , excellence in their performance;

e. 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) 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

a. The skills, relevant experience, expertise and personal qualities that will best complement the position;

b. Potential conflicts of interest, and independence;

c. Detailed background information and performance track record;

d. the ability to exercise sound business judgment;

e. availability to attend Board and Committee meetings; and

f. appropriate experience and/or professional qualifications.

Stakeholder's Relationship Committee

Composition / name of members and chairperson

The Committee headed by Shri K K 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
Shri K K Narula	00098124	Chairman	Non-Executive, Independent
Shri Ravinder Kumar Narang	02318041	Member	Non-Executive, Independent
Shri 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, 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 may be assessed on the website of the company at the following link:http://www.surya.co.in/wp-content/uploads/2016/04/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:

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

ii. that 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;

iii. that 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;

iv. that the Directors had prepared the annual accounts on a "going concern" basis;

v. 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;

vi. 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 INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE ASSOCIATE COMPANY

During the year under review, no company has become or ceased to be its Subsidiaries, Joint Ventures or Associate Company except Surya Global Steel Tubes Limited (an associate Company) which was merged from appointed date 1st April, 2016 with the Company as per NCLT, Chandigarh Bench Order effective from 11th January, 2018.

12. 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 – 1** forms part of this Board Report.

13 AUDITORS AND AUDIT REPORT:

STATUTORY AUDITOR:

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 7 May 2018, ratification of auditors' appointment is no longer required. However, under section 142 of the Companies Act, 2013, a proposal is put up for approval of members for authorising the Board of Directors of the Company to fix Auditors' remuneration for the year 2018-19 and thereafter. The members are requested to approve the same.

The Statutory Audit Report for the year 2017-18 does not contain any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors.

APPOINTMENT OF OTHER AUDITORS

COST AUDITOR

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 2017-18.

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 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018is annexed herewith and marked as **Annexure II** to this report. The Secretarial Audit Report(s) does not contain any qualification, reservation or adverse remark.

14. 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 – III** and form part of this report.

15 DETAILS RELATING TO DEPOSITS:

As per the provisions of section 74(1) of the Companies Act, 2013, Company had made prepayments, repayments or outstanding unclaimed deposits on or before 31st March, 2015 to all the public depositors of the Company.

At the close of the year 35 depositors aggregating to ₹ 13.98 lakh to whom cheques were issued but not cleared.

16 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.

17 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 has in place a strong and independent Internal Audit Department responsible 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.

18 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 provided or made any investments during the year under review.

19 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:

A. **Technology Risk:** The ever-evolving technology with continuous updation may lead to product obsolescence, if not addressed regularly.

B. **Financial Risk:** The policy rates have started showing increasing trend in view of inflationary pressures, which may impact profitability.

C. **Business Competition Risk:** Both business segments face competition in the market from many established as well as unorganised players.

D. **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.

E. **Regulatory Risk:** Non-compliance to stringent regulatory and environment norms may result in liabilities and loss of brand reputation.

F. **Forex Fluctuation Risk:** The Company deals in exports /imports of products in business and borrowings which are subjected to currency fluctuations.

G. **Human Resources Risk:** The Company needs adequate talent to run the business. There is a risk labour unrest and maintaining good industrial relations.

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 :

a. Planning & Strategizing

b. Identification of Major Risks

c. Assessment of Risks and Assignment of Responsibilities

d. Development of Mitigation Plans

e. 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.

20 CORPORATE SOCIAL RESPONSIBILITY POLICY :

To attain Company's Corporate Social Responsibility objective, 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 four Directors. The names along with categories of the members at the meeting was as follows :

S. No.	Name of the Member	DIN	Category
1	Shri Jai Prakash Agarwal	00041119	Member
2	Shri Raju Bista	01299297	Member
3	Shri K K Narula	00098124	Chairman
4	Shri Mukesh Tripathi	01951272	Member

During the last financial year four CSR Committee meetings were held on 30th May, 2017, 11th August 2017, 13th November, 2017 and 12th February, 2018.

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 25 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 on consolidated basis spends ₹ 2.04 crore in which an amount of ₹ 1.64 crore is spend by the company and ₹ 0.40 crore is spend by e-SGSTL 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 IV** 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.

21 RELATED PARTY TRANSACTIONS :

No contracts or arrangements or transactions not on an arm's length basis with Related parties referred to in Section 188(1) is made during the year under review as provided in Form AOC-2 marked as **Annexure V** 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, Board has framed Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transaction, 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 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/wp-content/uploads/2016/04/RPT-Policy.pdf

Your Directors draw attention of the members to Note No. 48 to the financial statement which sets out related party disclosures.

22 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 and Stakeholders Relationship Committee.
- ✓ 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 timelines 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 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 28th March, 2018 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, 2017on 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.

23 PARTICULARS OF EMPLOYEES :

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided on request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered office of the Company during business hours on all working days of the Company up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining the copy thereof, such Member may write to the Company Secretary in this regard.

24 LISTING WITH STOCK EXCHANGES:

The equity shares of the company were listed on the following Stock Exchanges during the financial year 2017-18:

BSE Limited	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 2017-18 and 2018-19.

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 –VI** 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.

Company believes that its Members are among its most

important stakeholders. Accordingly your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive assets and resource base and nurturing overall corporate reputation. Your Company is also committed in creating values for its other stakeholders by ensuing that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

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

i. 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.

ii. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the Listing Regulation with the Stock Exchanges, the compliance certificate from Chairman, Managing Director and Executive Director & Group CFO is given as **Annexure – VII** to the report.

27 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 Investing Public.

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

J P AGARWAL
CHAIRMAN
DIN- 00041119

Place: New Delhi
Dated:18th May, 2018

ANNEXURE – I
TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[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	59.19%
2	CR Strips	24105	13.11%
3	Lighting Products	27400	27.70%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and address of the Company	CIN	Holding/Subsidiary /Associate	% of Share Held	Applicable Section
		Nil			

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
	Opening Balance on Standalone basis		Deemed to be allotted pursuant to Scheme of Merger		Total Opening Holding pursuant to Scheme of Merger as at 31.03.2017				Total Closing Holding Post approved Scheme of Merger as at 31.03.2018				
	Demat	Physical	Demat	Physical	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters													
(1) Indian													
(a) Individuals/ HUF	22,16,383	-	4,66,307	-	26,82,690	-	26,82,690	4.931	26,82,690	-	26,82,690	4.931	-

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
	Opening Balance on Standalone basis		Deemed to be allotted pursuant to Scheme of Merger		Total Opening Holding pursuant to Scheme of Merger as at 31.03.2017				Total Closing Holding Post approved Scheme of Merger as at 31.03.2018				
	Demat	Physical	Demat	Physical	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b) Central Government	-	-	-	-	-	-	-	-	-	-		-	-
c) State Government	-	-	-	-	-	-	-	-	-	-		-	-
d) Bodies Corporate	2,55,38,343	-	60,02,711	-	3,15,41,054	-	3,15,41,054	57.970	3,15,41,054	-	3,15,41,054	57.970	-
e) Banks / Financial Institutions	-	-		-	-	-	-	-	-	-		-	-
f) Any other (specify)	-	-	-	-	-	-	-	-	-	-		-	-
Sub-Total (A) (1)	**2,77,54,726**	**-**	**64,69,018**	**-**	**3,42,23,744**	**-**	**3,42,23,744**	**62.901**	**3,42,23,744**	**-**	**3,42,23,744**	**62.901**	**-**
(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)	**2,77,54,726**	**-**	**64,69,018**	**-**	**3,42,23,744**	**-**	**3,42,23,744**	**62.901**	**3,42,23,744**		**3,42,23,744**	**62.901**	**-**
(B) Public shareholding													
(1) Institutions													
a) Mutual Funds	5,27,051	886	-	-	5,27,051	886	5,27,937	0.970	495	875	1,370	0.003	(0.968)
b) Alternate Investment Funds	-	-	-	-	-	-	-	-	11,59,522	-	11,59,522	2.131	2.131
c) Banks / Financial Institutions	30,069	1,328	-	-	30,069	1,328	31,397	0.058	37,112	1,050	38,162	0.070	0.012
d) Central Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-
e) State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-
f) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-

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
	Opening Balance on Standalone basis		Deemed to be allotted pursuant to Scheme of Merger		Total Opening Holding pursuant to Scheme of Merger as at 31.03.2017				Total Closing Holding Post approved Scheme of Merger as at 31.03.2018				
	Demat	Physical	Demat	Physical	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) Insurance Companies	-	3,000	-	-	-	3,000	3,000	0.006	-	3,000	3,000	0.006	-
h) Foreign Institutional Investors	12,13,690	-	-	-	12,13,690	-	12,13,690	2.231	6,09,656	-	6,09,656	1.121	(1.110)
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
j) Any other (specify) : Foreign Institutional Investors	80,281	250	-	-	80,281	250	80,531	0.148	6,500	250	6,750	0.012	(0.136)
Sub-Total (B) (1)	**18,51,091**	**5,464**			**18,51,091**	**5,464**	**18,56,555**	**3.412**	**18,13,285**	**5,175**	**18,18,460**	**3.342**	**(0.070)**
(2) Non-institutions													
(a) Bodies Corporate													
i) Indian	56,26,245	4,014	41,08,706	-	97,34,951	4,014	97,38,965	17.900	83,01,216	2,634	83,03,850	15.262	(2.638)
ii) Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Individuals -													
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	53,11,943	7,41,129	-	-	53,11,943	7,41,129	60,53,072	11.125	57,80,367	5,63,489	63,43,856	11.660	0.534
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	19,05,090	-	-	-	19,05,090	-	19,05,090	3.501	30,23,211	-	30,23,211	5.556	2.055
c) Any other (specify)													

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
	Opening Balance on Standalone basis		Deemed to be allotted pursuant to Scheme of Merger		Total Opening Holding pursuant to Scheme of Merger as at 31.03.2017				Total Closing Holding Post approved Scheme of Merger as at 31.03.2018				
	Demat	Physical	Demat	Physical	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
NBFC Registered with RBI	-	-	-	-	-	-	-	-	70,974	-	70,974	0.130	0.130
NRIs/OCB	3,26,995	6,251	-	-	3,26,995	6,251	3,33,246	0.612	3,30,430	5,027	3,35,457	0.617	0.004
Clearing Members	2,68,602	-	-	-	2,68,602	-	2,68,602	0.494	1,24,709	-	1,24,709	0.229	(0.264)
Trust	29,700	-	-	-	29,700	-	29,700	0.055	15,200	-	15,200	0.028	(0.027)
Unclaimed Suspense or Escrow Account	-	-	-	-	-	-	-	-	1,49,513	-	1,49,513	0.275	0.275
Sub-Total (B) (2)	**1,34,68,575**	**7,51,394**	**41,08,706**	**-**	**1,75,77,281**	**7,51,394**	**1,83,28,675**	**33.687**	**1,77,95,620**	**5,71,150**	**1,83,66,770**	**33.757**	**0.070**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**1,53,19,666**	**7,56,858**	**41,08,706**	**-**	**1,94,28,372**	**7,56,858**	**2,01,85,230**	**37.099**	**1,96,08,905**	**5,76,325**	**2,01,85,230**	**37.099**	**-**
(C) Shares held by Custodians for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
GRAND TOTAL (A)+(B)+(C)	**4,30,74,392**	**7,56,858**	**1,05,77,724**	**-**	**5,36,52,116**	**7,56,858**	**5,44,08,974**	**100.00**	**5,38,32,649**	**5,76,325**	**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			
		No. of Shares before Scheme of Amalgamation	Shares deemed to be alloted	Total No. of shares pursuant to the scheme of Merger	% of total shares of the company	% of shares pledged/ encumbered to total shares	Total No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	% change in shareholding during the year
1	Jai Prakash Agarwal	18,39,416	4,66,307	23,05,723	4.24	0.004	23,05,723	4.24	0.004	-
2	Urmil Agarwal	2,10,431	-	2,10,431	0.39	-	2,10,431	0.39	-	-
3	Vinay Surya	1,66,536	-	1,66,536	0.31	-	1,66,536	0.31	-	-
4	Pankaj Investments Limited	9,69,348	-	9,69,348	1.78	-	9,69,348	1.78	-	-
5	Goel Die Cast Limited	18,80,729	47,233	19,27,962	3.54	-	19,27,962	3.54	-	-
6	Viksit Trading & Holding Pvt Ltd	2,37,346	-	2,37,346	0.44	-	2,37,346	0.44	-	-
7	Gargiya Finance & Investment Pvt. Ltd	5,22,487	-	5,22,487	0.96	-	5,22,487	0.96	-	-
8	Lustre Merchants Pvt. Ltd.	72,394	-	72,394	0.13	-	72,394	0.13	-	-
9	Sahaj Tie-up Pvt. Limited	31,16,250	8,837	31,25,087	5.74	3.492	31,25,087	5.74	3.492	-

Sl. No	Shareholders Name	Shareholding at the beginning of the year					Shareholding at the end of the year			
		No. of Shares before Scheme of Amalgamation	Shares deemed to be alloted	Total No. of shares pursuant to the scheme of Merger	% of total shares of the company	% of shares pledged/ encumbered to total shares	Total No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	% change in shareholding during the year
10	Shirin Commodeal Pvt Ltd	20,98,750	17,439	21,16,189	3.89	3.775	21,16,189	3.89	3.775	-
11	S M Vyapaar Private Limited	19,70,000	13,920	19,83,920	3.65	2.206	19,83,920	3.65	2.206	-
12	Diwakar Marketing Private Limited	56,37,500	-	56,37,500	10.36	8.730	56,37,500	10.36	5.514	-
13	Shreyansh Mercantile Private Limited	31,78,000	-	31,78,000	5.84	-	31,78,000	5.84	-	-
14	Cubitex Marketing Private Limited	48,61,000	-	48,61,000	8.93	-	48,61,000	8.93	-	-
15	Jits Courier & Finance Private Limited	9,94,539	6,960	10,01,499	1.84	-	10,01,499	1.84	-	-
16	Dicord Commodeal Pvt. Ltd.	-	22,65,610	22,65,610	4.16	-	22,65,610	4.16	-	-
17	ZatcoVyapar Pvt. Ltd.	-	14,03,455	14,03,455	2.58	-	14,03,455	2.58	-	-
18	SadabaharTradecomm Pvt. Ltd.	-	12,78,179	12,78,179	2.35	-	12,78,179	2.35	-	-
19	B M Graphics Pvt. Ltd.	-	9,61,078	9,61,078	1.77	-	9,61,078	1.77	-	-
	TOTAL	**2,77,54,726**	**64,69,018**	**3,42,23,744**	**62.901**	**18.207**	**3,42,23,744**	**62.901**	**14.991**	**-**

(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 Share holding during the year specifying the reasons for increase / decrease (e.g allotment / transfer/bonus/ sweat equity etc.)		Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)		
		No. of Shares at the beginning (01-04-2017) pre issue	Shares deemed to be allotted on 01.04.2016	Total Shares post Scheme of Merger	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
	Promoter Holding as at 01-04-2017	2,77,54,726	64,69,018	3,42,23,744	62.901		-	-	3,42,23,744	62.901

*** Shares are allotted pursuant to approved Scheme of Merger by Hon'ble NCLT, Chandigarh Bench.**

No CHANGE

	Total Promoter Holding as at 31-03-2018			**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 (01-04-2017 to 31-03-2018)		
		No. of Shares at the beginning (01-04-2017) and end of the year (31-03-2018)	% 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**	9,52,500	1.751	1-Apr-2017		-	9,52,500	1.751
				30-Sep-2017	(21,051)	Transfer	9,31,449	1.712
				6-Oct-2017	(73,999)	Transfer	8,57,450	1.576
				13-Oct-2017	(5,868)	Transfer	8,51,582	1.565
				5-Jan-2018	(44,000)	Transfer	8,07,582	1.484
				12-Jan-2018	(5,582)	Transfer	8,02,000	1.474
		8,02,000	1.474	31-Mar-2018			8,02,000	1.474

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 (01-04-2017 to 31-03-2018)		
		No. of Shares at the beginning (01-04-2017) and end of the year (31-03-2018)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
2	Lush Traders Private Ltd	5,69,400	1.047	1-Apr-2017	-	-	5,69,400	1.047
		-	-	12-May-2017	(77,039)	Transfer	4,92,361	0.905
				19-May-2017	(21,082)	Transfer	4,71,279	0.866
				2-Jun-2017	(32,282)	Transfer	4,38,997	0.807
				9-Jun-2017	(1,06,218)	Transfer	3,32,779	0.612
				16-Jun-2017	(10,000)	Transfer	3,22,779	0.593
				23-Jun-2017	(61,757)	Transfer	2,61,022	0.480
				4-Aug-2017	(13,726)	Transfer	2,47,296	0.455
				1-Sep-2017	(66,919)	Transfer	1,80,377	0.332
		1,80,377	0.332	1-Sep-2017		Date of Separation	1,80,377	0.332
3	DSP Blackrock 3 Year Close Ended Equity Fund	4,66,505	0.857	1-Apr-2017	-	-	4,66,505	0.857
				28-Apr-2017	(53,181)	Transfer	4,13,324	0.760
				5-May-2017	(2,59,206)	Transfer	1,54,118	0.283
		1,54,118	0.283	5-May-2017		Date of Separation	1,54,118	0.283
4	Swadeshi Mercantile Private Ltd	4,63,048	0.851	1-Apr-2017	-	-	4,63,048	0.851
				28-Apr-2017	(4,63,048)	Transfer	-	-
5	Jasmine Ispat Private Ltd	4,35,527	0.800	1-Apr-2017	-	-	4,35,527	0.800
				12-May-2017	(24,712)	Transfer	4,10,815	0.755
				19-May-2017	(27,933)	Transfer	3,82,882	0.704
				2-Jun-2017	(32,200)	Transfer	3,50,682	0.645
				9-Jun-2017	(1,03,789)	Transfer	2,46,893	0.454
				16-Jun-2017	(2,723)	Transfer	2,44,170	0.449
				23-Jun-2017	(59,757)	Transfer	1,84,413	0.339
		1,84,413	0.339	23-Jun-2017		Date of Separation	1,84,413	0.339
6	Prakash Castings private Limited	4,29,002	0.788	1-Apr-2017	-	-	4,29,002	0.788
				15-Sep-2017	(9,500)	Transfer	4,19,502	0.771
				22-Sep-2017	(61,639)	Transfer	3,57,863	0.658
				13-Oct-2017	(77,758)	Transfer	2,80,105	0.515
				20-Oct-2017	(54,500)	Transfer	2,25,605	0.415
				27-Oct-2017	(88,495)	Transfer	1,37,110	0.252
		1,37,110	0.252	27-Oct-2017	-	Date of Separation	1,37,110	0.252
7	Vikas Vijaykumar Khemani	3,11,192	0.572	1-Apr-2017	-	-	3,11,192	0.572
					No Movement during the year	-	-	-
		3,11,192	0.572	31-Mar-2018	-	-	3,11,192	0.572
8	Mahesh DinkarVaze	2,73,000	0.502	1-Apr-2017	-	-	2,73,000	0.502
				12-May-2017	1,00,000	Transfer	3,73,000	0.686
				11-Aug-2017	(73,000)	Transfer	3,00,000	0.551
				3-Nov-2017	50,000	Transfer	3,50,000	0.643
				17-Nov-2017	29,000	Transfer	3,79,000	0.697
				24-Nov-2017	2,000	Transfer	3,81,000	0.700
				9-Feb-2018	(2,27,000)	Transfer	1,54,000	0.283
		1,54,000	0.283	9-Feb-2018		Date of Separation	1,54,000	0.283
9	Swati Merchants Private Limited	2,56,500	0.471	1-Apr-17	-	-	2,56,500	0.471
				27-Oct-2017	(13,541)	Transfer	2,42,959	0.447
				3-Nov-2017	(19,435)	Transfer	2,23,524	0.411
				10-Nov-2017	(65)	Transfer	2,23,459	0.411
				24-Nov-2017	(37,303)	Transfer	1,86,156	0.342

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 (01-04-2017 to 31-03-2018)		
		No. of Shares at the beginning (01-04-2017) and end of the year (31-03-2018)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
				29-Dec-2017	(21,500)	Transfer	1,64,656	0.303
		1,64,656	0.303	29-Dec-17	-	Date of Separation	1,64,656	0.303
10	Gryffin Advisory Services Private Limited	2,55,000	0.469	1-Apr-2017	-	-	2,55,000	0.469
				30-Jun-2017	70,000	Transfer	3,25,000	0.597
				5-Jan-2018	(70,000)	Transfer	2,55,000	0.469
		2,55,000	0.469	25-Jan-2018	-	Date of Separation	2,55,000	0.469
11	SS Corporate Scurities Limited*		-	1-Apr-2017	-	-	-	-
				28-Apr-2017	4,20,486	Transfer	4,20,486	0.773
				5-May-2017	(3,47,333)	Transfer	73,153	0.134
		73,153	0.134	5-May-2017	-	Date of Separation	73,153	0.134
12	Bharat Taparia*	1,50,792	0.277	1-Apr-17	-	-	1,50,792	0.277
				7-Apr-2017	59,000	Transfer	2,09,792	0.386
				28-Apr-2017	54,390	Transfer	2,64,182	0.486
				5-May-2017	7,000	Transfer	2,71,182	0.498
				23-Jun-2017	255	Transfer	2,71,437	0.499
				18-Aug-2017	24,774	Transfer	2,96,211	0.544
				25-Aug-2017	27,000	Transfer	3,23,211	0.594
				1-Sep-2017	32,094	Transfer	3,55,305	0.653
				22-Dec-2017	14,156	Transfer	3,69,461	0.679
		3,69,461	0.679	31-Mar-18	-		3,69,461	0.679
13	India Whizdom Fund*		-	1-Apr-2017	-	-	-	-
				5-May-2017	6,10,540	Transfer	6,10,540	1.122
				12-May-2017	2,00,000	Transfer	8,10,540	1.490
				19-May-2017	6,452	Transfer	8,16,992	1.502
				26-May-2017	70,089	Transfer	8,87,081	1.630
				9-Jun-2017	1,42,584	Transfer	10,29,665	1.892
				1-Sep-2017	84,140	Transfer	11,13,805	2.047
				15-Sep-2017	10,000	Transfer	11,23,805	2.065
				30-Sep-2017	15,987	Transfer	11,39,792	2.095
				20-Oct-2017	216	Transfer	11,40,008	2.095
				27-Oct-2017	19,514	Transfer	11,59,522	2.131
		11,59,522	2.131	31-Mar-2018	-	-	11,59,522	2.131
14	Edelweiss Broking Limited*	2,28,998	0.421	1-Apr-2017	-	-	2,28,998	0.421
				7-Apr-2017	4,687	Transfer	2,33,685	0.429
				14-Apr-2017	10,033	Transfer	2,43,718	0.448
				21-Apr-2017	(23,417)	Transfer	2,20,301	0.405
				28-Apr-2017	20,765	Transfer	2,41,066	0.443
				5-May-2017	62,658	Transfer	3,03,724	0.558
				12-May-2017	(30,650)	Transfer	2,73,074	0.502
				19-May-2017	(24,686)	Transfer	2,48,388	0.457
				26-May-2017	(28,261)	Transfer	2,20,127	0.405
				2-Jun-2017	19,284	Transfer	2,39,411	0.440
				9-Jun-2017	(12,540)	Transfer	2,26,871	0.417
				16-Jun-2017	(6,424)	Transfer	2,20,447	0.405
				23-Jun-2017	26,899	Transfer	2,47,346	0.455
				30-Jun-2017	(18,959)	Transfer	2,28,387	0.420
				7-Jul-2017	577	Transfer	2,28,964	0.421
				14-Jul-2017	37,054	Transfer	2,66,018	0.489
				21-Jul-2017	(48,758)	Transfer	2,17,260	0.399
				28-Jul-2017	(5,469)	Transfer	2,11,791	0.389

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 (01-04-2017 to 31-03-2018)		
		No. of Shares at the beginning (01-04-2017) and end of the year (31-03-2018)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
		2,11,791	0.389	28-Jul-2017	-	Date of Separation	2,11,791	0.389
15	Soyuz Trading Company Limited*	1,62,686	0.299	1-Apr-2017	-	-	1,62,686	0.299
				5-May-2017	(81,500)	Transfer	81,186	0.149
				16-Jun-2017	24,987	Transfer	1,06,173	0.195
				23-Jun-2017	16,716	Transfer	1,22,889	0.226
				30-Jun-2017	96,648	Transfer	2,19,537	0.403
				28-Jul-2017	45,129	Transfer	2,64,666	0.486
				4-Aug-2017	93,764	Transfer	3,58,430	0.659
				15-Dec-2017	(1,545)	Transfer	3,56,885	0.656
				19-Jan-2018	1,11,977	Transfer	4,68,862	0.862
		4,68,862	0.862	31-Mar-2018	-	-	4,68,862	0.862
16	Khemani Distributors and Marketing Ltd.		-	1-Apr-2017	-	-	-	-
				4-Aug-2017	2,08,600	Transfer	2,08,600	0.383
				8-Sep-2017	(4,705)	Transfer	2,03,895	0.375
				20-Oct-2017	4,705	Transfer	2,08,600	0.383
				8-Dec-2017	(31,827)	Transfer	1,76,773	0.325
				15-Dec-2017	(9,924)	Transfer	1,66,849	0.307
				5-Jan-2017	41,751	Transfer	2,08,600	0.383
		2,08,600	0.383	25-Jan-2018	-	Date of Separation	2,08,600	0.383
17	Vibgyor Investors and Developers Pvt Ltd*		-	1-Apr-2017	-	-	-	-
				8-Sep-2017	4,00,000	Transfer	4,00,000	0.735
		4,00,000	0.735	31-Mar-2018	-	-	4,00,000	0.735
18	Pramod Chimmanlal Gupta*		-	1-Apr-2017	-	-	-	-
				24-Nov-2017	1,53,000	Transfer	1,53,000	0.281
				8-Dec-2017	51,000	Transfer	2,04,000	0.375
		2,04,000	0.375	25-Jan-2018	-	Date of Separation	2,04,000	0.375
19	Raxon Motor Finance Private Limited*		-	1-Apr-2017	-	-	-	-
				25-Jan-2018	15,37,959	Scheme of Merger	15,37,959	2.827
				31-Mar-2018	(1,000)	Transfer	15,36,959	2.825
		15,36,959	2.825	31-Mar-2018	-	-	15,36,959	2.825
20	Henco Commercials Private Limited*		-	1-Apr-2017	-	-	-	-
				25-Jan-2017	14,71,020	Scheme of Merger	14,71,020	2.704
				23-Feb-2018	18,626	Transfer	14,89,646	2.738
				23-Mar-2018	(1,000)	Transfer	14,88,646	2.736
		14,88,646	2.736	31-Mar-2018	-	-	14,88,646	2.736
21	Prajin Barter Private Limited*		-	1-Apr-2017	-	-	-	-
				25-Jan-2018	7,05,599	Scheme of Merger	7,05,599	1.297
		7,05,599	1.297	31-Mar-2018	-	-	7,05,599	1.297
22	Ashika Credit Capital Limited*		-	1-Apr-2017	-	-	-	-
				9-Feb-2018	3,00,000	Transfer	3,00,000	0.551
				16-Feb-2018	1,00,000	Transfer	4,00,000	0.735
				9-Mar-2018	19,600	Transfer	4,19,600	0.771
		4,19,600	0.771	31-Mar-2018	-	-	4,19,600	0.771

* Not in the list of Top 10 shareholders as on 01-04-2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders during the year ended 31st March, 2018

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 01.04.2017				Shareholding at the end of the year as at 31.03.2018		% change in shareholding during the year
			No. of Shares before Scheme of Merger	Shares deemed to be alloted pursuant to Scheme of Merger	Shares deemed to be alloted pursuant to Scheme of Merger	% of total shares of the company	Total No. of shares	% of total shares of the company	
Directors									
1	Jai Prakash Agarwal (Executive Chairman)	00041119	18,39,416	4,66,307	23,05,723	4.24	23,05,723	4.24	-
2	Raju Bista (Managing Director)	01299297	-	-	-				-
3	Urmil Agarwal	00053809	2,10,431	-	2,10,431	0.39	2,10,431	0.39	-
4	Ravinder Kumar Narang	02318041	-	-	-	-		-	-
5	Krishan Kumar Narula	00098124	-	-	-	-		-	-
6	Utpal Kumar Mukhopadhyay	02766045	-	-	-	-		-	-
7	Tara Sankar Bhattacharya	00157305	-	-	-	-		-	-
8	Sudhanshu Kumar Awasthi	02162923	-	-	-	-		-	-
9	Surendra Singh Khurana	02126149	-	-	-	-	40	0.00	0.00
10	Shivani Singla *	07715894	-	-	-	-		-	-
11	Rajeev Kumar Sinha*	01334549	-	-	-	-		-	-
12	Sunil Sikka	08063385	-	-	-	-	12,500	0.02	0.02
13	Mukesh Tripathi	01951272	-	-	-	-		-	-
Key Managerial Personnel (KMPs)									
a	R N Maloo (ED & Group CFO)	-	-	-	-	-	-	-	-
b	Ramanjit Singh (CEO- Lighting & Consumer Durables Segment)	-	-	-	-	-	-	-	-
c	Tarun Baldua (CEO- Steel Pipes & Strips Segment)	-	-	-	-	-	-	-	-
d	B B Singal (Sr. V.P & Company Secretary)	-	-	-	-	-	-	-	-

*Withdrawal of Nomination of Mr. Rajeev Kumar Sinha by substitution of the Nominee Director Smt. Shivani Singla on the Board w.e.f 11th December, 2017

V. INDEBTEDNESS

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

(₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1070.90	-	-	1070.90
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	4.32	-	-	4.32
Total (i+ ii+iii)	**1075.22**	**-**	**-**	**1075.22**
Change in Indebtedness during the financial year				
Addition	113.71	-	-	113.71
Reduction	88.43	-	-	88.43
Net Change	**25.28**	**-**	**-**	**25.28**
Indebtedness at the end 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**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in crore)

Sl. No	Particulars of the Remuneration	Name of MD/WTD / Manager			Total Amount
		Jai Prakash Agarwal	Raju Bista	Mukesh Tripathi #	
1	Gross Salary	Executive Chairman	Managing Director	Whole-time Director	
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	3.30	1.92	0.98	6.20
	(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 (to be paid in FY 2018-19)	2.34	1.56	-	3.90
	- others, specify	-	-	-	-
5	Others, please specify	-	-		-
	Total (A)	5.64	3.48	0.98	10.10
	Ceiling as per Act				15.62

Mukesh Tripathi is becoming Executive Non-Independent Director on account of merger of e-Surya Global Steel Tubes Limited (SGSTL) w.e.f 11th January, 2018 as per approved scheme of Merger by Hon'ble NCLT Chandigarh Bench and draws Salary of ₹. 0.98 crore during the financial year ended 31st March, 2018 of which ₹. 0.76 crore is drawn by him from e-SGSTL upto the effective date of merger i.e 11th January, 2018

B. Remuneration to Other Directors

(₹ in crore)

Sl. No	Particulars of the Remuneration	Name of Directors									Total Amount
		Krishan Kumar Narula	Ravinder Kumar Narang	Utpal Kumar Mukhopadhyay	Tara Sankar Bhattacharya	Sudhanshu Kumar Awasthi	Surendra Singh Khurana	Sunil Sikka*	IDBI Nominee	Urmil Agarwal	
	Independent Directors Fees for attending board / committee meetings	0.0565	0.0270	0.0150	0.0220	0.0200	0.0220	0.0080	-	-	0.1705
	Commission	-	-	-	-	-	-	-	-		-
	Others	-	-	-	-	-	-	-	-	-	-
	Total (1)	0.0565	0.0270	0.0150	0.0220	0.0200	0.0220	0.0080	-	-	0.1705
	Other Non Executive Directors Fees for attending board / committee meetings	-	-	-	-	-	-	-	0.0100	0.0090	0.0190
	Commission	-	-	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	0.0100	0.0090	0.0190
	Total (B) = (1+2)	0.0565	0.0270	0.0150	0.0220	0.0200	0.0220	0.0080	0.0100	0.0090	0.1895
	Total Managerial Remuneration (Sitting Fees)										0.1895
	Overall Ceiling as per the Act										NIL

* Appointed as Additional Independent Director on the Board of the Company w.e.f 12th February, 2018

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	Ramanjit Singh	Tarun Baldua	B B Singal	
		ED & GCFO	CEO-Lighting Operations	CEO-Steel Operations	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	0.70	1.18	0.89	0.34	3.11
	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**	-	-	-	-	-
	Total (C)	**0.70**	**1.18**	**0.89**	**0.34**	**3.11**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES.

There are no penalties, punishment or compounding of offences during the year ended 31st March, 2018.

for and on behalf of the Board of Directors

J P AGARWAL
CHAIRMAN
DIN- 00041119

Place: New Delhi
Dated:18th May, 2018

ANNEXURE – II TO BOARD'S REPORT

FORM NO. MR-3

[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, 2018 ("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,2018 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 **(Not applicable to the Company during the Audit Period)**

(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 events having a major bearing on company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc;

1. The Company has merged e-Surya Global Steel Tubes Limited (SGSTL) as per sanctioned Scheme of Arrangement for Amalgamation by Hon'ble National Company Law Tribunal (NCLT) Chandigarh Bench vide its Order dated 11th December, 2017 and the said merger is effective from 11th January, 2018 having its Appointed date 1st April, 2016 and accordingly for compiling our report to our satisfaction we have examined books / records / registers of the transferor Company maintained for the FY 2017-18 prior to the date of merger.
2. 1,05,77,724 Equity Shares are allotted by the Board of Directors on 25th January, 2018 to the shareholders of e-Surya Global Steel Tubes Limited (Transferor Company) on merger with the Company as per Scheme of Amalgamation approved by Hon'ble NCLT. Chandigarh Bench vide its order dated 11th December, 2017. Accordingly, Issued and Listed Capital of the Company increased to 5,44,08,974 from 4,38,31,250 of ₹. 10/- each and the listing & trading approval of the same has been received on 12th February, 2018 from BSE and NSE.

For SGS ASSOCIATES
Company Secretaries

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

Date: 18th May, 2018
Place: New Delhi

ANNEXURE III 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 2014and forming part of the Directors' Report for the year ended 31st March, 2018.

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:

- Installation of Solar Based Energy reduces purchase of 25000 units p.m. (approx.) from market and thus saves energy cost.
- Saving of energy is achieved by replacement of Cutting DC Motor with normal motor with drive at mill no.5.
- Saving of energy is achieved by installation of PLC, Motor at Mill No.2
- Replacement of Conventional lights with LED helps in saving of energy.

At Steel Pipe Unit, Hindupur :

- State of the art-technological plant having the inverter technology in all the pipe mills, which itself good enough to save power consumption in pipe mill.
- 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 (Kutchh- Gujarat):

- Purchase the power through open access by power trading to reduce the energy cost.
- Provide the VFD for High pressure pump at Hydro tester-8 to control the motor speed in ideal time.
- Provide the LED lights to reduce the lighting consumption and maintenance cost.
- Plugging of leakages of compressed air in ERW, Spiral and GI plant.
- Control the air conditioner units (a.c.) by control the a.c. unit running hours.
- Control high-low water level of ETP water tank by providing wireless water level controller.

At Malanpur Unit of Lighting Division :

- To control the speed of Vitrite glass Crusher In batch House of Cap plant, drive to half frequency is used resulted in saving of energy.
- Cap Plant- In Hockley Machine Dryer Speed Increased with the Help of Drive, thus increased the Production Capacity of the Hockley Machine and also energy of 3.5kw is saved.
- Replacement of hopper Limit Switch from Limit Switch with the Probe Type Sensor at Cap Plant -in Pinning Machines resulted in saving of energy.

At Kashipur Unit of Lighting Division :

- Saving of energy by installing 11 kw Kaeser compressor (71 cfm) in place of 25 kw (161 cfm)in PVC plant.
- Saving of energy by weekly maintenance of Air cooling plant.
- Saving of energy through Improvement in insulation of hot air ducting for TL- coating drying chamber
- Modification of GE Baker to fixed bed baker (26 MM DIA) 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 :

No investment 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 Luminaries & 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 Luminaries & its application including LED Lighting System.

d) **Expenditure on R&D :**

Capital as well as Revenue expenditure made on R&D. Capital Expenditure during the year is ₹. 0.05 crore and Revenue Expenditure is ₹. 3.36 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 : **324.22** Earned: **704.06**

for and on behalf of
the Board of Directors

J P AGARWAL
CHAIRMAN
DIN – 00041119

Date: 18th May, 2018
Place: New Delhi

ANNEXURE –IV TO BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

"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/wp-content/uploads/2016/04/CSR-POLICY.pdf

COMPOSITION:

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

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

	(₹ in crore)
Average Net Profit of the Company for last three financial years	79.87
Prescribe Amount of CSR expenditure (2% of Average)	1.60

On account of merger of e-Surya Global Steel Tubes Limited (e-SGSTL) with the Company as per approved Scheme of Amalgamation by Hon'ble NCLT, Chandigarh Bench vide its Order dated 11th December, 2017, the said merger is completed and effective from 11th January, 2018 having its appointed date 1st April, 2016. Accordingly, the prescribed amount of expenditure to be incurred by e-SGSTL on CSR activities for the FY 2017-18 and the amount spend by it up to the date of effective merger is as follows :

	(₹ in crore)
Average Net Profit of e-SGSTL for last three financial years	21.88
Prescribe Amount of CSR expenditure (2% of Average)	0.44

As the merger of e-SGSTL with the Company having its appointed dated 1st April, 2016, hence the amount to be spent by the Company on Consolidated Basis for the FY – 2017-18 is as follows:

	(₹ in crore)
Average Net Profit of the Company (Post merger of e-SGSTL) for last three financial years	101.78
Prescribe Amount of CSR expenditure (2% of Average)	2.04
Details of CSR Spent during the financial year	2.04
Total Amount to be spent for the financial year	2.04
Amount unspent if any	Nil
Manner in which amount spent during the financial year	As Mentioned below

Details of Amount Spent on CSR Activities during the Financial Year 2017-18 in respect of Surya Roshni Limited

(₹ 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**
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-** BAHADURGARH, JHAHHAR, ROHTAK, SONIPAT, HISSAR, **UTTRAKHAND-** KASHIPUR, UDHAM SINGH NAGAR, **MADHYA PRADESH-** BHIND, VIDISHA, RISEN, GWALIOR SHIVPURI, SIHORE,,INDORE,MALANPUR **GUJARAT-** KUTCHH, ARRVALI, **MANIPUR-** BISHNUPUR, KAKCHING **RAJASTHAN** BIKANER, JAIPUR,JODHPUR **BIHAR** EAST CHAMPARAN **MAHARASHTRA-** NAGPUR, AMRAVATI ,RAIGARH, AHMEDNAGAR ,RAMTEK **CHATTISGARH-,** KAWARDHA, RAJNANDGAON RAIPUR , **ORISSA-** GANJAM **JHARKHAND** KHUNTI, RAMGARH, JAMSEDPUR, BIRSANAGAR	1.83	1.83	1.83	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
			UTTAR PRADESH AMETHAI, , BARABANKI, BAREILLY, , FATEHPUR, GAUTAM BUDH NAGAR , GONDA, GORAKHPUR, HAMIRPUR,, MATHURA LAKHIMPUR KHERI, HARDOI LUCKNOW, MEERUT, KANPUR, MORADABAD, SAMLI, VARANASI, KAUSHMBI BIJNORE,PILIBHET				
2.	NATUROPATHY EXPENSES	PROMOTING PREVENTIVE HEALTH CARE, PROMOTE YOGA	NATUROPATHY WORKSHOP &INTERNATIONAL DAY OF YOGA	0.14	0.14	0.14	Implementing Agency- SURYA FOUNDATION
3.	OTHER ADMINISTRATION EXPENSES		DELHI	0.07	0.07	0.07	Implementing Agency- SURYA FOUNDATION
	Total				**2.04**	**2.04**	

2. Company had spent during the year the an amount of ₹ 2.04 crore on corporate social activities being not less than two percent 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 : 18th May, 2018

ANNEXURE -V
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 there to

(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 provision 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 : **N.A**
   - (c) Duration of the contracts/arrangements/transactions : **N.A**
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any : **N.A**
   - (e) Date(s) of approval by the Board, if any : **NA**
   - (f) Amount paid as advances, if any : **NIL**

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

Place : New Delhi
Dated : 18th May, 2018

ANNEXURE – VI TO BOARD'S REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company is committed to good Corporate Governance. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance, to its shareholders. The basic philosophy of Corporate Governance in the Company is to achieve the business excellence and dedicate itself for increasing long term shareholder value, keeping in view the needs and interests of its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics. This chapter constitutes your Company's compliance under Regulation 17 to 27 read with clause C of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. BOARD OF DIRECTORS

a. Composition and Category of Directors as on 31st March, 2018

The Board consists of 12 Directors as on 31st March, 2018. 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 3 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	12
Executive Chairman	Sh. Jai Prakash Agarwal
Managing Director	Sh. Raju Bista
No. of Independent Directors (Chairman being Executive)	7 (> 50% of Board Strength
No. of Non-Executive Directors	9 (> 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
Sh. Krishan Kumar Narula	00098124	Non-Executive – Independent
Sh. Ravinder Kumar Narang	02318041	Non-Executive Independent
Sh. Utpal K Mukhopadhyay	02766045	Non-Executive Independent
Sh. Tara Sankar Bhattacharya	00157305	Non-Executive Independent
Sh. Sudhanshu Kumar Awasthi	02162923	Non-Executive Independent
Sh. Surendra Singh Khurana	02126149	Non-Executive Independent
Sh. Rajeev Kumar Sinha* (IDBI Nominee in the capacity as lender)	01334549	Non-Executive; Non-Independent
Smt. Shivani Singla * (IDBI Nominee in the capacity as lender)	07715894	Non-Executive; Non-Independent
Sh. Sunil Sikka $	08063385	Non-Executive; Independent
Sh Mukesh Tripathi #	01951272	Executive; Non-Independent

* Withdrawal of Nomination of Shri Rajeev Kumar Sinha by IDBI Bank Limited by substitution of the Nominee Director Smt. Shivani Singla on the Board of the Company w.e.f 11th December, 2017

$ Appointed as Additional Independent Director on the Board of the Company w.e.f 2th February, 2018

Becoming Executive; Non- Independent director on account of merger of e-Surya Global Steel Tubes Limited with the Company w.e.f. 11th January, 2018 as per approved scheme of amalgamation by Hon'ble NCLT Chandigarh Bench.

b. Attendance of each Director at Board Meetings held during the year 2017-18 and last AGM

The names of the Directors on the Board and their attendance at Board meetings during the year 2017-18 and at the last AGM are as under :

Name of the Directors	Director Identification No. (DIN)	No. of Board Meetings attended during 2017-18	Last AGM attendance As on 29.12.2017
Sh. Jai Prakash Agarwal (Executive Chairman)	00041119	5	NO
Sh Raju Bista (Managing Director)	01299297	5	YES
Smt. Urmil Agarwal	00053809	3	NO
Sh. Krishan Kumar Narula	00098124	5	YES
Sh. Ravinder Kumar Narang	02318041	4	NO
Sh. Utpal K Mukhopadhyay	02766045	2	NO
Sh. Tara Sankar Bhattacharya	00157305	3	NO
Sh. Sudhanshu Kumar Awasthi	02162923	5	NO
Sh. Surendra Singh Khurana	02126149	5	NO
Sh. Rajeev Kumar Sinha* (IDBI Nominee in the capacity as lender)	01334549	2	NO NO
Smt. Shivani Singla * (IDBI Nominee in the capacity as lender)	07715894	1	NO NO
Sh. Sunil Sikka $	08063385	1	NO
Sh Mukesh Tripathi	01951272	4	NO

* Withdrawal of Nomination of Shri Rajeev Kumar Sinha by IDBI Bank Limited by substitution of the Nominee Director Smt. Shivani Singla on the Board of the Company w.e.f 11th December, 2017

$ Appointed as Additional Independent Director on the Board of the Company w.e.f 12th February, 2018

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 28th March, 2018 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, 2018

The names of the Directors and the details of chairmanship / directorships and committee memberships of each director in other companies as on 31st March, 2018 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	
		Chairman	Director	Chairman	Member
Sh. Jai Prakash Agarwal (Executive Chairman)	00041119	-	-	-	-
Sh Raju Bista (Managing Director)	01299297	-	-	-	-
Smt. Urmil Agarwal	00053809	-	1	-	-
Sh. Krishan Kumar Narula	00098124	-	-	-	-
Sh. Ravinder Kumar Narang	02318041	-	-	-	-
Sh. Utpal K Mukhopadhyay	02766045	-	5	1	2
Sh. Tara Sankar Bhattacharya	00157305	-	7	-	4
Sh. Sudhanshu Kumar Awasthi	02162923	-	-	-	-
Sh. Surendra Singh Khurana	02126149	-	-	-	-
Sh Rajeev Kumar Sinha * (IDBI Nominee)	01334549	-	-	-	-
Smt. Shivani Singla * (IDBI Nominee in the capacity as lender)	07715894	-	2	-	-
Sh. Sunil Sikka $	08063385	-	-	-	-
Sh Mukesh Tripathi	01951272	-	3	-	-

* Withdrawal of Nomination of Shri Rajeev Kumar Sinha by IDBI Bank Limited by substitution of the Nominee Director Smt. Shivani Singla on the Board of the Company w.e.f 11th December, 2017

$ Appointed as Additional Independent Director on the Board of the Company w.e.f 12th February, 2018

None of the -

- Independent Directors of the Company serves as an independent director in more than 7 listed companies
- 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 2017-2018 and dates on which held

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 five times, on 30th May, 2017; 11th August, 2017; 13th November, 2017; 25th January, 2018 and 12th February, 2018.

e. Disclosure of relationship between directors inter se.

None of the Directors of the Company except Shri J P Agarwal and Smt. Urmil Agarwal 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 2017-18 except Sh. Sunil Sikka who is holding 12,500 equity shares on the date of appointment i.e 12th February, 2018 and is holding the same number of shares as at 31st March, 2018.

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 Companies Act, 2013. A detailed familiarisation programme was presented by Secretarial team of the Company which was keenly participated by every Independent Director on the Board of the Company and express happiness over the same. The detailed familiarisation programme for Independent Directors was uploaded on the website of the company at the following link :http://www.surya.co.in/familiarization-programme-for-independent-directors/

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 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 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 four Directors. The names along with categories of the members at the meeting was as follows :

Name of the Directors	Director Identification No.	Category
Sh. K. K. Narula	00098124	Chairman; Independent – Director
Sh.Tara Sankar Bhattacharya	00157305	Member; Independent – Director
Sh. Utpal K Mukhopadhyay	02766045	Member; Independent – Director
Sh. Mukesh Tripathi #	01951272	Member; Non Independent – Director

Becoming Executive; Non- Independent director on account of merger of e-Surya Global Steel Tubes Limited with the Company w.e.f. 11th January, 2018 as per approved scheme of amalgamation by Hon'ble NCLT Chandigarh Bench

All the members except Sh. Mukesh Tripathi 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 2017-18, Audit Committee meetings were held on 29th May, 2017 ; 11th August, 2017; 13th November, 2017 and 12th February, 2018. The names along with categories of the members and the attendance of members at the meeting was as follows:

Name of the Directors	Director Identification No.	Category	No. of Meetings Attended
Sh. K. K. Narula	00098124	Chairman; Independent – Director	4
Sh.Tara Sankar Bhattacharya	00157305	Member; Independent – Director	3
Sh. Utpal K Mukhopadhyay	02766045	Member; Independent – Director	3
Sh. Mukesh Tripathi #	01951272	Member; Non Independent – Director	4

Becoming Executive; Non- Independent director on account of merger of e-Surya Global Steel Tubes Limited with the Company w.e.f. 11th January, 2018 as per approved scheme of amalgamation by Hon'ble NCLT Chandigarh, bench

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 K K Narula	00098124	Chairman	Non-Executive, Independent
Shri Ravinder Kumar Narang	02318041	Member	Non-Executive, Independent
Shri Surendra Singh Khurana *	02126149	Member	Non-Executive, Independent
Shri Mukesh Tripathi #	01951272	Member	Executive, Non-Independent

* Inducted by re-constitution of the Committee by Board of Directors w.e.f 25th January, 2018

\# Not qualified to hold membership on becoming Executive ; Non- Independent director on account of merger of e-Surya Global Steel Tubes Limited with the Company w.e.f. 11th January, 2018

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 2017-18, three meetings was held on 1st May, 2017; 13th November, 2017 and 12th February, 2018. The attendance of the members at the meeting was as follows:

Name	DIN	Position	Category	No. of Meetings Attended
Shri K K 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	1
Shri Mukesh Tripathi #	01951272	Member	Executive, Non-Independent	2

* Inducted by reconstitution of the Committee by Board of Directors w.e.f 25th January, 2018

\# Not qualified to hold membership on becoming Executive ; Non- Independent director on account of merger of e-Surya Global Steel Tubes Limited with the Company w.e.f. 11th January, 2018

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 behavior, 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.

Sl. 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.	
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. K K Narula was present in the Annual General Meeting of the Company held on 29th December, 2017

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 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, M.D , 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, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re-appointment 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 2017-2018 are as under:

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	3.30	Nil	2.34	Nil	N .A.
Sh. Raju Bista (Managing Director)	01299297	1.92	Nil	1.56	Nil	N.A.
Sh. Mukesh Tripathi #	01951272	0.98	Nil	Nil	Nil	Nil
Smt.Urmil Agarwal	00053809	Nil	Nil	Nil	Nil	0.0090
Sh. K.K.Narula	00098124	Nil	Nil	Nil	Nil	0.0565
Sh. Ravinder Kumar Narang	02318041	Nil	Nil	Nil	Nil	0.0270
Sh. U K Mukhopadhyay	02766045	Nil	Nil	Nil	Nil	0.0150
Sh. Tarasankar Bhattacharya	00157305	Nil	Nil	Nil	Nil	0.0220
Sh. Sudhanshu Kumar Awasthi	02162923	Nil	Nil	Nil	Nil	0.0200
Sh. Surendra Singh Khurana	02126149	Nil	Nil	Nil	Nil	0.0220
Sh. Sunil Sikka $	08063385	Nil	Nil	Nil	Nil	0.0080
IDBI Bank (Nominee Director)		Nil	Nil	Nil	Nil	0.0100

$ Appointed as Additional Independent Director on the Board of the Company w.e.f 12th February, 2018

Becoming Executive; Non- Independent director on account of merger of e-Surya Global Steel Tubes Limited with the Company w.e.f. 11th January, 2018 as per approved scheme of amalgamation by Hon'ble NCLT

Chandigarh Bench and out of the above mentioned drawn salary of ₹.0.98 crore he draws salary of ₹.0.76 crore from e-SGSTL upto the date of effective merger i.e 11th January, 2018.

* To be paid in the financial year 2018-19

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 18th June, 2014 (i.e. upto 17th June, 2019)	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 12,500 equity shares on date of appointment w.e.f. 12th February, 2018 and the same number of shares is held by him as at 31st March, 2018.

6. STAKEHOLDER'S GRIEVANCE COMMITTEE

i. Composition / name of members and chairperson

The Committee headed by Shri K K Narula (Non-executive – Independent Director) has the mandate to review and redress shareholder grievances. The Committee met 4 times during the year on 29.04.2017, 24.07.2017, 27.10.2017 and 25.01.2018, and the attendance of Members at the Meeting was as follows:

Names of the Members	Director Identification No.	Position	No. of Meetings Attended
Sh. K K Narula	00098124	Chairman	4
Sh. R K Narang	02318041	Member	2
Sh. Raju Bista	01299297	Member	4

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

ii.	**Name & Designation of Compliance Officer**	:	**Sh. B.B.Singal (Sr.V.P &Company Secretary)**
iii.	**Number of shareholders' complaints received upto 31st March, 2018**	:	**02**
iv.	**Number of complaints not solved to the satisfaction of the shareholders**	:	**Nil**
v.	**Number of pending complaints**	:	**Nil**

7. GENERAL BODY MEETINGS

i. Location and Time , where last three Annual General Meetings held

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

11.09.2015 ; 23.09.2016 ; 29.12.2017

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

ii. Special Resolutions passed in the previous three Annual General Meetings

Two Special Resolutions were passed in the Annual General Meeting held on 11th September, 2015, two Special Resolution were passed in the Annual General Meeting held on 23rd September, 2016 and one Special Resolution were passed in the AGM held on 29th December, 2017.

iii. Special Resolutions passed last year through Postal Ballot – Details of Voting Pattern

One Special resolution was passed through postal ballot last year as per the Order passed by the Hon'ble National Company Law Tribunal, Chandigarh Bench on 31/05/2017 in C.A.(CAA) NO. 15(Pb) / 2017 RT No. 119/Chd/ Hry/2017 whereby the Hon'ble NCLT Chandigarh Bench appointed Prince Chadha, Company Secretary in practice (ACS:32856, CP. NO. 12409) having its office at No. 48, Sector 41-A , Chandigarh as the Scrutinizer in respect for the meeting of Equity shareholders of **SURYA ROSHNI LIMITED** held on Saturday, the 22nd day of July, 2017 at 2.30 P.M then adjourned to 3:00 P.M. at Prakash Nagar, Sankhol, Bahadurgarh, Rohtak Road, Jhajjar, Haryana – 124507 for seeking their approval on the Scheme of Amalgamation of Surya Global Steel Tubes Limited with Surya Roshni Limited under the provisions of Section 230 to 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangements, and Amalgamations), Rules, 2016 and other applicable provisions of the Companies Act 2013.

The Summary of the result in terms of number of votes (shares) cast "For" and Against" by Postal Ballot, E-Voting and by Poll at meeting out of Total number of votes (shares) through valid votes are given as under:

(a) The Result of the Postal Ballot / Poll and E-voting are as under :

Resolution No.	No. of Members who cast their Votes either by Postal Ballot/ e-voting and Poll in the meeting				No. of Valid Poll Papers				No. of Invalid Poll Papers			
	Postal Ballot	Poll	E-Voting	Total	Postal Ballot	Poll	E-Voting	Total	Postal Ballot	Poll	E-Voting	Total
1	47	19	160	226	42	18	160	220	5	1	0	6

(b) The Summary of the results in terms of number of votes (shares) cast 'For' and 'Against' out of Total number of votes (Shares) through valid votes is given below :

Resolution No.	No. of Members who cast their Votes either by Postal Ballot/ e-voting and Poll in the meeting				No. of Votes (Shares) cast'Against' through valid votes				Total No. of Votes(Shares) cast through valid votes	Assent % (FOR)	Dissent% (AGAINST)	Resolution Passed / Not Passed
	Postal Ballot	Poll	E-Voting	Total	Postal Ballot	Poll	E-Voting	Total				
1	9683	21767	33103458	33134908	1750	0	1854	3604	33138512	99.99%	0.01%	PASSED

IN CASE F PUBLIC SHAREHOLDING

(a) The Result of the Postal Ballot / Poll and E-voting are as under :

Resolution No.	No. of Members who cast their Votes either by Postal Ballot/ e-voting and Poll in the meeting				No. of Valid Poll Papers				No. of Invalid Poll Papers			
	Postal Ballot	Poll	E-Voting	Total	Postal Ballot	Poll	E-Voting	Total	Postal Ballot	Poll	E-Voting	Total
1	47	19	145	211	42	18	145	205	5	1	0	6

(b) The Summary of the results in terms of number of votes (shares) cast 'For' and 'Against' out of Total number of votes (Shares) through valid votes of Public is given below :

Resolution No.	No. of Members who cast their Votes either by Postal Ballot/ e-voting and Poll in the meeting				No. of Votes (Shares) cast'Against' through valid votes				Total No. of Votes(Shares) cast through valid votes	Assent % (FOR)	Dissent% (AGAINST)	Resolution Passed / Not Passed
	Postal Ballot	Poll	E-Voting	Total	Postal Ballot	Poll	E-Voting	Total				
1	9683	21767	5348732	5380182	1750	0	1854	3604	5383786	99.93%	0.07%	PASSED

iv. Person who conducted the Postal Ballot exercise : Hon'ble NCLT Chandigarh Bench appointed Prince Chadha, Company Secretary in practice (ACS:32856, CP. NO. 12409) having its office at No. 48, Sector 41-A , Chandigarh as the Scrutinizer.

v. Whether any Special Resolution is proposed to be conducted through Postal Ballot – NIL

vi. Procedure for Postal Ballot – As per the Order of Hon'ble NCLT, Chandigarh Bench dated 30.05.2017 and in compliance with the provisions of the Companies Act, 2013 or rules made thereunder.

8. MEANS OF COMMUNICATION

i.	Quarterly results sent to each shareholders residence		No
ii	Newspapers in which quarterly results normally published	:	Business Standard
iii	Website where results or official news are displayed	:	www.surya.co.in
iv	Whether it also displays official news releases	:	Yes (if any)
v	Whether it also displays presentations made to institutional investors or to the analysts	:	Yes (if any)

9. GENERAL SHAREHOLDER INFORMATION

i.	**AGM : Date Time and Venue**	:	28th September, 2018 at 11:00 a.m Prakash Nagar, Sankhol, Bahadurgarh, Haryana -124507
ii	**Financial Year**	:	1st April to 31st March
iii.	**Dividend payment date**	:	- 5th October, 2018
iv.	**Listing on Stock Exchanges**	:	The securities of the Company were listed on the following Stock Exchanges during the financial year 2017-18

The Stock Exchange, Mumbai
Rotunda Building, Dalal Street,
Fort, Mumbai – 400 001

The National Stock Exchange of India Ltd
Exchange Plaza, Bandra- Kurla
Complex, Bandra, Mumbai – 400 051.

The Company has paid the Annual Listing Fees to the Stock Exchanges for the Financial Year 2017-18 and 2018-19

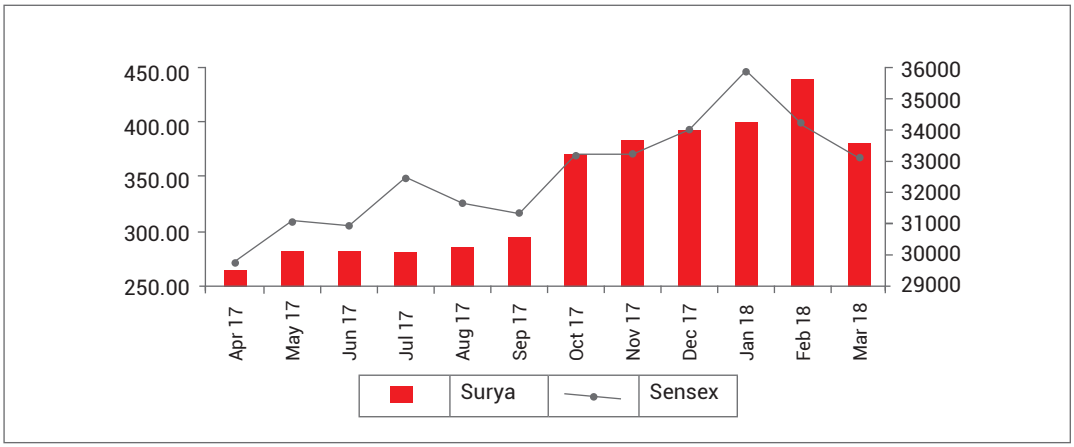
v. Stock Code

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

vi. Market Price Data

MONTH	NSE		BSE	
	HIGH (₹)	LOW (₹)	HIGH (₹)	LOW (₹)
April, 2017	280.80	204.50	280.00	206.00
May, 2017	299.80	257.00	299.20	257.10
June, 2017	307.35	279.90	306.90	280.00
July, 2017	298.50	275.30	297.80	276.00
August, 2017	297.00	236.30	296.00	239.30
September, 2017	327.90	284.05	328.00	285.20
October, 2017	391.60	291.65	391.80	292.00
November, 2017	410.40	342.00	409.30	341.35
December, 2017	406.00	358.00	405.90	358.00
January, 2018	467.80	377.55	465.45	377.45
February, 2018	520.85	346.90	522.35	345.95
March, 2018	454.45	362.95	454.00	362.55

vii. Performance in comparison to BSE SENSEX



viii. Suspension of trading during the year (if any) : NIL

ix. 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

x. 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, 2018.

xi. Distribution of Shareholding

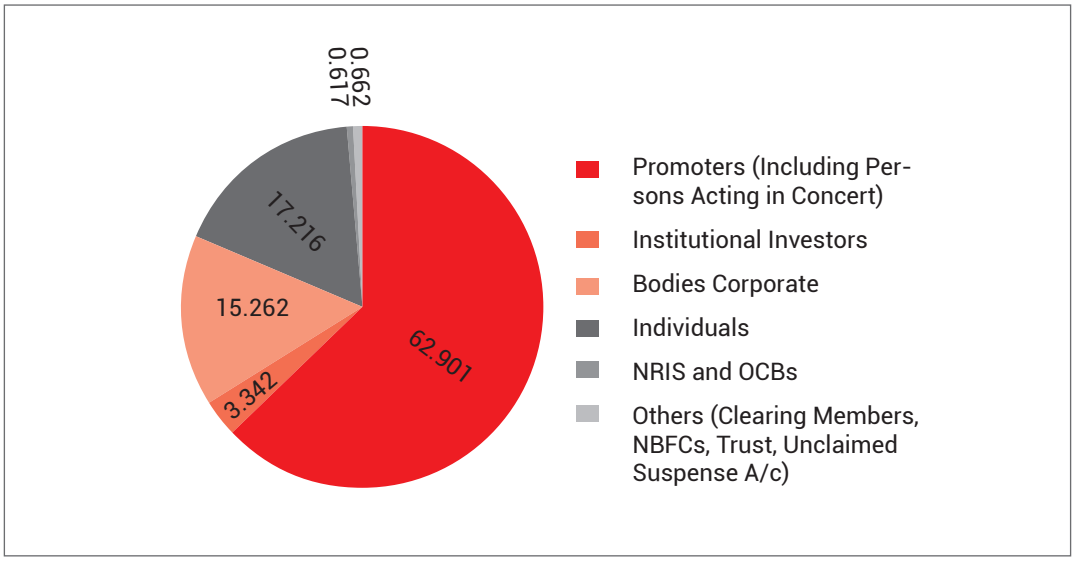
Share Holding of Nominal Value of Rs..	Shareholders		Shares*	
	Number	% of Total	Number	% of Total
1 - 5000	19729	86.683	23,93,475	4.399
5001 - 10000	1514	6.652	11,43,429	2.102
10001- 20000	759	3.335	11,18,623	2.056
20001- 30000	246	1.081	6,21,110	1.142
30001- 40000	123	0.540	4,36,838	0.803
40001- 50000	85	0.374	4,00,165	0.735
50001- 100000	148	0.650	10,80,801	1.986
100001 & Above	156	0.685	4,72,14,533	86.777
TOTAL	**22760**	**100.000**	**5,44,08,974**	**100.000**

- 1,05,77,724 Equity Shares are allotted by the Board of Directors on 25th January, 2018 to the shareholders of e-Surya Global Steel Tubes Limited (Transferor Company) on merger with the Company as per Scheme of Amalgamation approved by Hon'ble NCLT. Chandigarh Bench vide its order dated 11th December, 2017. Accordingly, Issued and Listed Capital of the Company increased to 5,44,08,974 from 4,38,31,250 and the listing & trading approval has been received on 12th February, 2018 from BSE limited and NSE.

Shareholding Pattern as at 31.03.2018

xii. Category	No. of Shares held	% age of Paid-up Capital
Promoters (including Persons Acting in Concert)	3,42,23,744	62.901
Institutional Investors	18,18,460	3.342
Bodies Corporate	83,03,850	15.262
Individuals	93,67,067	17.216
NRIs and OCBs	3,35,457	0.617
Others - Clearing Members	1,24,709	0.229
NBFCs Registered with RBI	70,974	0.130
Trust	15,200	0.028
Unclaimed or Suspense or Escrow A/c	1,49,513	0.275
TOTAL	**5,44,08,974**	**100.00**

Graphical Representation of the Shareholding Pattern



xii. 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, 2018, 5,38,32,649 equity shares, being 98.94% 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.

xiii. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversio date & likely impact on equity : Nil

xiv. Commodity price risk or Foreign Exchange risk and hedging activities : Please refer to Management Discussion and Analysis Report for the same.

xv. 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.-Kutchh 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).

xvi. 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; bbsingal@ho.surya.in
investorgrievances@sroshni.com

10. 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/wp-content/uploads/2016/04/whistle-blower-policy.pdf

d) The Company has complied with all mandatory requirements.

e) **Web link where policy for determining 'material' subsidiaries is disclosed:** Company has no subsidiaries hence Not Applicable

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/wp-content/uploads/2016/04/RPT-Policy.pdf

g) **Commodity price risks and commodity hedging activities.:** Please refer to Management Discussion and Analysis report for the same.

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 2017-18.

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 2017-18.

- Separate Posts of Chairman and Managing Director
- Reporting of Internal Auditor

13. DISCLOSURE 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 2017-18.

I. Disclosure of Website in terms of Listing Agreement

Items	Compliance status (Yes /No / N.A)
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	Not Applicable
Details of familiarisation programmes imparted to independent directors	Yes

. **II. Annual affirmation**

Particulars	Regulation Number	Compliance status (Yes/No/NA
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	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
Role of the Audit Committee and the information to be reviewed	18(3)	Yes
Composition and role of nomination & remuneration committee	19(1),(2) & (4)	Yes
Presence of Chairperson of Nomination and Remuneration Committee at Company AGM	19(3)	Yes
Composition and role of Stakeholder Relationship Committee	21(1),(2),(3),(4)	Yes
Composition & role of risk management committee & applicability	21(1),(2),(3),(4) & (5)	Not Applicable
Vigil Mechanism	22(1) & (2)	Yes
Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes

Particulars	Regulation Number	Compliance status (Yes/No/NA
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),(7) & (8)	Not Applicable
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Independent Directors Accountability	25(5)	Yes
Resignation or Removal of Independent Directors	25(6)	Not Applicable
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
2008-09	Nil	Nil	1187	132101	2	Nil	132101	Yes
2009-10	Nil	Nil	142	17412	1	Nil	17412	Yes
Total	**Nil**	**Nil**	**1329**	**149513**	**3**	**Nil**	**149513**	

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
146	10263	Nil	NIL	12	1599	Yes

- **134 cases comprising 8664 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 2018 in terms of clause D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations ,2015 with the Stock Exchanges.

Place : New Delhi **Dated : 18th May, 2018**	**Jai Prakash Agarwal** **Chairman** **DIN: 00041119**	**Raju Bista** **Managing Director** **DIN -01299297**	**Tarun Baldua** **CEO** **(Steel Operations)**	**Ramanjit Singh** **CEO** **(Lighting Operations)**

ANNEXURE -VII
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, 2018 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 2017-2018 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.

	J P Agarwal	Raju Bista	R N Maloo
Place : New Delhi	Chairman	Managing Director	ED & Group CFO
Dated : 18th May, 2018	DIN-00041119	DIN- 01299297	

CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE

INDEPENDENT AUDITOR'S 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 stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the 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 March 31, 2018. 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 March 31, 2018, 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 Goyal
Partner, FCA
Membership No. 017644

Place : New Delhi
Dated : 18th May, 2018

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 2017-18, ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18.

S.No	Name of the Director / KMP and Designation	Remuneration of Director / KMP for the financial year 2017-18 (₹ in Crore)	% increase in Remuneration in the Financial year 2017-18	Ratio of remuneration of each Director / to median remuneration of employees
1	Jai Prakash Agarwal (Executive Chairman)	5.64	135.00	178.01
2	Raju Bista (Managing Director)	3.48	93.33	109.84
3.	MukeshTripathi# (Whole-time Director)	0.98	#	#
4	Tarun Baldua (CEO – Steel Operations)	0.89	12.66	Not Applicable
5	Ramanjit Singh (CEO–Lighting Operations)	1.18	31.11	Not Applicable
6	R N Maloo (ED & Group CFO)	0.70	32.08	Not Applicable
7	B B Singal (Sr. V.P & C.S)	0.34	36.00	Not Applicable

MukeshTripathi is becoming an Whole-time Director on account of merger of e-Surya Global Steel Tubes Limited(SGSTL) w.e.f 11th January, 2018 as per approved scheme of Merger by Hon'ble NCLT Chandigarh Bench and draws Salary of Rs. 0.98 crore during the financial year ended 31st March, 2018 of which ₹ 0.76 crore is drawn by him from e-SGSTL upto the effective date of merger i.e 11th January, 2018, hence the figures are not comparable.

(ii) In the financial year, there was an increase of 12.64 % in the median remuneration of employees;

(iii) There were 3614 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 2017-18 was 11.57 % whereas increase in the managerial remuneration#117.14%.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 Executive Chairman Sh. Jai Prakash Agarwal and Managing Director Sh. Raju Bista and after taking into account the Industry Standard's remuneration payable to Executive Chairman and Managing Director has approved to pay commission @1.5% to Shri Jai Prakash Agarwal (Executive Chairman) and @ 1% to Raju Bista(Managing Director)of the Profit before tax (PBT) of the financial year 2017-18 onwards derived on the basis of Audited Financial Statements of the Company for the concerned financial year per annum basis for the period served under the agreement.

(v) We affirmed that the remuneration paid / payable is as per remuneration policy of the Company.

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY:

(i)	Designation of the employee;	Sh. Jai Prakash Agarwal – Chairman	Sh. Raju Bista – Managing Director	Sh. Ramanjit Singh CEO- Lighting Operations
(ii)	Remuneration received; (₹ in crore)	5.64	3.48	1.18
(iii)	Nature of employment, whether contractual or otherwise;	Executive Chairman (Whole-time Director)	Managing Director	CEO- Lighting Operations
(v)	Date of commencement of employment;	01.04.1986	01.08.2004	13-08-2015

(vi)	The age of such employee;	67 years	31 years	57 years
(vii)	The last employment held by such employee before joining the company;	Jindal Industries Limited (Executive Director)	Not Applicable	Philips India Limited
(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	4.24%	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	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 lakh rupees;	Sh. Jai Prakash Agarwal – Employed throughout the Financial Year 2017-18 Salary -₹ 5.64 crore	Sh. Raju Bista – Employed throughout the Financial Year 2017-18 Salary -₹ 3.48 crore	Sh. Ramanjit Singh – Employed throughout the Financial Year 2017-18 Salary - ₹ 1.18 crore
	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 lakh fifty thousand rupees per month;	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

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

to the members of Surya Roshni Limited

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of SURYA ROSHNI LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as Ind AS financial statements)

MANAGEMENT'S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

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.
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, the Statement of Cash Flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

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

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

i. The company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No.(s) 41 & 42 to the Ind AS financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any long term derivative contracts.

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 and on behalf of the Board of Directors

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

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

Place: New Delhi
Dated:18th May, 2018

ANNEXURE A

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** the financial statements for the year ended 31st March, 2018, 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 programme 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. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and section I86 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 determining 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, sales-tax, income tax, service tax, custom duty, excise duty, value added tax, 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, 2018.

(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.

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. The Company has not obtained any loans from debenture holders, financial institution 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.

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 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 give 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. 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 Goyal)
Partner, F.C.A
Membership No. 017644

Place: New Delhi
Dated:18th May, 2018

ANNEXURE B

to the Independent Auditor's Report of even date on the Ind AS 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 31st March, 2018 in conjunction with our audit of the Ind AS 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 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 31st March, 2018, 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 Goyal)
Partner, F.C.A
Membership No. 017644

Place: New Delhi
Dated:18th May, 2018

SURYA

BALANCE SHEET
AS AT 31st MARCH, 2018

(₹ in crore)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
I ASSETS			
1 Non-current assets			
a Property, plant and equipment	5	1,071.92	1,100.79
b Capital work-in-progress	5	21.91	15.55
c Financial assets			
i Other financial assets	6	9.39	9.37
d Other non-current assets	7	6.67	2.18
		1,109.89	**1,127.89**
2 Current assets			
a Inventories	8	828.57	654.95
b Financial assets			
i Trade receivables	9	712.59	631.81
ii Cash and cash equivalents	10	24.12	20.36
iii Bank balances other than (ii) above	11	0.40	1.94
iv Other financial assets	12	46.20	47.15
c Current tax assets (net)	13	2.39	2.43
d Other current assets	14	131.24	129.67
		1,745.51	**1,488.31**
Total Assets		**2,855.40**	**2,616.20**
II EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	54.41	54.41
Other equity	16	992.91	896.51
		1,047.32	**950.92**
LIABILITIES			
1 Non-current liabilities			
a Financial liabilities			
i Borrowings	17	354.38	400.61
ii Other financial liabilities	18	10.27	8.93
b Provisions	19	45.53	34.46
c Deferred tax liabilities (net)	20	83.51	76.25
		493.69	**520.25**
2 Current liabilities			
a Financial liabilities			
i Borrowings	21	717.05	630.76
ii Trade payables	22	408.35	341.01
iii Other financial liabilities	23	120.41	103.84
b Other current liabilities	24	31.92	47.60
c Provisions	25	30.98	19.98
d Current tax liabilities (net)	26	5.68	1.84
		1,314.39	**1,145.03**
Total Equity and liabilities		**2,855.40**	**2,616.20**

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)

CA. Ashok Kumar Goyal
Partner FCA
Membership no. 17644

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

Place : New Delhi
Dated : 18th May, 2018

J P Agarwal
Chairman
DIN: 00041119

T.S.Bhattacharya
Director
DIN: 00157305

Shivani Singla
Director
DIN: 07715894

R N Maloo
Executive Director & Group Chief Financial Officer

Raju Bista
Managing Director
DIN: 01299297

Ravinder K Narang
Director
DIN: 02318041

Sunil Sikka
Director
DIN: 08063385

Ramanjit Singh
CEO (Lighting Operations)

Urmil Agarwal
Director
DIN: 00053809

K K Narula
Director
DIN: 00098124

Tarun Baldua
CEO (Steel Operations)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in crore)

Particulars		Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	REVENUE FROM OPERATIONS	28	5,011.76	4,181.03
II	OTHER INCOME	29	2.66	0.88
III	**Total revenue (I+II)**		**5,014.42**	**4,181.91**
IV	EXPENSES			
	Cost of materials consumed	30	3,607.03	2,632.32
	Purchases of stock-in-trade	31	291.21	344.64
	Changes in inventories of finished goods, stock-in -trade and work-in-progress	32	(84.07)	(82.83)
	Excise duty		80.60	297.50
	Employee benefits expense	33	268.86	235.54
	Finance costs	34	105.16	112.72
	Depreciation and amortisation expense	35	87.31	83.61
	Other expenses	36	502.20	440.84
	Total Expenses		**4,858.30**	**4,064.34**
V	PROFIT BEFORE TAX (III-IV)		**156.12**	**117.57**
VI	TAX EXPENSE			
	Current tax	27	38.85	19.11
	Deferred tax	20	9.23	12.18
VII	PROFIT/(LOSS) FOR THE PERIOD		**108.04**	**86.28**
VIII	OTHER COMPREHENSIVE INCOME	37		
	(i) Items that will not be reclassified to profit or loss		(5.69)	(5.11)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.97	1.77
Total other comprehensive income			**(3.72)**	**(3.34)**
IX	TOTAL COMPREHENSIVE INCOME(VII+VIII)		**104.32**	**82.94**
	Earnings per equity shares (face value of ₹ 10/-each)	38		
	1) Basic (in ₹)		19.86	15.86
	2) Diluted (in ₹)		19.86	15.86

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)

CA. Ashok Kumar Goyal
Partner FCA
Membership no. 17644

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

Place : New Delhi
Dated : 18th May, 2018

J P Agarwal
Chairman
DIN: 00041119

T.S.Bhattacharya
Director
DIN: 00157305

Shivani Singla
Director
DIN: 07715894

R N Maloo
Executive Director & Group Chief Financial Officer

Raju Bista
Managing Director
DIN: 01299297

Ravinder K Narang
Director
DIN: 02318041

Sunil Sikka
Director
DIN: 08063385

Ramanjit Singh
CEO (Lighting Operations)

Urmil Agarwal
Director
DIN: 00053809

K K Narula
Director
DIN: 00098124

Tarun Baldua
CEO (Steel Operations)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2018

(₹ in crore)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net operating profit before tax	156.12	117.57
Adjustment for :		
Re-measurement gain / loss on defined benefit plans routed through OCI	(5.69)	(5.11)
Depreciation and amortisation of Property, Plant and Equipment	87.31	83.61
(Profit)/Loss on Sale/Retirement of Property Plant and Equipment (Net)	0.10	(0.05)
Allowance for doubtful debts / bad debts W/off	7.14	1.73
Interest Expenses	105.16	112.72
Operating profit before Working Capital changes	**350.14**	**310.47**
Adjustment for :		
(Increase) / Decrease in Trade receivables	(87.92)	(21.73)
(Increase) / Decrease in Other financial assets	0.93	(13.96)
(Increase) / Decrease in Other assets	(6.06)	(3.13)
(Increase)/Decrease in Inventories	(173.62)	(81.40)
Increase / (Decrease) in Trade payables/ provisions	89.41	81.99
Increase / (Decrease) in Other financial liabilities	32.69	4.90
Increase / (Decrease) in Other liabilities	(15.68)	5.59
Cash generated from Operations before tax	**189.89**	**282.73**
Net Direct Taxes paid	(34.97)	(26.47)
Net cash flow from operating activities	**154.92**	**256.26**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment.	(66.62)	(100.03)
Sale of Property, Plant and Equipment	1.72	1.32
Fixed deposits due to mature within 12 months of reporting date	1.53	(1.47)
Net cash flow used in investing activities	**(63.37)**	**(100.18)**
Net cash from operating and investing activities	**91.55**	**156.08**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of non current borrowings (including current maturities)	(78.55)	(112.44)
Proceeds from non current borrowings	18.75	44.43
Short term borrowings repaid during the year (net)	86.29	28.44
Payment of dividend	(6.57)	(4.38)
Payment of dividend distribution tax	(1.35)	(0.90)
Interest paid	(106.36)	(117.74)
Net cash used in financing activities	**(87.79)**	**(162.59)**
Net cash (used) in/from operating, investing and financing activities	**3.76**	**(6.51)**
Net increase/(decrease) in Cash & Cash equivalent	3.76	(6.51)
Opening balance	20.36	26.84
Acquired pursuant to Scheme of arrangement (Refer Note No.45)	-	0.03
Closing balance of Cash & Cash equivalent (Refer Note no. 10)	**24.12**	**20.36**

As per our report of even date

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

CA. Ashok Kumar Goyal
Partner FCA
Membership no. 17644

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

Place : New Delhi
Dated : 18th May, 2018

J P Agarwal
Chairman
DIN: 00041119

T.S.Bhattacharya
Director
DIN: 00157305

Shivani Singla
Director
DIN: 07715894

R N Maloo
Executive Director & Group Chief Financial Officer

Raju Bista
Managing Director
DIN: 01299297

Ravinder K Narang
Director
DIN: 02318041

Sunil Sikka
Director
DIN: 08063385

Ramanjit Singh
CEO (Lighting Operations)

Urmil Agarwal
Director
DIN: 00053809

K K Narula
Director
DIN: 00098124

Tarun Baldua
CEO (Steel Operations)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31st MARCH, 2018

A. EQUITY SHARE CAPITAL

(₹ in crore)

Particulars	As at 31st March,2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	5,44,08,974	54.41	4,38,31,250	43.83
Issued on Business Combination	-	-	1,05,77,724	10.58
Balance at the end of the reporting period	**5,44,08,974**	**54.41**	**5,44,08,974**	**54.41**

B. OTHER EQUITY

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, 2016	**17.63**	**140.95**	**3.00**	**-**	**54.36**	**433.08**	**(1.39)**	**647.63**
Business Combination (Refer Note No.45)		1.76		124.69		45.00	(0.23)	**171.22**
Profit for the year						86.28	(3.34)	**82.94**
Total comprehensive income for the year	**-**	**1.76**	**-**	**124.69**	**-**	**131.28**	**(3.57)**	**254.16**
Payment of dividend (including dividend distribution tax)						(5.28)		**(5.28)**
Transfer of profit of the year to General reserve					6.00	(6.00)	-	**-**
Balance as at 31st March, 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 (including dividend distribution tax)						(7.92)		**(7.92)**
Transfer of profit of the year to General reserve					11.00	(11.00)		**-**
Balance at 31st March, 2018	**17.63**	**142.71**	**3.00**	**124.69**	**71.36**	**642.21**	**(8.69)**	**992.91**

As per our report of even date

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

CA. Ashok Kumar Goyal
Partner FCA
Membership no. 17644

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

Place : New Delhi
Dated : 18th May, 2018

J P Agarwal
Chairman
DIN: 00041119

T.S.Bhattacharya
Director
DIN: 00157305

Shivani Singla
Director
DIN: 07715894

R N Maloo
Executive Director & Group Chief Financial Officer

Raju Bista
Managing Director
DIN: 01299297

Ravinder K Narang
Director
DIN: 02318041

Sunil Sikka
Director
DIN: 08063385

Ramanjit Singh
CEO (Lighting Operations)

Urmil Agarwal
Director
DIN: 00053809

K K Narula
Director
DIN: 00098124

Tarun Baldua
CEO (Steel Operations)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018

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.

During the year pursuant to Scheme of Arrangement amongst Surya Roshni Limited and its associate Surya Global Steel Tubes Limited manufacturer of ERW, API, Spiral welded steel Pipes under section 230 to 232 of the Companies Act, 2013 sanctioned by the Hon'ble National Company law Tribunal, Chandigarh Bench (NCLT) vide its Order dated 11th December, 2017, made effective from 11th January, 2018 by filing of form No INC 28 with MCA and consequently business of SGSTL has been transferred to the Company w.e.f. 1st April, 2016 being the appointed date as per the scheme, accordingly the figures for the previous year have been updated.

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 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 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.

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 except for certain financial assets and liabilities which have been measured at fair value:

The financial statements are presented in Indian Rupees (₹), 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

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

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 Equipment are as follows:

(Amount in ₹)

Property, plant and equipment	Useful life in Years
Plant and equipments	8 – 15
Buildings	05-60
Office equipments	05
Vehicles	08
Furniture and fixtures	10
Computers	3 – 6

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 & CR 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-of).

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 amortization 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	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.

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.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

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 amortized cost using the effective interest method. For trade and other payables maturing within one year from 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 de-recognised 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

Revenue from the sale of goods and services are measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, rebates and incentives etc. Sales

include excise duty but exclude GST / Value added tax and service tax.

a) Sale of Product / Goods

Revenue from the sale of goods is recognised, when all the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of goods.

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 fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that 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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

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.

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:

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 statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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 recognized 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 and Contingencies

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.

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.

5 PROPERTY, PLANT AND EQUIPMENT

(₹ in crore)

Particulars	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 1st April, 2016	**7.56**	**10.97**	**100.07**	**679.91**	**3.69**	**3.38**	**2.98**	**2.42**	**810.98**	**18.37**
Business Combination $	6.10	-	73.33	268.77	0.92	0.88	8.81	0.91	359.72	-
Additions	5.75	-	19.70	72.47	0.65	0.96	4.51	0.57	104.61	89.40
Disposals	-	-	-	1.60	-	0.55	0.01	0.01	2.17	92.22
As at 31st March, 2017	**19.41**	**10.97**	**193.10**	**1,019.55**	**5.26**	**4.67**	**16.29**	**3.89**	**1,273.14**	**15.55**
Additions	0.19	-	9.33	45.35	0.60	2.11	1.90	0.78	60.26	27.91
Deletion / adjustments	0.10	-	0.31	4.61	-	0.27	0.02	-	5.31	21.55
As at 31st March, 2018	**19.50**	**10.97**	**202.12**	**1,060.29**	**5.86**	**6.51**	**18.17**	**4.67**	**1,328.09**	**21.91**
DEPRECIATION										
As at 1st April, 2016	**-**	**0.34**	**4.50**	**49.53**	**0.60**	**0.43**	**1.09**	**1.05**	**57.54**	**-**
Business Combination $	-	-	2.71	27.33	0.15	0.16	1.32	0.42	32.09	-
Depreciation for the year	-	0.35	7.04	71.45	0.70	1.07	1.98	1.02	83.61	-
Disposals	-	-	-	0.65	-	0.23	-	0.01	0.89	-
As at 31st March, 2017	**-**	**0.69**	**14.25**	**147.66**	**1.45**	**1.43**	**4.39**	**2.48**	**172.35**	**-**
Depreciation for the year	-	0.35	7.61	74.69	0.78	0.92	2.35	0.61	87.31	-
Deletion / adjustments	-	-	0.20	3.16	-	0.13	-	-	3.49	-
As at 31st March, 2018	**-**	**1.04**	**21.66**	**219.19**	**2.23**	**2.22**	**6.74**	**3.09**	**256.17**	**-**
NET CARRYING VALUE										
As at 31st March, 2017	19.41	10.28	178.85	871.89	3.81	3.24	11.90	1.41	1,100.79	15.55
As at 31st March, 2018	**19.50**	**9.93**	**180.46**	**841.10**	**3.63**	**4.29**	**11.43**	**1.58**	**1,071.92**	**21.91**

Explanatory Notes:

i The above property plant and equipment are under charge as security against borrowing see note no.17 & 21

$ Refer Note No.45

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

6 OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Unsecured, considered good		
Security deposits	9.39	9.37
	9.39	**9.37**

7 OTHER NON CURRENT ASSETS

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Capital advances	6.67	2.18
	6.67	**2.18**

8 INVENTORIES (CURRENT)

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Raw materials	296.32	188.19
Work-in-progress	102.82	82.96
Finished goods	401.91	357.43
Stores, spares and consumable	27.52	26.37
	828.57	**654.95**

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, 2018	As at 31st March, 2017
Unsecured, considered good	712.59	631.81
Doubtful	7.08	3.16
	719.67	**634.97**
Allowance for doubtful debts	7.08	3.16
	712.59	**631.81**

The Company exposure to credit risk is influenced mainly by individual characteristic of each customers. However the Company also considers the factors that may influence the credit risk of its customer's base including the default risk associated with the industry. The company reviews the credit risk of each customer individually .The company review includes external ratings, if available, financial statements, industry information, trading history with the Company, information available in public domain and existence of the previous financial difficulties. An impairment analysis is performed at each reporting date on an individual customer basis. The concentration of credit risk is limited due to the fact that customer base is large and unrelated. At every reporting date, the historical observed default rates and changes in the forward-looking estimates are reviewed / analysed.

The ageing of trade receivable is as below:

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Within the credit period	584.53	523.73
1-180 days past due	92.23	75.05
181-365 days past due	14.82	9.37
More than one year	21.01	23.66
Balance at the end of the year	**712.59**	**631.81**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

10 CASH AND CASH EQUIVALENTS

(₹ in crore)

		As at 31st March, 2018	As at 31st March, 2017
a.	Balance with banks		
	In Current Accounts	0.57	1.64
b.	Cheques, drafts on hand	23.13	18.28
c.	Cash on hand	0.42	0.44
	Cash and cash equivalents as per statement of cash flow	**24.12**	**20.36**

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Other bank balances		
Fixed deposits due to mature within 12 months of reporting date	-	1.53
Balance with banks		
Unpaid dividend (Earmarked against the corresponding provision refer note no.23)	0.40	0.41

12 OTHER FINANCIAL ASSETS (CURRENT)

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Receivables from vendors	46.20	47.15
	46.20	**47.15**

13 CURRENT TAX ASSETS (NET)

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Current Tax asset (net)	2.39	2.43
	2.39	**2.43**

14 OTHER CURRENT ASSETS

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Considered good, unless otherwise stated		
MAT Receivable	45.44	51.69
Recoverable from government authorities	55.59	43.93
Balances with statutory authorities	11.90	12.60
Prepaid expenses	4.01	5.56
Advances recoverable	14.30	15.89
	131.24	**129.67**

15 SHARE CAPITAL

(₹ in crore)

		As at 31st March, 2018	As at 31st March, 2017
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
		54.41	**54.41**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Movement of Equity Shares		
Balance at the beginning of the reporting period	5,44,08,974	4,38,31,250
Issued during the year	-	1,05,77,724
Balance at the end of the reporting period	**5,44,08,974**	**5,44,08,974**

Increase in Authorised and Issued Share Capital are deemed to be for the year ended 31st March, 2017 pursuant to Scheme of Arrangement and there have been deemed movement of 1,05,77,724 equity shares in previous year.

(₹ in crore)

		As at 31st March, 2018	As at 31st March, 2017
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.		

III Terms / rights attached to equity shares

The company has one class of equity shares having a 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.

IV Details of shares held by each shareholder holding more than 5% shares:

Names	As at 31st March, 2018		As at 31st March, 2017	
	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

16 OTHER EQUITY

(₹ in crore)

		As at 31st March, 2018	As at 31st March, 2017
a.	**Capital redemption reserve**	**3.00**	**3.00**
b.	**Capital Reserve**		
	Balance at the beginning of the financial year	124.69	-
	Add: Due to Business Combination (Refer Note No.45)	-	124.69
	Balance at the end of the financial year	**124.69**	**124.69**
c.	**Securities premium account**	142.71	140.95
	Add: Due to Business Combination (Refer Note No.45)	-	1.76
	Balance at the end of the financial year	**142.71**	**142.71**
d.	**Forfeiture reserve**	**17.63**	**17.63**
e.	**General reserve**		
	Balance at the beginning of the financial year	60.36	54.36
	Add: transferred during the financial year	11.00	6.00
	Balance at the end of the financial year	**71.36**	**60.36**
f.	**Surplus in the statement of profit and loss**		
	Balance at the beginning of the financial year	553.09	433.09
	Add: Due to Business Combination (Refer Note No.45)	-	45.00
	Addition during the financial year	108.04	86.28
		661.13	**564.37**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

(₹ in crore)

		As at 31st March, 2018	As at 31st March, 2017
	Transfer to General reserves	(11.00)	(6.00)
	Dividend of previous years	(6.57)	(4.38)
	Dividend distribution tax	(1.35)	(0.90)
		(18.92)	**(11.28)**
	Balance at the end of financial year	**642.21**	**553.09**
g.	**Other comprehensive income / (Loss) for the year**		
	Balance at the beginning of the financial year	(4.97)	(1.40)
	Add: Due to Business Combination (Refer Note No.45)	-	(0.23)
	Reassessment of defined benefit liabilities	(3.72)	(3.34)
	Balance at the end of the financial year	**(8.69)**	**(4.97)**
	Total	**992.91**	**896.51**

Notes :

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 it's members out of the capital redemption reserve account.

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 (refer note no.45).

c. Securities premium account

Securities premium reserve is used to record the premium on issue of shares. The reserve 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 used 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 2017-18 (₹ 6.57 crores for the Year 2016-17) is accounted for in the year in which dividends are approved by the shareholders as per IND AS.

17 BORROWINGS

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Secured measured at amortised cost		
Term loans from banks		
Rupee loans	220.61	60.22
Foreign currency loans	103.59	318.26
Term loans from financial institutions		
Rupee loans	-	42.66
Foreign currency loans	56.14	19.00
	380.34	**440.14**
Less : Loan repayment within one year	25.96	39.53
	25.96	**39.53**
	354.38	**400.61**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

A Term loan availed by the Company (except erstwhile Surya Global Steel Tubes Limited)

Term Loans of ₹ 301.77 crore (₹ 340.11 crore as at 31st March 2017) are secured by way of first pari-passu charge on all fixed Assets (except relating to erstwhile Surya Global Steel Tubes Limited) including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire (except relating to erstwhile Global Steel Tubes Limited) Current Assets both present and future and personal guarantee of the Chairman of the Company.

a Rupee Term Loans from banks aggregating to ₹ 159.74 crore (₹ 39.35 crore as at 31st March 2017) are payable in 28 (maximum) quarterly instalments, with last repayment date of 30th September, 2025, carrying floating interest rate linked with MCLR of respective banks ranging from MCLR to 150 bps spread with periodical interest reset.

b Rupee term loans from financial institutions of ₹ Nil (₹ 42.66 crore as at 31st March 2017)

c Foreign Currency Term Loan from banks aggregating to ₹ 85.89 crore (₹ 258.10 crore as at 31st March 2017) are payable in 28 (maximum) quarterly instalments, with last repayment date of 30th September, 2025, carrying floating interest rate LIBOR + 200 bps spread with periodical interest reset.

d Foreign Currency Term Loan from financial institution aggregating to ₹ 56.14 crore (₹ Nil as at 31st March 2017) are payable in 29 (maximum) quarterly instalments, with last repayment date of 1st October, 2026, carrying floating interest rate LIBOR + 225 bps spread with periodical interest reset.

B Term Loan availed by erstwhile Surya Global Steel Tubes Limited

Term Loans of ₹ 78.57 crore (₹ 100.03 crore as at 31st March 2017) are secured by way of first pari-passu charge on all fixed Assets (relating to erstwhile Surya Global Steel Tubes Limited) including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire (relating to erstwhile Surya Global Steel Tubes Limited) Current Assets both present and future and personal guarantee of the Chairman of the Company.

a Rupee Term Loans from banks aggregating to ₹ 60.87 crore (₹ 20.87 crore as at 31st March, 2017) are repayable in 21 (maximum) quarterly instalments, with last repayment date of 1st April, 2024, carrying floating interest rate linked with MCLR of respective banks ranging from MCLR + 05 bps to 125 bps spread with periodical interest reset.

b. Foreign Currency Term Loan from banks aggregating to ₹ 17.70 crore (₹ 60.16 crore as at 31st March 2017) are repayable in 13 (maximum) quarterly instalments, with last repayment date of 30th June, 2022 March,2022, carrying floating interest rate LIBOR + 250 bps with periodical interest reset.

c. Foreign Currency Term Loan from financial institutions aggregating to ₹ Nil (₹ 19.00 crore as at 31st March 2017)

18 OTHERS FINANCIAL LIABILITIES (NON CURRENT)

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Security deposit	10.27	8.93
	10.27	**8.93**

19 PROVISION (NON CURRENT)

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Provision for employee benefits		
Gratuity (refer note 47)	35.38	27.33
Compensated absences (refer note 47)	10.15	7.13
	45.53	**34.46**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

20 DEFERRED TAX LIABILITIES

(₹ in crore)

	As at 31st March, 2017	Recognized in P & L	Recognized in OCI	As at 31st March, 2018
Deferred tax liabilities / assets are attributable to the following items;				
Deferred tax liabilities				
Property, plant and equipment	89.55	13.74		103.29
Sub- (a)	**89.55**	**13.74**	**-**	**103.29**
Deferred tax assets				
Provision for employee benefit	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**

(₹ in crore)

Deferred tax liabilities	As at 1st April, 2016	Business Combination	Recognized in P & L	Recognized in OCI	As at 31st March, 2017
Deferred tax liabilities / assets are attributable to the following items;					
Deferred tax liabilities					
Property, plant and equipment	61.43	14.08	14.04		89.55
Sub- (a)	**61.43**	**14.08**	**14.04**	**-**	**89.55**
Deferred tax assets					
Provision for employee benefit	9.08	0.59	1.86	1.77	13.30
Sub- (b)	**9.08**	**0.59**	**1.86**	**1.77**	**13.30**
Net deferred tax liability (a-b)	**52.35**	**13.49**	**12.18**	**(1.77)**	**76.25**

21 BORROWINGS (CURRENT)

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Secured measured at amortised cost		
Loans repayable on demand		
From banks		
Rupee loans	365.25	317.16
Foreign currency loans	181.80	118.60
Commercial paper	170.00	195.00
	717.05	**630.76**

Working Capital Loans of ₹ 575.27 crore are secured against current assets (except relating to erstwhile Surya Global Steel Tubes Limited) both present and future and further secured by way of second charge on all Fixed Assets (except relating to erstwhile Surya Global Steel Tubes Limited) 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, commercial paper(s) carrying interest rate 7.75% and foreign currency loan from LIBOR + 200 to 225 bps spread.

Working Capital Loans of ₹ 141.78 crore are secured against current assets (relating to erstwhile Surya Global Steel Tubes Limited) both present and future and further secured by way of second charge on all Fixed Assets (relating to erstwhile Surya Global Steel Tubes Limited) 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 100 bps spread over MCLR.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

22 TRADE PAYABLES

(₹ in crore)

			As at 31st March, 2018	As at 31st March, 2017
outstanding dues of micro enterprises and small enterprises			14.52	6.87
outstanding dues other than micro enterprises and small enterprises			393.83	334.14
			408.35	**341.01**
I	The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information			
	I	The Principal amount and the interest due thereon remaining unpaid to any supplier. information		
		Principal Amount :	14.52	6.87
		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 extant they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

23 OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Current maturities of long-term borrowings (refer note 17)	25.96	39.53
Interest accrued but not due on borrowings	3.12	4.32
Unpaid dividends* (Refer Note No.11)	0.40	0.41
Payable to employees	30.76	23.85
Expenses Payable	60.17	35.73
	120.41	**103.84**

* There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund as at 31st March 2018.

24 OTHER LIABILITIES (CURRENT)

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Advances from customers	16.04	10.60
Duties and taxes payable	15.88	24.05
Excise duty on closing stock	-	12.95
	31.92	**47.60**

25 PROVISIONS (CURRENT)

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Provision for employee benefits		
Gratuity (refer note 47)	3.22	2.54
Compensated absences (refer note 47)	1.32	1.08
	4.54	**3.62**
Other payables		
Warranty payable (refer note 43)	26.44	16.36
	26.44	**16.36**
	30.98	**19.98**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

26 CURRENT TAX LIABILITIES

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Current tax liability (net)	5.68	1.84
	5.68	**1.84**

27 INCOME TAX

(₹ in crore)

		As at 31st March, 2018	As at 31st March, 2017
a	**Income tax recognized in profit or loss**		
	Current tax expense	38.85	19.11
	Deferred tax expense		
	Origination and reversal of temporary differences	9.23	12.18
	Total tax expenses	**48.08**	**31.29**
b	**Reconciliation of effective tax rate**		
	Profit before tax	156.12	117.57
	Domestic tax rate	34.608%	34.608%
	Tax using the Company's domestic tax rate	54.03	40.68
	Increase / reduction in Taxes on account of		
	Income not taxable / exempt from tax	(6.65)	(9.89)
	Other non deductible expenses	0.70	0.50
	Income tax expenses charged to statement of profit and loss	**48.08**	**31.29**

The gross movement in the current income tax asset/ (liability) for the year ended 31st March, 2018 and March 31, 2017 is as follows:

During the year ended 31st March, 2018 and 31st March, 2017, company has taken deduction/ availed exemption;

a) Under section 80-IC of the Income-Tax Act on 30% Profits of eligible industrial undertakings at Kashipur, Uttarakhand

b) 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.

c) Research and development expenditure @ 150% (previous year @200%) in accordance with the provisions of Section 35(2AB) of the Income-Tax Act, 1961.

d) Under section 32AC of the Income-Tax Act, 1961 ,deduction @ 15% on Plant & Machinery installed by the company during the year ended 31st March, 2017

28 REVENUE FROM OPERATIONS

(₹ in crore)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
a.	**Sale of goods (including excise duty);**		
	i. Steel pipe and strips	3,581.81	2,822.85
	ii. Lighting and consumer durables	1,375.34	1,332.36
		4,957.15	**4,155.21**
	Less Inter Segment Sales	6.65	3.63
		4,950.50	**4,151.58**
b.	**Other operating revenue;**		
	i. Investment promotion assistance (refer note no.44)	19.05	11.76
	ii. Export incentives and claims	33.45	7.89
		52.50	**19.65**
c.	**Sale of services**	8.76	9.80
		8.76	**9.80**
		5,011.76	**4,181.03**

Note: As per the requirement of Ind AS Revenue for the period(s) up to 30th June 2017 were reported inclusive of Excise Duty of ₹ 80.60 crores (previous year ₹297.50 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 from the 1st July 2017 of the current year is reported net of GST.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

29 OTHER INCOME

(₹ in crore)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
a.	Interest Income from financial assets measured at amortised cost	2.52	0.51
b.	Profit on sale of property, plant and equipment	0.05	0.10
c.	Miscellaneous income	0.09	0.27
		2.66	**0.88**

30 COST OF MATERIALS CONSUMED

(₹ in crore)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
a.	Raw materials (Imported)	225.33	366.77
b.	Raw materials (Indigenous)	3,338.13	2,224.58
c.	Packing materials consumed	43.57	40.97
		3,607.03	**2,632.32**

31 PURCHASE OF STOCK IN TRADE

(₹ in crore)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
a.	Purchase / outsourced materials	291.21	344.64

32 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Inventories at the end of the year		
Finished goods	401.91	357.43
Work in Progress	102.82	82.96
	504.73	**440.39**
Inventories at the beginning of the year		
Finished goods	357.43	281.62
Less : Excise Duty on opening stock	19.73	-
Finished goods (Net)	337.70	281.62
Work in Progress	82.96	54.88
	420.66	**336.50**
Add : Inventories from trial run operations (refer note : 46)	-	21.06
	(84.07)	**(82.83)**

33 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
a.	Salaries, wages and bonus	249.99	219.77
b.	Contribution to provident and other funds (Refer Note 47)	12.78	10.90
c.	Staff welfare expenses	6.09	4.87
		268.86	**235.54**

34 FINANCE COST

(₹ in crore)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
a.	Interest expenses on financial liabilities at amortised cost	97.93	104.14
b.	Other borrowing cost	7.23	8.58
		105.16	**112.72**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

35 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in crore)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
a.	Depreciation on tangible assets (Refer Note 5)	87.31	83.61
		87.31	**83.61**

36 OTHER EXPENSES

(₹ in crore)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
a.	Consumption of stores and spares	31.47	27.46
b.	Power and fuel (Refer Note 44 (b))	79.27	74.10
c.	Water charges	0.80	0.81
d.	Repairs and maintenance :		
	- plant and machinery	1.70	2.29
	- buildings	0.48	0.45
	- others	1.31	0.63
e.	Warranty cost (Refer note 43)	60.98	45.32
f.	Commission on sales	11.70	9.96
g.	Advertisement and publicity	15.91	11.82
h.	Outward freight charges	150.12	128.68
i.	Allowance for doubtful debts / bad debts W/off	7.14	1.73
j.	Foreign currency fluctuations	-	0.32
k.	Rent	9.91	8.78
l.	Rates and taxes	0.40	0.74
m.	Insurance	2.19	2.04
n.	Postage, telegraph and telephone	2.59	2.79
o.	Printing and stationery	1.77	1.53
p.	Travelling and conveyance	21.25	19.77
q.	Staff recruitment and training expenses	0.14	0.15
r.	Loss on discard / disposal of property, plant and equipment	0.15	0.05
s.	Corporate social responsibility expenses (refer note 40)	2.04	1.76
t.	Auditor's remuneration (excluding GST / service tax input credit)		
	for audit	0.11	0.11
	for tax audit	0.04	0.03
	for certification work	0.01	0.01
	for reimbursement of out of pocket expenses	0.03	0.02
u.	Miscellaneous expenses	100.69	99.49
		502.20	**440.84**

37 OTHER COMPREHENSIVE INCOME

(₹ in crore)

		For the year ended 31st March, 2018	For the year ended 31st March, 2017
Items that will not be reclassified to profit or loss			
i.	Remeasurements of the defined benefit plans	(5.69)	(5.11)
ii	Income tax relating to items that will not be reclassified to profit or loss		
	- Related to remeasurements of the defined benefit plans	1.97	1.77
		(3.72)	**(3.34)**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

38 EARNING PER SHARE

(₹ in crore)

			For the year ended 31st March, 2018	For the year ended 31st March, 2017
	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	No's	5,44,08,974	5,44,08,974
B	Weighted average equity shares outstanding - Basic and Diluted	No's	5,44,08,974	5,44,08,974
C	Net profit after tax		108.04	86.28
	Basic Earning per equity share (C/B)	Per / ₹	19.86	15.86
	Diluted Earning per equity share (C/B)	Per / ₹	19.86	15.86
	Face Value per Equity Share	₹	10.00	10.00

39 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 cancelable 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, 2018	For the year ended 31st March, 2017
A	Gross amount required to be spent by the Company during the year		2.04	1.76
B	Amount spent during the year			
	i	Construction/ acquisition of asset	NIL	NIL
	ii	On purpose other than (i) above –		
		(a) Rural Development	1.83	1.57
		(b) Naturopathy	0.14	0.10
		(c) Other administrative expenses	0.07	0.09
			2.04	1.76

Out of the above amount, spent through Surya Foundation ₹ 2.04 crores (previous year of ₹ 1.73 crore)

41 CONTINGENT LIABILITIES

(₹ in crore)

			As at 31st March, 2018	As at 31st March, 2017
I	**Guarantees**			
	Bank Guarantees issued by banks for which counter guarantee given by the Company		266.74	178.46
II	**Other contingent liabilities**			
	Export obligation under EPCG Scheme			
	a)	Bonds Executed by the Company to Custom Department	17.31	18.69
	b)	Duty involved on EPCG License	7.98	8.56
	c)	Estimated amount of contract remaining to be executed on capital account (Property, Plant and Equipment) and not provided for	31.93	7.58
	Claims against the company not acknowledged as debt		2.05	1.90

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

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. Subsequently, on the SLP of the Haryana Government, the Hon'ble Supreme Court Constitutional Bench vide its judgement 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. 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. Accordingly the Company has filed fresh writ petition on 27-05-2017 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. In view of above, a sum of ₹ 33.97 crore (₹ 33.20 crore as on 31st March, 2017) without interest has been considered as contingent liability, based on the facts of our case and consultations made by the Company. Accordingly no provision has been made in accounts.

42 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 case were decided in favour of the Company by CIT (A). Revenue has preferred an appeal before ITAT. But 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

(₹ in crore)

	As at 31st March, 2018	As at 31st March, 2017
Movement in warranty provision during the financial year are provided below:		
As at beginning of the year	16.36	7.16
Arising During the Year	60.98	45.32
Utilised during the year	50.90	36.12
Closing balances as at	26.44	16.36

44 GOVERNMENT GRANT (INVESTMENT PROMOTION ASSISTANCE)

a Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2004 & 2010

The Company has made investment of ₹ 122.11 Crores and ₹ 79.86 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 grant to the extent of aforesaid investment by way of 75% assistance of VAT/CST deposited for 10 Years up to 27th March, 2020 & 1st March, 2025 respectively and further the company has exemption from entry tax for an initial period of 5 years as per the said scheme only on satisfying the conditions mentioned under the respective schemes.

On implementation of GST, Company is eligible for the similar benefits by way of refunds for which representations have also been made to the state Government. The State Government is in the process of announcing the revised mechanism for refunds and accordingly, the Company has recognised grants of ₹ 12.83 Crores during the current year, ₹ 11.63 crores during the previous year and cumulative ₹ 52.26 Crores up to 31st March, 2018 under both the regimes.

b Andhra Pradesh Industrial Investment Policy (IDP) 2015-2020

The Company has made an investment of ₹ 62.64 Crores for the 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 Company has been eligible for Capital grant to the extent of aforesaid investment by way of 50% Reimbursement of VAT/CST/SGST deposited for 7 Years and Partial re-imbursement of power cost @ Re 1.00 per unit for a period of 5 years from 1st March, 2017, on satisfying the conditions mentioned under the scheme.

The Company has recognised grants of ₹ 3.22 Crores (including ₹ 0.59 Crores towards re-imbursement of power cost) during the current year, ₹ 0.17 crore (including ₹ 0.04 Crores towards re-imbursement of power cost) during the previous year and Cumulative ₹ 3.39 Crores (including ₹ 0.63 Crores towards re-imbursement of power cost) up to 31st March, 2018.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

c Lighting Unit in Uttarakhand

The company's manufacturing unit at Mahuakheraganj, Uttarakhand was entitled for excise exemption under area based excise exemption scheme vide erstwhile Notification No.50/2003 Dated.10.06.2003 for the period up to 31st March 2020. Accordingly, the products manufactured by the Company were exempted from the payment of excise duty up to 30th June, 2017.

On implementation of GST w.e.f 1st July, 2017, Company is eligible for the identical grant by way of partial refunds of GST for which representations have been made to the Governments. Considering the refund entitlements, the Company has recognised benefits of ₹ 3.59 Crores during the current year towards refund of GST paid by the unit.

45 COMBINATION OF BUSINESS - COMPOSITE SCHEME OF ARRANGEMENT

A Scheme of Arrangement (hereinafter referred to as 'Scheme') amongst Surya Roshni Limited (Company) and its associate Surya Global Steel Tubes Limited (eSGSTL) and their respective shareholders and creditors under section 230 to 232 of the Companies Act, 2013 has been sanctioned by the Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT) vide its Order dated 11th December, 2017 (made effective from 11th January,2018) and consequently business of Surya Global Steel Tubes Limited has been transferred to the Company and as per the scheme figures of previous year have been restated wherein the Company has recorded the assets and liabilities of eSGSTL at their respective book values as on the appointed date i.e. 1st April, 2016.

46 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

(₹ in crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Raw materials consumed	-	31.77
Employee benefits	0.15	2.18
Borrowing cost	-	1.76
Other expenses		
Power charges	0.16	0.55
Outward freight	-	0.94
Others	0.08	2.50
Total	**0.39**	**39.70**
Less: recoveries net of excise (including stock on the date of commencement of operations)	-	35.66
Total	**0.39**	**4.04**

47 EMPLOYEE BENEFITS

Expense recognised for defined contribution plan and included in employee benefit expenses:

The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

	Valuation as at	
	31st March, 2018	31st March, 2017
Attrition rate for various ages in %	1.00 to 5.00	1.00 to 3.00
Discount Rate in %	7.73	7.50
Expected Rate of increase in salary in %	5.75	4.00
Mortality rate	"100% of Indian Assured Lives Mortality (2006-08)"	"100% of Indian Assured Lives Mortality (2006-08)"
Expected Average remaining working lives of employees (years)	16.47	17.33

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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

Amount recognised in the statement of Profit and Loss:

(₹ in crore)

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current Service cost	3.30	1.54	2.32	1.27
Interest cost	2.24	0.61	1.78	0.43
Remeasurement - Actuarial loss/(gain)	-	2.47	-	1.92
Expenses recognised in the statement of Profit and Loss	**5.54**	**4.62**	**4.10**	**3.62**

Component of defined benefit costs recognised in other comprehensive income

(₹ in crore)

	Gratuity	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Actuarial loss / (gain) arising from changes in demographic assumptions	0.01	-
Actuarial loss / (gain) arising from changes in Financial assumptions	4.56	3.71
Actuarial loss / (gain) arising from experience adjustment	1.12	1.40
Actuarial loss / (gain) arising on plan asset	-	-
Component of defined benefit costs recognised in other comprehensive income	5.69	5.11

Note:

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the statement of profit and loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

Current and non-current provision for Gratuity and Compensated absences

(₹ in crore)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current provision	3.22	1.32	2.54	1.08
Non-current provision	35.38	10.15	27.33	7.13
Total provision	**38.60**	**11.47**	**29.87**	**8.21**

Movement in Obligation

(₹ in crore)

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Gratuity (partly funded)	Compensated absences (Unfunded)	Gratuity (partly funded)	Compensated absences (Unfunded)
Present value of obligation as at the beginning of the period	29.87	8.21	21.13	4.79
Business Combination	-	-	1.17	0.57
Service cost	2.87	1.54	2.32	1.27
Past Service Cost including curtailment Gain/Losses	0.43	-	-	-
Interest cost	2.24	0.61	1.78	0.43
Benefits paid	(2.50)	(1.37)	(1.64)	(0.77)
Actuarial loss / (gain) arising from changes in Demographic assumptions	0.01	0.01	-	-
Actuarial loss / (gain) arising from changes in Financial assumptions	4.56	1.59	3.71	1.04
Actuarial loss / (gain) arising from experience adjustment	1.12	0.88	1.40	0.88
Present value of obligation as at the end of the period	**38.60**	**11.47**	**29.87**	**8.21**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

Movements in the fair value of the plan assets are as follows:

(₹ in crore)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
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 and closing value of the plan assets are the fair value of plan assets

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.

(₹ in crore)

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	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	(3.09)	(1.05)	(2.47)	(0.76)
One percentage point decrease in discount rate	3.55	1.23	2.67	0.82
One percentage point increase in salary growth rate	3.47	1.24	2.74	0.85
One percentage point decrease in salary growth rate	(3.08)	(1.08)	(2.56)	(0.79)
One percentage point increase in attrition rate	0.86	0.31	0.72	0.25
One percentage point decrease in attrition rate	(0.81)	(0.35)	(0.97)	(0.29)

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.

Their was no change in the method and assumptions used in preparing the sensitivity analysis from prior years.

Maturity profile of Defined Benefit Obligation As at March, 2018

(₹ in crore)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Gratuity	Compensated absences	Gratuity	Compensated absences
0 to 1 Year	3.22	1.32	2.53	1.08
1 to 2 Years	1.30	0.65	0.46	0.29
2 to 3 Years	1.71	0.54	0.64	0.48
3 to 4 Years	1.89	0.53	1.14	0.41
4 to 5 Years	1.87	0.42	1.38	0.36
5 to 6 Years	1.74	0.48	1.52	0.31
6 Year Onwards	26.90	7.54	22.20	5.28

48 RELATED PARTY TRANSACTIONS

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

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	Executive Director
4	Mr. Mukesh Tripathi	Whole-time Director
5	Mr. R.N. Maloo	ED & Group CFO
6	Mr. Ramanjit Singh	CEO-Lighting Operations
7	Mr. Tarun Baldua	CEO-Steel Operations
8	Mr. B B Singal	Sr. VP & Company Secretary

2 Relatives of key management personnel where transactions have taken place

S.No.	Name of Relatives	Relationship
1	Mrs. Urmil Agarwal	Spouse of Mr. Jai Prakash Agarwal
2	Mrs. Puja Surya	Spouse of Mr. Vinay Surya
3	Mr. Rajesh Bista	Brother of Mr. Raju Bista

3 The following transactions were carried out with the related parties in the ordinary course of business

(₹ in crore)

S.No.	Nature of transaction/ relationship	Year ended 31st March, 2018	Year ended 31st March, 2017
i	**Payment of Salaries, commission and perquisites**		
	Mr. Jai Prakash Agarwal	3.30	2.40
	Mr. Raju Bista	1.92	1.80
	Mr. Vinay Surya (Joined on 1st January 2018)	0.20	-
	Mr. Mukesh Tripathi #	0.98	1.25
	Mr. R.N. Maloo	0.70	0.53
	Mr. Ramanjit Singh	1.18	0.90
	Mr. Tarun Baldua	0.89	0.79
	Mr. B B Singal	0.34	0.25

In the previous year and upto 11th January, 2018 in the current year ₹ 0.76 crore managerial remuneration drawn from the SGSTL amalgamating company

Compensation of Key Management Personnel of the Company

(₹ in crore)

S.No.	Nature of transaction/ relationship	Year ended 31st March, 2018	Year ended 31st March, 2017
ii	**Short-Term benefits (see notes below)**	**9.51**	**7.92**
	Total	**9.51**	**7.92**

Notes:

A. Short-term benefits comprises the expenses recorded under the head employee benefit expenses (eg. Salary and wages, contribution to provident and other funds and staff welfare expenses).

B. 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.

C. The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(₹ in crore)

S.No.	Nature of transaction/ relationship	Year ended 31st March, 2018	Year ended 31st March, 2017
iii	**Payment of Salaries and perquisites to relatives of KMP**		
1	Mrs. Puja Surya	**0.19**	**-**
2	Mr. Rajesh Bista	**0.08**	**0.07**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

(₹ in crore)

S.No.	Nature of transaction/ relationship	Year ended 31st March, 2018	Year ended 31st March, 2017
iv	**Director sitting Fee's**		
	Mrs. Urmil Agarwal	0.01	0.03
	Krishan Kumar Narula	0.06	0.05
	Ravinder Kumar Narang	0.03	0.03
	Utpal Kumar Mukhopadhyay	0.02	0.03
	Tara shankar Bhattacharya	0.02	0.02
	Sudhanshu Kumar Awasthi	0.02	0.01
	Surendra Singh Khurana	0.02	0.01
	Rajeev Kumar Sinha (IDBI Nominee)	-	0.01
	Shivani Singla (IDBI Nominee)	0.01	-
	Sunil Sikka	0.01	-
	Dr. Salila Tewari #	-	0.02

Resigned from the Board of the company on March 27, 2017

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.

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, fans, steel light, electric appliances and allied items)

Identification of Segments:

For financial statements presentation purposes, these individual operating segments have been aggregated into a singal 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 income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.

iii. The total assets disclosed for each segment 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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

I. Segment revenues and results

(₹ in crore)

Particulars		For the year ended 31st March, 2018	For the year ended 31st March, 2017
Segment revenue	Steel Pipe and Strips	3,623.40	2,835.59
	Lighting and consumer durables	1,395.01	1,349.07
		5,018.41	**4,184.66**
Less : Inter Segment revenue		6.65	3.63
		5,011.76	**4,181.03**
Segment profit (earning before interest and taxes)	Steel Pipe and Strips	143.60	113.48
	Lighting and consumer durables	117.68	116.81
		261.28	**230.29**
Finance costs		105.16	112.72
Profit before tax		**156.12**	**117.57**
Tax expense		48.08	31.29
Profit after tax		**108.04**	**86.28**

II. Segment Assets and Liabilities

(₹ in crore)

Particulars		As at 31st March, 2018	As at 31st March, 2017
Segment assets	Steel Pipe and Strips	1,812.19	1,650.33
	Lighting and consumer durables	995.38	911.75
Total Segment assets		**2,807.57**	**2,562.08**
	Unallocated	47.83	54.12
		2,855.40	**2,616.20**
Segment liabilities	Steel Pipe and Strips	345.79	310.73
	Lighting and consumer durables	275.71	205.56
Total Segment Liabilities		**621.50**	**516.29**
	Unallocated	1,186.58	1,148.99
		1,808.08	**1,665.28**

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, 2018	As at 31st March, 2017
Cost incurred on acquisition of tangible assets	Steel Pipe and Strips	56.59	86.52
	Lighting and consumer durables	10.03	15.27
		66.62	**101.79**
Depreciation and amortisation expense	Steel Pipe and Strips	66.55	63.05
	Lighting and consumer durables	20.76	20.56
		87.31	**83.61**

IV. Geographical information

The Company operates in seven geographical areas: India (country of domicile), Asia, Africa, North-America, Central America, South-America and Europe.

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:

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

a. Revenue from external customers

(₹ in crore)

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
India	4,307.54	3,445.51
Outside India	704.22	735.52
Total	**5,011.76**	**4,181.03**

b. Non-current assets

(₹ in crore)

Particulars		As at 31st March, 2018	As at 31st March, 2017
Non-Current Assets	Within India	1,109.89	1,127.89
	Outside India	Nil	Nil
		1,109.89	**1,127.89**

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

50 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

(₹ in crore)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Dividend proposed for Equity shareholders @ ₹ 2.00 per share (previous year ₹ 1.50 per share)	10.88	6.57

There are no other significant subsequent event items which require an adjustment

51 FINANCIAL INSTRUMENTS

Fair value of financial assets and liabilities

The carrying value and fair value of financial instruments by categories as of 31st March, 2018 were as follows:

(₹ in crore)

S. No.	Particulars	Amortised cost	Fair value *	Total carrying value	Total fair value
	Assets:				
i	Cash and cash equivalents	24.12	-	24.12	24.12
ii	Bank Balances other than (ii) above	0.40	-	0.40	0.40
iii	Trade receivables	712.59	-	712.59	712.59
iv	Other financial assets	55.59	-	55.59	55.59
	Total	**792.70**	**-**	**792.70**	**792.70**
	Liabilities:				
i	Non Current Borrowings	380.34	-	380.34	380.34
ii	Current Borrowings	717.05	-	717.05	717.05
iii	Trade payables	408.35	-	408.35	408.35
iv	Other financial liabilities	99.38	5.34	104.72	104.72
	Total	**1,605.12**	**5.34**	**1,610.46**	**1,610.46**

* Amount carried at forward contract rate / prevailing exchange rate at year end classified in fair value hierarchy Level 2

The carrying value and fair value of financial instruments by categories as of 31st March, 2017 were as follows:

(₹ in crore)

S. No.	Particulars	Amortised cost	Fair value *	Total carrying value	Total fair value
	Assets:				
i	Cash and cash equivalents	20.36	-	20.36	20.36
ii	Bank Balances other than (ii) above	1.94	-	1.94	1.94
iii	Trade receivables	580.11	51.70	631.81	631.81
iv	Other financial assets	56.52		56.52	56.52
	Total	**658.93**	**51.70**	**710.63**	**710.63**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

(₹ in crore)

S. No.	Particulars	Amortised cost	Fair value *	Total carrying value	Total fair value
	Liabilities:				
i	Non Current Borrowings	102.88	337.26	440.14	440.14
ii	Current Borrowings	512.16	118.60	630.76	630.76
iii	Trade payables	157.74	183.27	341.01	341.01
iv	Other financial liabilities	73.24	-	73.24	73.24
	Total	**846.02**	**639.13**	**1,485.15**	**1,485.15**

* Amount carried at forward contract rate / prevailing exchange rate at year end classified in fair value hierarchy Level 2

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's principal financial liabilities (other than derivatives), comprise borrowings, trade and other payables. Likewise the financial assets consist of trade, other receivables, cash, short term deposits etc. . The financial liabilities and assets are arising due to borrowings and from its operations which are subject to financial risk.

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.

The Company manages financial market risk through treasury department, which evaluates and apply the risk mitigation strategy as approved by Audit Committee. The means of cash resources, implementing hedging strategies for foreign currency exposure, borrowing strategies, and ensuring compliance with market risks limits and policies are also monitored.

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.

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.

(₹ in crore)

Interest rate sensitivity	Effect on profit before tax	
	Decrease by 50 basis point	Increase by 50 basis point
For the year ended 31st March, 2018	5.49	(5.49)
For the year ended 31st March, 2017	5.35	(5.35)

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 to hedge exposure of foreign currency risk and also some of the foreign currency exposure remains naturally hedged. The net exposure of foreign currency receivable in USD stand ₹ 11.50 crore as on 31st March 2018 (previous year ₹ 44.70 crore) after considering forwarding contracts taken by the company.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

The particulars of forward contract taken are given below

	Type	No.of Contract	US$ Equivalent (Million)	(₹ In Crore)
As at 31st March 2018	Sell	12	9.44	62.58
	Buy	123	79.54	517.64
As at 31st March 2017	Sell	5	1.08	7.00
	Buy	107	98.09	636.00

Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables). Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information.

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 other than those required for its day to day operations. 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.

Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company enter into contracts for procurement of material, and sale of it's products as per the prevailing practice in the industry. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations.

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 by mix of borrowing to meet fund requirements. 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.

(₹ in crore)

As at 31st March 2018	**Less than 1 year**	**Above 1 year**	**Total**
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**
As at 31st March 2017			
Non Current Borrowings	39.53	400.61	440.14
Current Borrowings	630.76	-	630.76
Trade payables	341.01	-	341.01
Other financial liabilities	73.24	-	73.24
Total	**1,084.54**	**400.61**	**1,485.15**

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH, 2018 (Contd.)

53 CAPITAL RISK 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 company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. 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 that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest bearing loans and borrowing for reported periods.

Further the company monitors capital using gearing ratio, which is total debt divided by total capital plus debt. as under :-

(₹ in crore)

Particulars	As at 31st March 2018	As at 31st March 2017
Debts	1,097.39	1,070.90
Equity	1,047.32	950.92
Capital and net debt	2,144.71	2,021.82
Gearing ratio in %	51.17%	52.97%

Debts consist of long term and short term borrowings (refer note 17 and 21)

54 EXPENDITURE ON R&D

Company has made Capital and Revenue expenditure from the financial year 2011-12 to 2017-18 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

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.

55 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

56 The previous year figures have been reclassified to confirm to Ind AS presentation required for this note (also refer note no.45)

SURYA LED

BUILDING SMART CITIES

smart solutions for all lighting needs

HOME LIGHTING | INDOOR LIGHTING | OUTDOOR LIGHTING | INDUSTRIAL LIGHTING | LANDSCAPE LIGHTING

Make your city a better place to live and work in! Switch to smart living by opting for Surya LED Lighting. Get the best of performance, elegance, efficiency and affordability. Make a choice for a trusted power saver.

eco-friendly

HIGHLIGHTS

- Rugged and Durable • Innovative Design • High Brightness • Soothing Light Effect
- Instant Lighting • High Power Factor • Wide Operating Voltage Range
- Low Maintenance • Operational in Extreme Temperatures

UPTO 85%* ELECTRICITY SAVING

LIFE UPTO 25000 HOURS

*as compared to an incandescent bulb

SURYA ROSHNI LIMITED

E-mail: consumercare@sroshni.com | www.surya.co.in
Tel.: +91-11-47108000, 25810093-96

Toll Free No.: 1800 102 5657

/suryalighting | /surya_roshni

it's an SGA adsvita creation | adsvita.com

SURYA

SURYA ROSHNI LIMITED
Padma Tower - 1, Rajendra Place, 2nd Floor
New Delhi - 110008 (INDIA)
CIN: L31501HR1973PLC007543
Tel.: +91-11-47108000, 25810093
Fax: +01-11-25789560
E-mail: investorgrievances@sroshni.com
Website: www.surya.co.in