Bureau of Indian Standards
An IS/ISO 9001, An IS/ISO 14001
& IS: 18001 Company

SURYA

SURYA ROSHNI LIMITED

LIGHTING DIVISION
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/17-18/51
January 04, 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 2016-2017

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 2016-2017 as approved and adopted by the shareholders of the company in its Annual General Meeting held on 29th December, 2017 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
Energising Lifestyles

UNLEASHING POTENTIAL

Lighting

Fans

CR Strips

CSR

Appliances

Steel & PVC Pipes

SURYA ROSHNI LIMITED
Annual Report 2016-17

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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 realized. The Company disclaims any duty to update the information given in the aforesaid reports.

UNLEASHING POTENTIAL

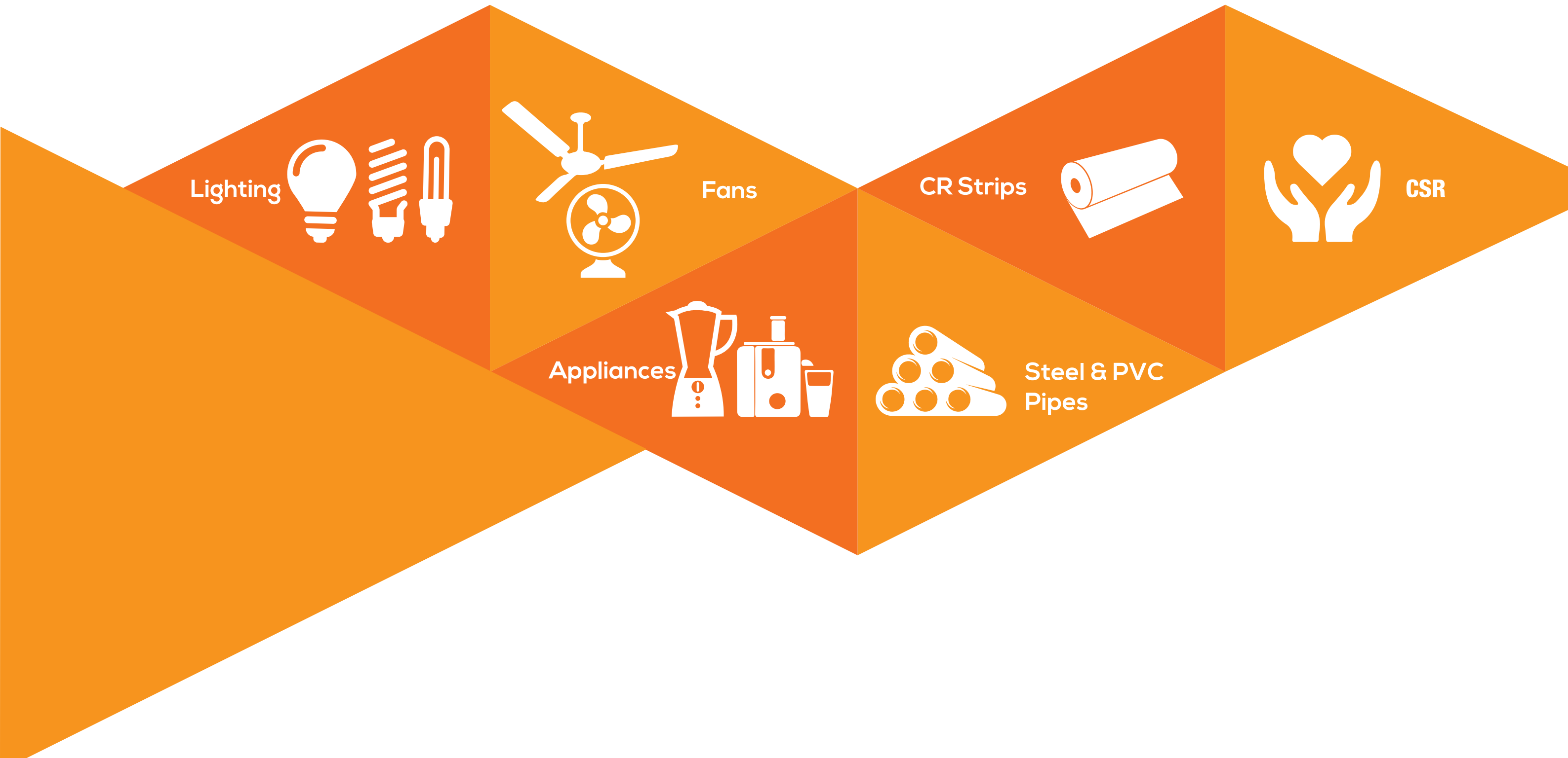
India – the shining bright spot of the world economy continues to march ahead. The GDP growth rate continues to be among the best of major economies. What's more exciting is the grit and resolve of the country in pursuing some structural reforms and measures that, once accomplished, will catapult it into a high middle income economy over coming decades.

Putting energy conservation at the top of policy agenda, the country is aiming to achieve 100,000 MW of Solar and 60,000 MW of Wind energy by 2022 through Bijli Har Ghar Yojana (Saubhagya) to electrify 40 million families in rural and urban areas, development of smart cities & Ujala Scheme. We at Surya Roshni believe that we can make significant contribution in shaping of this new India and transforming it in an energy efficient country in a sustainable manner by spearheading the country's shift to energy efficient LED lighting solutions, expanding our offerings in consumer electrical appliances like fans, geysers, mixer grinders, etc. and consolidating and expanding our portfolio with innovative products and solutions.

National Steel Policy, 2017 envisions the domestic crude steel capacity of 300 million tonnes and per capita consumption of 158 kg by 2030. Make In India program, Only Electric Vehicles by 2030, Modernisation of Indian Railway with induction of high speed bullet trains, elevated tracks, city gas distribution together reflect that the country is planning big and preparing for sustaining its growth momentum for a reasonably long-term. At Surya, the strengths we command across steel pipes and strips will enable us to deliver at full potential.

We ought to be in sync with technological advancements and the best of market trends. The trust that hundreds of millions of consumers have posed for generations in brand 'Surya' has to deliver more to improve their lives and strengthen our economy.

While the ensuing amalgamation of our associate company, Surya Global Steel Tubes Limited is at the final stage of completion; we dedicate our Annual Report 2016-17 to our overarching concurrent mission of UNLEASHING OUR POTENTIAL.



THE WORLD OF SURYA ROSHNI

The story of glory so far

Surya Roshni commenced its humble beginning with a small steel tube manufacturing plant in the year 1973. It is one of the most reputed and potential market leaders in the steel tube industry in India and manufactures steel tube pipe products catering the need of diverse industries such as agriculture, infrastructure, oil & gas and construction sectors. The steel products for oil and gas sector are approved by the reputed API (American Petroleum Institute). Today, the group has emerged into a colossal of over Rs. 4,000 crore with its global footprints across 50 countries in the exports category.

In 1984, the company diversified its business operations with the dream of "Lighting Every City, Every Home" by foraying into lighting industry and since then the company has evolved with the changing technology advancement and stayed a abreast in the competition.

In the past three decades, Surya Roshni has successfully manifested a strong brand image and irreplaceable mark on the minds of customers with its quality product offerings. The company has successfully and seamlessly transitioned from being a GLS manufacturer to become one of the leading LED brands in the lighting industry. The company offers energy-efficient, low cost and low maintenance LED products with the facilitation of a remarkable life span. Surya Roshni is working in tandem with the country's sustainable and economic goal of lighting every house with low cost and energy efficient lights.

All the Surya LED products are specially manufactured in-house at the fully integrated plants in Kashipur (Uttarakhand) and Gwalior (M.P), supported by Surya Technology & Innovation Centre (STIC) at Noida – an advance state-of-the-art lighting laboratory and research centre with the specific focus on energy-efficient lighting products such as LED and its luminaries. This ensures the production of only the best cutting-edge products at all times.

The company has all the major quality certifications under its belt and the products are accredited with international performance of safety standards. Surya is also known for being one of the most trusted and preferred brands with various public sector companies, institutions and international buyers. With strong dedication and utmost quality of products, Surya has attained an overall CAGR (Compound Annual Growth Rate) of 14.14% for total Lighting, Fans & Appliances in the last 5 years.

Extending the success in lighting industry, the company has further expanded its footprints by foraying into other segments such as fans and home appliances.

50
COUNTRIES
Global Presence

4,000 cr.+
Group's Turnover

VISION

Committed towards a better tomorrow

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

MISSION

Energizing lives and beyond.

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

PRODUCT RANGE

LIGHTING

Consumer

- LED Lamp
- LED downlighter
- LED fitting
- LED Power driver/strip
- FTL fitting
- CFL
- Starter Ballast
- FTL & GLS lamps
- Extension Cord

Luminaries

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

STEEL PIPES & CR STRIPS

- ERW pipes & hollow section pipes
- Spiral welded pipes
- Cold Rolled strips & sheets

PVC PIPES

- CPVC pipes & fittings
- uPVC plumbing pipes & fittings
- uPVC pressure piping system
- uPVC SWR pipes & fittings

FANS

- Ceiling fans
- Table, pedestal and wall fans
- Domestic & Industrial exhaust fans

HOME APPLIANCES

Cooking Range

- Induction cooktop
- Sandwich maker/Toasters
- Pop-up Toaster
- Juicer, Mixer & Grinder
- Max Chop chopper
- Electric kettles

Garment Care

- Iron

Heating Appliances

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

Climate Control

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

FINANCIAL HIGHLIGHTS
(4 YEARS AT A GLANCE)

(INR in crore)

Particulars	FY 2017	FY 2016	FY 2015	FY 2014
Revenue from Operations	3,412.83	3,196.50	3,070.84	3,250.16
Less Excise Duty	267.37	232.34	213.74	219.19
Revenue from Operation (Net of Excise duty)	3,145.46	2,964.16	2,857.10	3,030.97
EBIDTA	230.59	244.23	226.82	237.24
Interest	87.74	96.43	109.00	114.47
PBDT (Cash Profit)	142.85	147.80	117.82	122.77
Profit before tax (PBT)	86.93	86.79	61.78	67.13
Profit for the period	66.22	63.10	54.09	53.36
Net Worth	749.35	691.46	635.02	594.51
Net Debt	886.11	894.99	947.64	1,037.89
EBIDTA Margin, %	7.33%	8.24%	7.94%	7.83%
Net Profit Margin, %	2.11%	2.13%	1.89%	1.76%
Earning Per Share (in Rs.)	15.11	14.40	12.34	12.17
Book Value (in Rs.)	170.96	157.76	144.88	135.64
Debt Equity, x	1.18	1.29	1.49	1.75

Notes :

1. Figures for FY 2017 and FY 2016 are as per IND AS and for earlier period (s) are as per IGAAP, hence not comparable.
2. Revenue from operation under IND AS are net off discount, rebate and allowances and under IGAAP figures were before discount, rebate and allowances.
3. Revaluation reserve are excluded from the Net Worth.

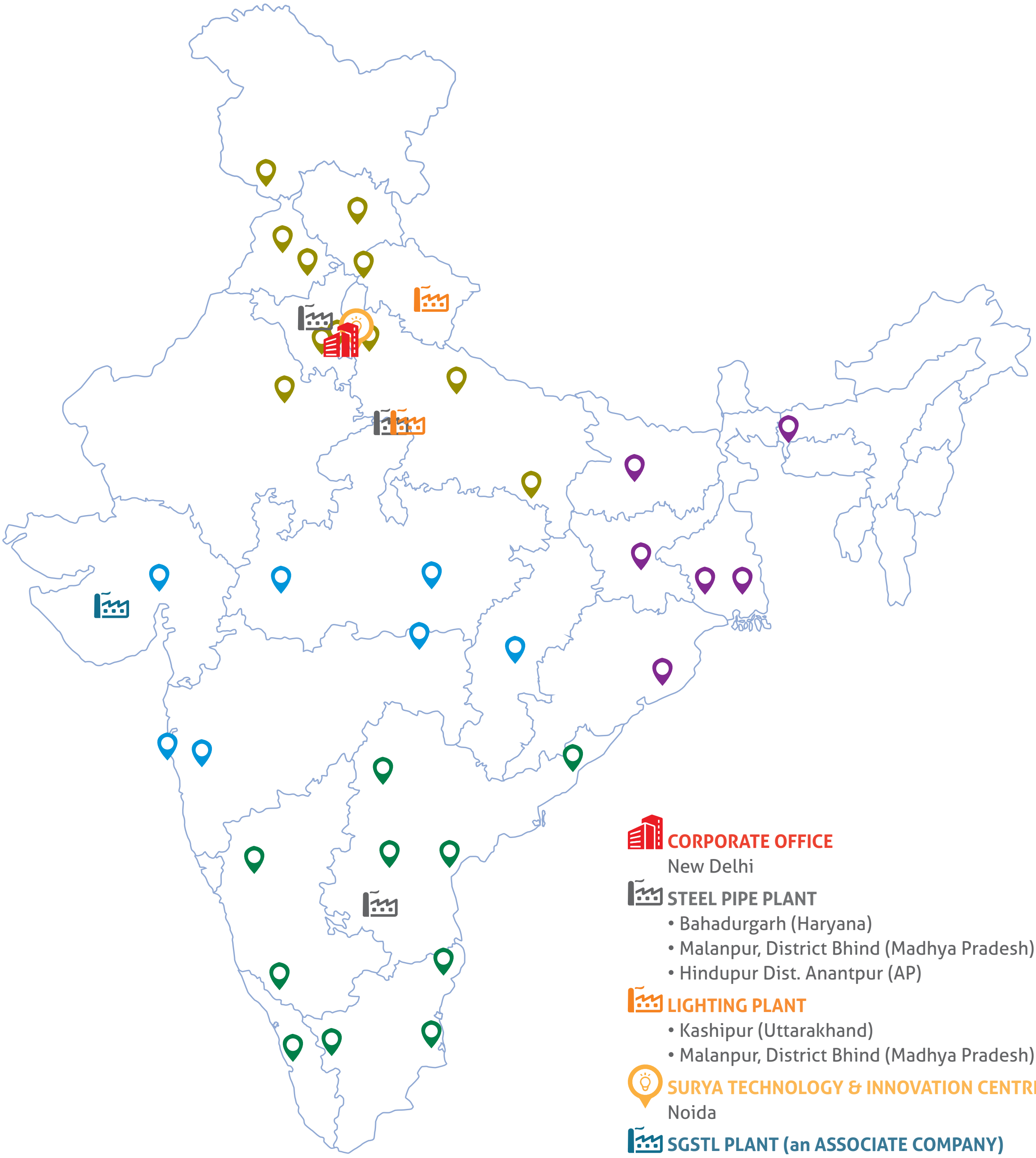
BUSINESS HIGHLIGHTS

- LED business grew by 77%
- Fan and home appliances business grew by 55%
- Launched super energy-efficient BLDC SS-32 WATT fan with energy saving of 60%
- Obtained orders worth Rs. 80 crore for LED Street lights from EESL
- Surya Global Steel Tubes Limited (an associate company under proposed merger) bagged order worth Rs. 243 crore from Indian Oil Corporation for supply of API grade pipes leading to higher capacity utilization

OPERATIONAL HIGHLIGHTS

- New state of the art manufacturing unit set up at Hindpur Dist. Anantpur (AP) with an installed capacity of 1,50,000 MTPA

PAN INDIA PRESENCE



CORPORATE OFFICE
New Delhi

STEEL PIPE PLANT
- Bahadurgarh (Haryana)
- Malanpur, District Bhind (Madhya Pradesh)
- Hindupur Dist. Anantpur (AP)

LIGHTING PLANT
- Kashipur (Uttarakhand)
- Malanpur, District Bhind (Madhya Pradesh)

SURYA TECHNOLOGY & INNOVATION CENTRE
Noida

SGSTL PLANT (an ASSOCIATE COMPANY)
Bhuj (Gujarat)

North Zone
Dehradun, Delhi, Ghaziabad, Jaipur, Jammu, Kala Amb, Lucknow, Ludhiana, Rohtak, Varanasi, Zirakpur

East Zone
Bhubaneshwar, Guwahati, Kolkata, Patna, Ranchi, Siliguri

West Zone
Ahmedabad, Indore, Mumbai, Jabalpur, Nagpur, Pune, Raipur

South Zone
Bengaluru, Chennai, Coimbatore, Hubli, Kochi, Kurnool, Madurai, Secunderabad, Vijayawada, Vizag

MESSAGE FROM CHAIRMAN

Dear Shareholders,

It's my pleasure and honor to spearhead one of the most respected and leading steel pipe and lighting company of India with vast global footprints. As another accomplished year passes by, I feel extremely elated to reconnect with you through our annual report. We are constantly striving to pursue excellence towards achieving our economic, social and environmental goals.

In-spite of demonetization, it is extremely rewarding to witness the exciting response from the customers in both of our Steel Pipes & Strips and Lighting and Consumer Durables segment as these segments were built to create an affordable and sustainable brand with a difference in the herd of lookalike brands.

Our goal is to serve the customers with exciting range of new products portfolio in the upcoming years and ensure profitable business returns for our shareholders. To achieve this goal, we are always at the forefront to adopt new technologies and processes. Our exemplary transition from being the largest CFL manufacturer to a leading LED manufacturer is the testimony of our resilience and determination to become the leader of lighting industry in future. Our state-of-the-art Surya Technology & Innovation Centre

"Our goal is to serve the customers with exciting range of new products portfolio in the upcoming years and ensure profitable business returns for our shareholders."

(STIC), Noida catering to diverse test requirements for the development of latest generation, high quality and energy saving luminaries is the example of our commitment towards excellence. We continue to sharpen our axes by building strong relationship, expanding our customer base and redefine our product mix through proactive innovation and research. We continue our legacy of being a leading manufacturer of technology-driven products with the launch of super energy-efficient BLDC SS-32 fan which provides 60% energy saving over conventional fans.

Indian 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. will boost the demand for Steel Pipes Segment and initiatives / policies such as Ujala Scheme, Bijli Har Ghar Yojna etc. coupled with excellent economic growth will further boost the Lighting & Consumer Durables segment of the Company.

However, amidst all these initiatives, the GST (Goods & Services Tax) initiated and implemented by the government was much applauded and welcomed by the Indian Inc. as it will play a pivotal role in strengthening the core of organized industry players, ensuring higher revenues and profits in near future. Your Company is already accruing benefits of uniform taxation and billing across the country.

Further, Company is focused to capitalize on future growth opportunities through profitable business strategies, improvised business operations and adopting solutions-based approach in launching future products.

The responsible and consistent growth emanates from being a responsible corporate citizen. Over the years, we have also paid similar emphasis on strengthening our corporate governance. Our independent board is an assorted mix of highly qualified, diversified and assorted pool of experienced and respected corporate professionals, playing a key advisory role in steady growth of your Company. We are also committed towards our responsibility of giving back to the society through Surya Foundation.

On behalf of the Board of Directors of Surya Roshni, I will thank the senior management team for steering the Company to newer heights and all our employees for their passion and dedication towards the Company. I will also extend my sincere gratitude towards our stakeholders, bankers and customers for their continued support and patronage towards our path of profitable yet sustainable development.

Jai Prakash Agarwal
Chairman

Q&A WITH MANAGING DIRECTOR

How has your Company performed in the year gone by?

The overall performance of the Company was appreciating as we delivered profitable results despite the challenging external environment. The sales of the steel pipes business is growing at a robust pace and in the lighting business, we are maintaining the 2nd largest position in the country. During FY17, the volume growth in LED business was 77% whereas the fan and home appliances business grew by 55%. The Company was able to maintain a leadership position in the manufacturing of GI Steel Pipes and also emerged as a strong contender in the Lighting industry. Our debt to equity ratio is constantly decreasing, representing strong long-term financial soundness of the Company.

What are the highlights of important strategic initiatives taken by the Company to accelerate both the steel pipes and lighting & consumer durables businesses?

Our focus is multi-dimensional and we are giving equal emphasis on the strategic expansion of both the businesses. During the year, the Company has successfully commissioned a new manufacturing unit for ERW Black and GI Pipes at Hindupur, A.P. The plant which was installed with a capacity of 90,000 MTPA initially is further enhanced to 1,50,000 MTPA.

This will help the Company in achieving savings in logistic cost and leveraging it's presence in the premium market of South India and creation of a larger and stronger steel pipes business with economies of scale.

To cater the LED lighting demand, the company has converted its CFL production facilities to LED manufacturing facilities and also launched various varieties of LED products in the market. We are continuously getting contracts for supply of LED Street Lights, Bulbs and other lighting products from institutions and

> **"Presently, the company is enjoying 18-20% market share in the LED lighting market. In India, the industry is expected to grow at a CAGR of 17% by 2020"**

exploring other avenues to increase revenue. We continue our legacy of being a leading manufacturer of technology-driven products with the launch of super energy-efficient BLDC SS-32 fan which provides 60% energy saving over conventional fans.

Tell us more about the latest Surya Fan with BLDC (Brushless Direct Current Technology) and how will this technology prove as revolutionary in future?

While designing any product, Surya is committed on two important elements –Energy Efficiencient (power saving) and cost benefit for consumers. True to our commitment, we have launched the Surya BLDC fan which consumes only 32 WATT of power at full speed and saves 60% of the power when compared to a conventional 80 WATT of power used by a conventional fan. Moreover, the fan offers enhanced efficiency & reliability, cost savings, durability and reduced noise levels.

This initiative will prove to be revolutionary in future as fan is a mass consumer product used in millions of households across the country. The rising electricity cost and enormous savings offered by our technologically advanced products will compel the consumers to gradually shift towards BLDC fans.

What are the opportunities available in the lighting industry and how are we planning to tap those opportunities?

Presently, the company is enjoying 18-20% market share in the LED lighting market. In India, the industry is expected to grow at a CAGR of 26% during 2017-23. It is rapidly evolving with the rise in consumer awareness towards environmental safety and low cost benefits of LEDs. This transition is aggressively driven by a plethora of initiatives launched by the government as well as innovative solutions offered by the industry which is in sync with the overall digitalization.

Moreover, the future opportunities will amplify as the conventional lights such as tubes, lamps, street lighting, down lighters, GLS bulbs etc. will be replaced by LED based lights. Further reduced price, necessary push by the government as well as availability of diverse variety of lights such as dynamic lights, color changing lights, app controlled and dimming lights will also amplify the growth of LED lighting in India in future.

With smart cities project development and execution in full acceleration, we are geared up to secure business in this particular segment. Additionally, we are also exploring the expansion of exports footprint by targeting big retail chains. We have already received the UL certification from the American and Canadian market which is a tenacious process of 6-8 months.

What are the future plans and outlook of the Company?

Presently, we have secured orders for the Smart Cities project as well as 25 cities & towns of Rajasthan, Gujarat, Greater-Hyderabad Municipal Corporation (GMH) and Ranchi (Jharkhand) which are illuminated by the LED lights of Surya Roshni. Our new range of indoor decorative, industrial and architectural landscape luminaries has added a new vertical growth from specifiers, architect and heritage sites segments.

Our associate company, Surya Global Steels Tubes Ltd. has bagged an order worth Rs. 243 crore from Indian Oil Corporation Limited for the supply of API grade pipes. We are also in the process of introducing 3LPE coating facility which will add significant value to our existing product basket as we will be capable of delivering both internally and externally coated pipes to our valued clients in Oil &Gas as well as water sectors.

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. shall further boost the demand for Steel Pipes.

Further, backed by the Indian Government's initiatives and policies such as Ujala Scheme, Bijli Har Ghar Yojna, development of Smart Cities etc. the lighting and Consumer Durables segment holds promising opportunities in future.

B. Raju
Managing Director

BOARD OF DIRECTORS

Shri Jai Prakash Agarwal
Executive Chairman

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

He inherits the excellent entrepreneurship skills form his father Shri B. D. Agarwal and his exceptional managerial skills has 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 specialization 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 has helped in achieving the holistic growth and development of the Company.

Smt. Urmil Agarwal
Additional Director

Smt. Urmil Agarwal, wife of Shri Jai Prakash Agarwal (Executive Chairman) holds the position of Additional Director in the Company. She has been providing her valuable assistance in the business from past 38 years.

Shri. T S Bhattacharya
Independent Director

Shri. T S Bhattacharya is a Director on the Company board since 2011. He is a MSc in Nuclear Physics and holds PG Diploma in Management Science from Jamnalal Bajaj Institute of Management, Mumbai. In his illustrious professional career of 44 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 Ltd., IDFC Securities Ltd., IDFC Projects Ltd., Nandan Denim Ltd., Uflex Ltd., Bajaj Energy Ltd. and Sharven Consultancy Pvt. Ltd. Further, he is also holding the position of Associate at Indian Institute of Bankers.

Shri Ravinder Kumar Narang

Independent Director

Shri Ravinder Kumar Narang has been 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 56 years in the field of Operations, Project Development and Marketing Network.

He has also served as a full-time Director in the Reliance Petroleum Ltd. followed as an Advisor post the merger of Reliance Petroleum with Reliance Industries Ltd. 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 has also served as Chairman of the Indian Oil Corporation Ltd., Indo-Mobil Ltd. and Indian Oil Tanking including many others.

Shri. K.K. Narula

Independent Director

Shri K.K. Narula is an industry veteran and has been Director on the board of the Company since, March 2000. He is an M.Com from University of Delhi and also a Certified Associate of Indian Institute of Bankers (CAIIB). He has 53 years of prolific experience in the field of Banking and Finance. He is the Chairman of the Company's Audit Committee and member of the Committee of Directors, Remuneration and Shareholders/Investors' Grievance Committees. He is retired as the Chief General Manager from SBI Chandigarh (LHO) and is currently working as Banking and Management Consultant.

Shri U. K. Mukhopadhyay

Independent Director

Shri Mukhopadhyay has been a Director on the Company board since 2011. He is a doctorate in Economics from University of Mumbai and M.Sc. (Geology) from University of Calcutta. He has also attended the PG course in Development Economics at the University of Swansea, UK. He is also an Ex-IAS Officer with more than 38 years of experience in the Maharashtra Government, Central Government and World Bank. He has formulated public policies for various departments such as Transport, Energy, Environment Tourism and Housing.

Shri. Mukhopadhayay is an Ex-MD & CEO of Tata Housing Development Company and also serves as Director on the boards of Borosil Glassworks Ltd., WPL Ltd., Sun Risk Management & Insurance Broking Services Pvt. Ltd., Suraksha Asset Rconstruction Pvt. Ltd. and Hopewell Tableware Pvt. Ltd.

Shri Rajeev Kumar Sinha

Director

Shri Rajeev Kumar Sinha, positioned as General Manager in IDBI Bank Limited, was nominated as Director on the Company Board by IDBI Bank from August 2015. He has graduated from St. Petersburg University, Russia with degree in M.Sc (Electrical Engineering). His prolific career of 30 years includes hands on experience and in-depth knowledge in Corporate Finance, Corporate debt restructuring, Corporate and International Banking. Currently, he is posted at Corporate Banking Group of IDBI Bank at Head office, Mumbai.

Shri 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 51 years includes serving the key positions like General Manager of Punjab National Bank and Managing Director of PNB Capital Services Ltd. 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. During his experience with the bank, he was closely involved in initiatives like Restructuring, Technology up gradation, Public offering, Management of Debt Insurance besides managing the business and growth issues on regular basis. Shri Awasthi was also a member of working groups set up by the Indian Banks' Association & Reserve Bank of India including working groups on cheque transaction and e-cheques constituted by the Reserve Bank of India.

Shri 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 AIMA, 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 40 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 Ltd., Chairman of Dedicated Freight Corporation of India Ltd. (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.

Shri Mukesh Tripathi
Director

Shri Mukesh Tripathi, is the young and dynamic Director on the Company board since 2013. He is a Commerce graduate from Delhi University and a Master in Business Administration (MBA) in Human Resource Development. He has 17 years of enriching industry experience in the field of Human Resource & Personality Development.

KEY MANAGEMENT PERSONNEL

Shri R. N. Maloo

Executive Director & Group CFO

He is a qualified Chartered Accountant with 31 years of varied experience in areas of Corporate Affairs, Finance, Laws, Accounts, Commercial, Tax Planning & Audit. Before joining Surya Roshni, he has served on Senior Management Positions in various Organizations of International repute.

Shri Tarun Baldua

CEO – Steel Operations

A qualified Chartered Accountant with over 31 years of experience in Operations and Administration of Business across diverse industries.

Shri Ramanjit Singh

CEO – Lighting Operations

Shri Ramanjit Singh has a prolific experience of 30 years and served as Senior Director in Philips India Ltd. before joining Surya Roshni Limited.

Shri B. B. Singal

Sr. Vice President & Company Secretary

He is a qualified Chartered Accountant, Company Secretary and Cost Accountant. He has rich experience of over 22 years in Secretarial Function, Taxation & Corporate Laws.

MILESTONES

2017 Ongoing merger of associate company Surya Global Steel Tubes Limited (SGSTL) with Surya Roshni Limited.

2016 Commissioning of New Steel Pipe Plant at Hindupur (A.P.)

2015 Launch of Surya Home Appliances

2014 Launch of Surya Fans

2012 Surya Technology and Innovation Centre (R&D centre) for energy efficient LED lights went operational at Noida

2010 Set up of Steel pipe Plant at Gwalior (MP)

A new world-class pipe unit started production at Bhuj (SGSTL- an Associate Company)

PVC plant became operational

2006 Installed CFL unit at Gwalior (MP)

1998 Asia's largest ribbon glass plant started with annual capacity of 400 million GLS and 25 million FTL shells

1994 A new modern glass plant started

1992 Second lighting plant went commercial at Gwalior (MP), production of filament for GLS and FTL commenced

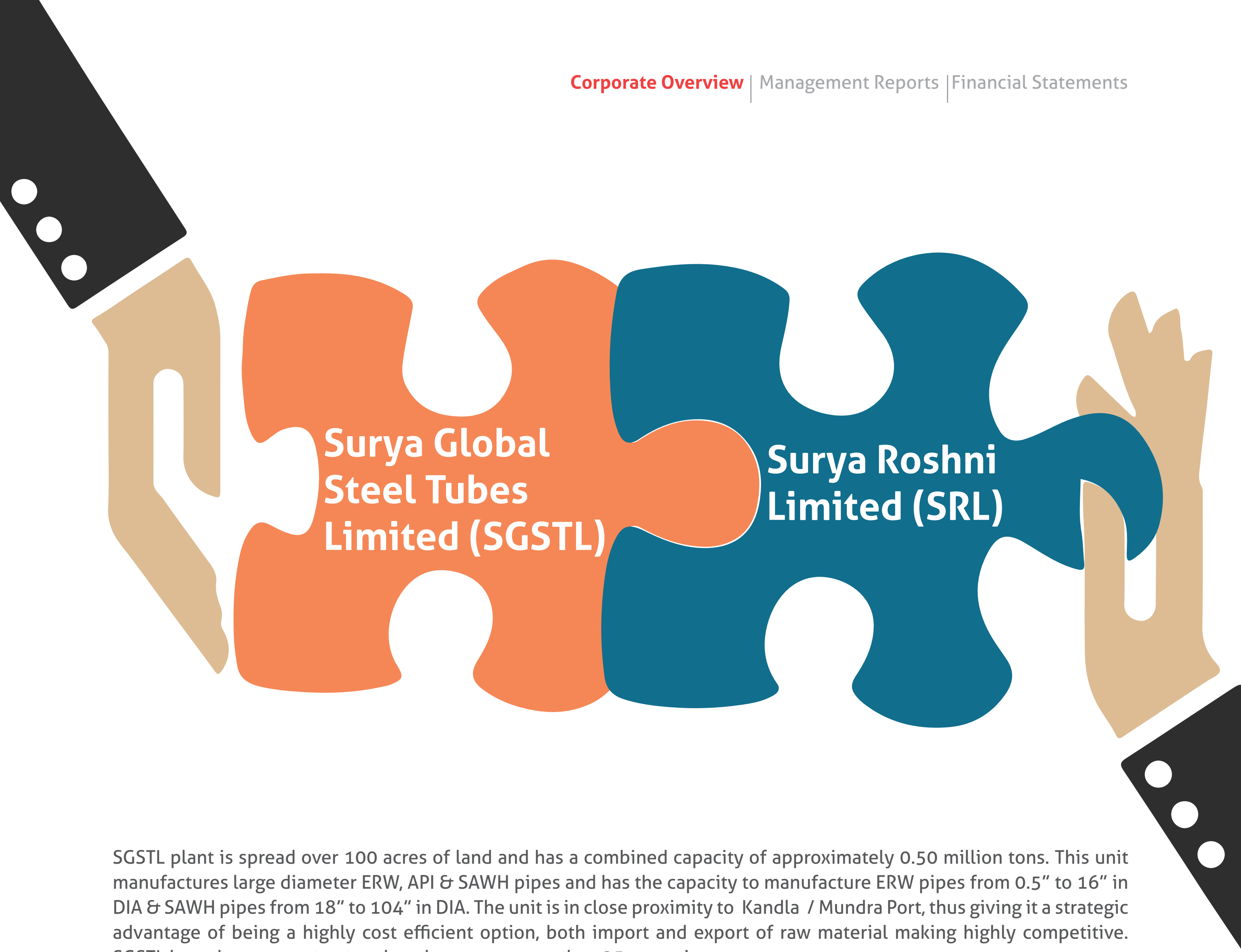
1991 Production of CR Strips began

1989 Production of HPSVL and energy-efficient 26mm FTL commenced

1984 The first Lighting plant started at Kashipur

1980 Galvanizing Plant became operational

1973 Set up of Steel plant at Bahadurgarh



SGSTL plant is spread over 100 acres of land and has a combined capacity of approximately 0.50 million tons. This unit manufactures large diameter ERW, API & SAWH pipes and has the capacity to manufacture ERW pipes from 0.5" to 16" in DIA & SAWH pipes from 18" to 104" in DIA. The unit is in close proximity to Kandla / Mundra Port, thus giving it a strategic advantage of being a highly cost efficient option, both import and export of raw material making highly competitive. SGSTL has a huge export network and caters to more than 25 countries.

The ongoing merger of SGSTL with the Company would bring in economies of scale and also open newer avenues of growth in terms of volumes, new products and improved profitability besides improving company's capital structure, debt coverage, cost efficiency and financial ratios. This would also lead to the consolidation of steel business leading to optimal utilization of resources and bringing the benefits of overall synergy, common management, reduced finance cost, improved credit rating and greater integration. The merger will make the steel business of the company self-reliant and make both the businesses independent.

Hindupur Steel Plant

COMMITMENT TO COMMUNITY

Our CSR Initiatives

Corporate Social Responsibility has been inherited in the value system of Surya Roshni before it found a place in the corporate lexicon. Surya Roshni has been committed towards creating a developed yet sustainable world through its conscious efforts in elevating the level of weaker sections of the society. Surya Group has 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.

In pursuance to its commitment, the Company has well-placed CSR policy in place. The main objectives of the policy is to eradicate hunger, poverty and malnutrition; promoting health care; making available safe drinking water and sanitation; promoting education; enhancing vocational skills and livelihood enhancement projects. The Company prioritizes Women empowerment, by promoting home and hostels for women and orphans. It has also taken initiatives in 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. To attain the Company's Corporate Social Responsibility objectives in a professional and integrated manner, the Company discharged its responsibilities through the Surya Foundation. The foundation is working on three main projects as mentioned below:

- Adarsh Gram Yojana
- Development of preventive and cost effective health systems of naturopathy and yoga
- Ideal Village Projects with emphasis on Literacy and Personality Development of Youth

DEVELOPMENT OF PREVENTIVE AND COST EFFECTIVE HEALTH SYSTEMS OF NATUROPATHY AND YOGA

Healthy country is based on the foundation of healthy citizens. Surya Foundation has undertaken a humongous task of promoting naturopathy and yoga through its naturopathy wing, the International Naturopathy Organization (INO) across India. In pursuance of same, the Foundation has organized various Naturopathy awareness camps and seminars throughout the year across various states of India. The foundation also conducts Naturopathy Doctors and Management Training Programme for practitioners from India as well as abroad.

ADARASH GRAM YOJNA

Under the Adarsh Gram Yojna, the company has established "Bal Vikas Kendras" in the remote and far flung and remote rural villages in 15 states of the country. These centers focus on imparting moral education and values and train them in yoga and meditation to the young school going children and dropouts. They also 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 behavior of the children. They are doing extremely well in their exams with overall improvement in their conduct and behavior. Surya feels proud to be part of this endevaor.

IDEAL VILLAGE PROJECTS WITH EMPHASIS ON LITERACY AND PERSONALITY DEVELOPMENT OF YOUTH

At Surya, we believe in a strong foundation and youth is the foundation of our country. Hence, to strengthen the future of India, Surya Foundation is 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 behavior of youth.

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

STATUTORY AUDITORS
Sastry K. Anandam & Company
Chartered Accountants

COST AUDITORS
R. J. Goel & Co.

BANKERS
1. State Bank of India
2. Punjab National Bank
3. IDBI Bank Ltd.
4. Canara Bank
5. HDFC Bank Ltd.

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

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

Audit Committee
- Sh. Krishan Kumar Narula, Chairman
- Sh.Tara Sankar Bhattacharya, Member
- Sh. Utpal K Mukhopadhyay, Member
- Sh. Mukesh Tripathi, Member

Stakeholder's Relationship Committee
- Sh. Krishan Kumar Narula, Chairman
- Sh. Ravinder Kumar Narang, Member
- Sh. Raju Bista, Member

Corporate Social Responsibility Committee
- Shri Krishan Kumar Narula, Chairman
- Shri Jai Prakash Agarwal, Member
- Shri Raju Bista, Member
- Shri Mukesh Tripathi, Member

Nomination and Remuneration Committee
- Shri Krishan Kumar Narula, Chairman
- Shri Ravinder Kumar Narang, Member
- Shri Mukesh Tripathi, Member

Committee of Directors
- Shri Krishan Kumar Narula, Chairman
- Shri Raju Bista, Member
- Shri Mukesh Tripathi, Member

MANAGEMENT DISCUSSION & ANALYSIS

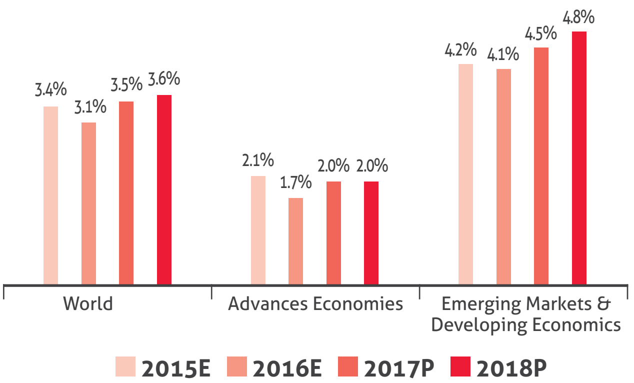
ECONOMIC REVIEW

Global Economy

According to the World Economic Outlook, the global economic growth has slumped from 3.4% in 2015 to 3.2% in 2016. The Advanced Economies (AE) lost some steam during the year with just 1.7% growth. With economic activities picking up in the second half of 2016, the AE growth forecasts for 2017 and 2018 is pegged at 2.2% and 2.0% respectively. The forecast is particularly uncertain in light of potential changes in the policy stance of the United States under the incoming administration. The Emerging Markets and Developing Economies (EMDE) demonstrated resilience growth of 4.3% in 2016. The agreed restrictions on oil supply triggered the recovery of global commodity prices bringing a huge sigh of relief to commodity exporters aiding to global inflation and condense deflationary pressures. India's economy remained buoyant despite demonetization. With strong market sentiments, EMDEs are expected to grow by 4.6% and 4.9% in 2017 and 2018 respectively. Overall, strong financial markets and a long-awaited cyclical recovery in manufacturing & trade are likely to push the global economic growth to 3.6% and 3.7% in 2017 and 2018 respectively.

Stronger economic activity, expectations of more robust global demand, reduced deflationary pressures, and optimistic financial markets are all upside developments. Although 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.

World Economic Growth (%)



(Source: World Economic Outlook, October 2017)

P - Projected E - Estimated

Indian Economy

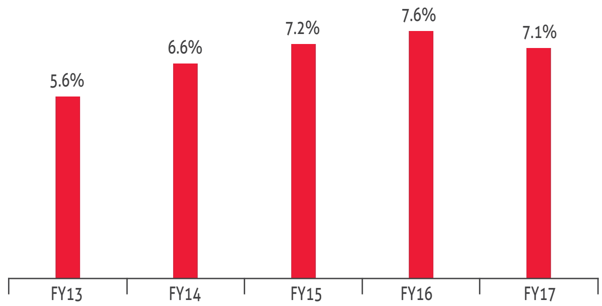
As per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF), India has emerged as the one of the fastest growing major economy in the world. It's gross domestic product (GDP) grew by 7.1% in FY17 and 7.4% during FY 18. This GDP is registered as strongest among the G-20 countries, as per the Organization for Economic Co-operation and Development (OECD) Economic Survey of India, 2017.

The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) focus to minimize inflation supported by benign global commodity prices. India's consumer confidence index stood at 128 in the Q2 of 2017. According to RBI data, India's foreign exchange reserves stood at US$ 368 billion as on March 2017 as compared to US$ 360 billion as on March 2016 and US$ 399 billion as on November11, 2017 as compared to US$ 365 billion by the end of November 2016.

Agriculture sector was amongst the key drivers of growth during the year backed by a normal south west monsoon of 97% to Long Period Average. The Government's flagship project 'Make in India' continues to gain momentum, attracting added investments from global MNCs.

Insolvency and Bankruptcy Code (IBC), Real Estate Regulation Act (RERA), Goods and Services Tax (GST) strengthened the nation's policy reforms. Indian economy is likely to reap long-term benefits from these reforms, hence providing a boost to the Indian economy. The country is making a steady progress towards becoming an organized, tax compliant, transparent and less cash eventually creating a cashless economy. With an equal thrust on rural economy and inclusion of the less privileged sections of the society, India's economic growth is poised to be well-distributed and sustainable. Additionally, the Government's fiscal prudence, backed with higher accretion of tax revenues would fortify the overall economy.

India's GDP Growth (%)



(Source: CSO)

INDUSTRY REVIEW

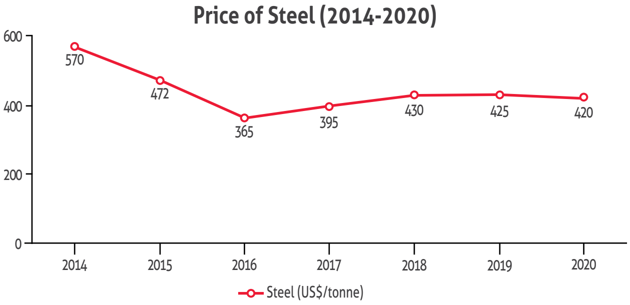
Steel Sector

Steel plays a pivotal role in the development of any economy. The level of per capita steel consumption is treated as an important index of the level of socio-economic development and living standards of the people in any country. All major Industrial Economies are characterized by the existence of a strong steel industry and the growth of many of these Economies have largely been shaped by the strength of their Steel Industries.

Crude steel production in the first six months of 2017 was 836 Million Tons (MT), marking a growth of 4.5% over same period in 2016, up by 4.5% compared to the same period in 2016. Asia produced 576.8 MT of crude steel, an increase of 4.8% over the first half of 2016.The average capacity utilization in 2016 was 73% in June 2017 as against 72% in March 2017. The increase was seen in Asia, European Union and North America whereas CIS nations saw a decline in first six months of 2017.

Steel prices are influenced by several factors including demand and supply , the strength of the American dollar and the general condition of the world economy. Steel prices reached an all-time low in March 2016, but prices started increasing w.e.f. June, 2016. Prices in global steel industry can be linked to the Chinese production (world's leading steel producer) as it has significantly ramped up production in past few years. The increased production and resulting low prices have hurt the Steel Industry in other parts of the world, including United States, U.K. and Japan. It is anticipated that steel production would decline every month by 2020. This will put an end to cheap steel imports from China eventually resulting in an uptick in steel prices lasting till 2020.

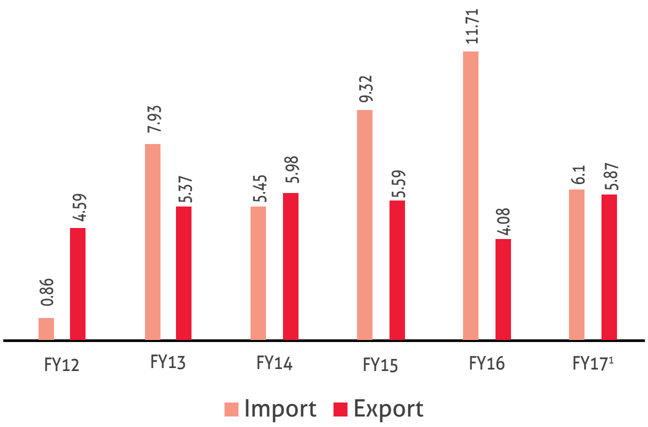
Price of Steel (2014-2020)



In 2016, the global steel industry has witnessed sharp revival of steel demand than expected with the upside mostly coming from China. Seeing the recovery, **World Steel Association in its Short Range Outlook (SRO) released for 2017 and 2018 forecasted that the global steel demand will increase by 1.3% to 1,535.2 million tons (MT) in 2017, following growth of 1.0% in 2016. It also predicted that in 2018, the global steel demand will further grow by 0.9% to reach 1,548.5 million tons (MT).**

The total finished steel production in India, backed by the reform momentum and steady investments in the infrastructure and manufacturing sectors, has grown by 10.7% in FY17, reaching 100.74 MT. This was on the back of imposition of Minimum Import Price (MIP), as it has encouraged the producers to increase the production. The Indian government in May 2017 also approved a National Steel Policy providing preference to domestic Indian manufacturers by stipulate of 15% minimum value addition in bidding government procurement(s). As a result, imports of steel have declined and the export of steel from India has boosted. Export of total steel rose from 4.08 Mt. in FY16 to 8.24 Mt. in FY17, marking a growth of more than 100% and imports went down from 11.71 MT in FY16 to 6.1 Mt. in FY17.

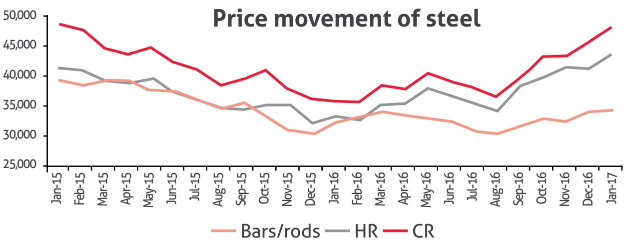
Steel exports and imports (in million tonnes)



To boost the steel demand, Government of India launched the National Steel Policy 2017 (NSP) which will propel higher spending on infrastructure and construction through government initiatives for pushing the steel demand and increase utilization. The NSP stipulates for reaching Indian crude steel capacity to 300 MT and production of 255 MT by 2030. It also targets to improve finished steel per capita consumption of 158 Kgs by 2030 – 31, as against the current consumption of 61 Kgs. The National Steel Policy 2017 aims to meet the demand of high grade automotive steel, electrical steel, special steels and alloys for strategic applications from domestic production. To reduce dependence on import of coking coal from about 85% to around 65% by 2030-31, the policy will take measures to increase the domestic availability of washed coking coal.

Steel Prices in India

Steel prices in India remained volatile. It is mainly dependent on various factors like the prices of import of steel, demand supply mismatch etc. In January 2015, the prices of long steel products (bars/rods) stood at Rs. 39,360 per tonne which came down to Rs. 30,466.7 per tonne in December 2015 and that of flat steel products HR coils which was at Rs. 41, 267 per tonne came down to Rs. 32,133.5 per tonne at the end of year 2015. In the year 2016, with the imposition of Minimum Import Price (MIP) to restrict cheap imports, the steel prices started moving upwards. Thereafter, the steel prices softened due to demonetisation. Going forward, the steel prices are expected to rise further on the back of increase in domestic steel consumption and protectionist measures by the government.



India is currently amongst the fastest growing major global economies. It is steadily witnessing urbanization leading to the development of new industries and revival in real estate sector due to the government backed Affordable Housing Scheme. Hence, the demand for transport of water, waste water and fuel (oil & gas) in India is steadily growing. 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. Recently, the Union Cabinet has approved deployment of 13,000 km of pipelines, which will improve the domestic infrastructure and also create demand for pipe manufacturers in future.

Rapid industrialization in the country will lead to increase in investments in building and construction activities and thus the steel tubes/pipes market is expected to grow in the foreseeable future. The rate at which the number of construction and residential projects are growing will further drive the growth of the steel tubes market. An emerging trend in the Indian market is seen with application to affordable housing, housing for all where steel tubes are widely used for various applications such as exploration, refining, oil & gas and transportation as they are durable, mechanically strong, and thermally stable.

To further improve the pipeline infrastructure of cities, huge investment is expected with an emphasis on water supply and sanitation. The water sector provides an additional opportunity for the pipes sector. With government's huge focus towards infrastructure development, the demand for pipeline is expected to grow steadily in India.

PVC

Indian government continues to put emphasis on increasing cultivable land and supports that drive with subsidies and investments designed to promote agricultural output. This is expected to boost demand for PVC pipes across the country. On the other hand, a rising middle-income population is expected to support an increased need for housing in both urban and rural areas, lifting demand for PVC pipes & fittings. India's per capita PVC consumption is around 2 kg, which is low compared with 11.8 kg in the US and over 10 kg in China.

The government has allocated Rs. 1,87,223 crores to rural and agriculture and allied sector in the FY17 budget which was 20% higher than last year. MGNREGA allocation has also increased to its highest level at Rs. 48,000 crore this year. The funding for Long Term Irrigation Fund (LTIF) set up in NABARD under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), for funding and fast tracking the implementation of incomplete major and medium size irrigation projects has been allocated an additional corpus of Rs. 20,000 crores, thus doubling the corpus to Rs. 40,000 crores. Also, a new Micro irrigation fund with a corpus of Rs. 5000 crore has been announced. Pradhan Mantri Krishi Sinchai Yojana would be to maximize the reach of irrigation across the country and thus enhance the ambit of area covered under the irrigation projects.

The Government is focusing on rural water and sanitation infrastructure which will be a huge consumer of PVC pipes. In FY18, government has plans to construct over 5 lakh ponds to insulate the villages from drought. Sanitation coverage in rural India under Swachh Bharat Mission (Gramin) has gone up and is expected to continue. Villages with sanitation coverage are now being given priority for piped water supply. The development of 'smart cities' will


Hindupur Steel Pipe Plant

be a further boost to PVC consumption in India due to the huge requirement of urban infrastructure in these cities.

Surya is poised to grab the opportunities at its CPVC plumbing system is a thermoplastic material made from CPVC compound and is manufactured as per Japanese Technology which provides a high degree of reliability, technically superiority, cost effectiveness and offers many advantages over metallic and other conventional systems.

City Gas Distribution (CGD)

Petroleum and Natural Gas Regulatory Board (PNGRB) is the regulatory authority for city gas distribution in India. PNGRB authorizes to set up new infrastructure amongst the industry players. The NITI AAYOG is targeting to extend the City Gas Distribution network to 326 cities by 2022 for expanding the penetration of natural gas. Moreover, by suitably incentivising pipeline companies with better tariff mechanism, assured throughput and Viability Gas Funding (VGF) support, the work is also expected to be resumed in the ~11,000 km gas pipelines. The government's intend to move to gas based economy is a good strategic move and hence the City Gas Distribution (CGD) segment appears to be positive for its future prospects. To align with the goal of reducing the carbon footprints 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. The government targets to increase the share of gas in the total energy basket from 6% currently to 15% in short-term and 24% in the long- term.

Also, there has been an increased awareness and demand for cleaner fuels. Currently, CGD network exists in across 79 cities and over 3.5 million homes have access to PNG. These developments will increase the prominence of robust gas pipeline network in the long run.

Surya Roshni, being a leader in the manufacturing of G.I Steel Pipes and is one of the most reputed and trusted brand both domestically and globally is geared up to achieve its business goals through adoption of latest technology, operational efficiency, excellent customer service and launch of innovative and diversified products in the market and thus continue to hold its prominent position in the Indian Steel pipes Industry.

Lighting Industry

The Lighting Industry in India can be broadly categorized into four segments

1. Conventional Lamps such as [General Lighting Service (GLS), Fluorescent Tube Lights (FTL), Compact Fluorescent Lamp (CFL) and others
2. LED Bulbs, LED Street Lights
2. Luminaries
3. Accessories, Components and Control gears (ACCs)

Kashipur Lighting Plant

The Lighting industry is one of the most promising sectors in India. It is steadily growing at a CAGR of 17.6% and has reached from Rs. 8,090 crores in 2010 to Rs. 18,211 crores in 2015. As per the Electric Lamp and Component Manufacturers Association of India (ELCOMA), major contributor of this growth is LED segment which grew at a CAGR of 59% from Rs. 500 crores to Rs. 5,092 crores during the same period. As compared to conventional lighting solutions, LED is a costlier solution. However, it is highly efficient in terms of low power consumption, sustainability and durability.

To accelerate the energy saving and reduce carbon emission, the government is giving a significant push to the usage of LEDs by the launch of **Unnat Jyoti by Affordable LEDs for All (UJALA)** scheme. Under this scheme, the government has planned to make LEDs available at competitive rates and to distribute around 770 million LED lamps. This would address the power demand-supply gap in India. Apart from **UJALA scheme,** growth in this segment would be driven by other programs like Integrated Power Development Scheme (IPDS), Deen Dayal Upadhyaya Gram Jyoti Yojana(DDUGJY) and Streetlight National Program "SLNP". Currently, the demand for street lighting application, accounts for the major opportunity in the Indian LED lighting market.

As per the TechSci Research report, "India LED Lighting Market Forecast and Opportunities, 2020", the LED market in India is estimated to grow at a CAGR of over 32%, during 2015-20. The key driving force for the rise in LED demand would be falling prices, distribution by the government and the replacement of streetlights with LED. The growing awareness among consumers and better design availability would also shift the consumer preference and drive the expected growth of the LED market in India. Additionally, a plethora of opportunities will be available in the Heritage Sites revamp and Smart City projects launched by the government.

Domestic Appliances & Fans Industry

The Domestic appliances market growth in India is driven by the continuous expansion in the middle and affluent class, growing working class population 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.

Indian appliance industry is driven by many factors including changing lifestyle, expanding participation of women in the job market, improving electrification due to climatic changes, and improving supply of electricity to residential segment. Backed by good monsoon the rural market witnessed handsome growth, especially in the first half.

Despite the temporary disruption caused by demonetization, sentiments of 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. Indian consumer's disposable income grew by 12% in 2016 which also aided in a relatively strong demand for consumer appliances. With changing lifestyle towards premiumization has led to higher growth in premium segment.

As per the report, future demand prospect for kitchen appliances remains strong in India and is expected to grow at a CAGR of 25% during 2014 to 2019.

According to "India Fan Market Outlook, 2021", (by Bonafide Research) sales of fan was growing with a CAGR of 9.13% over last five years in India. With the growth in disposable income and demand coming in from housing sector, the demand for electric fans will continue to grow steadily. Fan industry by nature involves lesser technological inputs and has low entry barrier, thus the market is equally divided among the organized and unorganized players. Within the industry, unorganized sector leads the industry in terms of total volume whereas organized market leads in terms of revenues.

Integrated Power Development Scheme (IPDS) and Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Bijli Har Ghar Yojana (Saubhagya), development of smart cities etc. schemes led to steady growth in electrification in rural and urban areas. Additionally, affordable housing scheme of the Central government will further provide boost to growth backed by construction. The launch of the National Energy Efficient Fan Programme (NEEFP), an incentive-based program for energy efficient products has also fueled the growth.

Surya Roshni, being the second largest lighting Company in India and a pioneer of technological acceptance in lighting industry remains committed to maintain its diligence & passion at work, which will take us closer to become the leader in times to come.

Road Ahead

According to World Bank, the Indian economy is likely to grow at 7.7% in FY18 and is to be followed by over 8-10% growth till FY20. Demonetization is anticipated to have a positive impact on the Indian economy, which will help foster a clean and digitized economy in the long run.

After muted first quarter due to the transition to GST led by destocking, delay in the new product launches and revised pricing, India has started getting back to normalcy by the second quarter. The impact of GST on macro-economic indicators is likely to be positive in the long term. The revenue from the taxes for the government is very likely to increase with an extended tax net, and the fiscal deficit is expected to remain under the checks, exports would grow.

India is expected to become the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report.

The economic revival gained further momentum through Government of India structural macro reforms like the Goods and Service tax (GST), Make in India, Skill India and City Gas Distribution will pave the way for boosting India's potential GDP growth by at least 1.5% in the longer term and will prove highly beneficial for the organized sector by eliminating the smaller players in unorganized sector

The future is bright and Surya Roshni is completely geared up to accrue holistic benefits from the tremendous growth opportunities available in the country as well as across the globe.

SURYA ROSHNI IN BRIEF

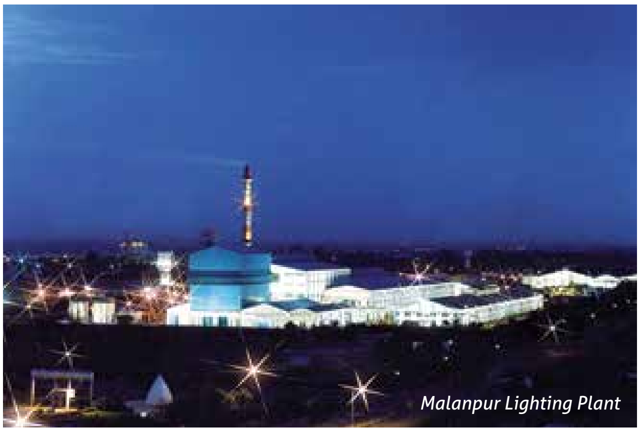
Surya Group has emerged as a reputed manufacturing conglomerate, catering diverse consumer need in both domestic and industrial categories. Over the years, it has manifested, not just a strong brand image, but also an irreplaceable mark onto the minds and consideration of customers. The Company's business segments has two verticals:

In its Steel Pipe & Strips segment , the Company manufactures ERW Steel pipes & CR Strips and is currently India's biggest GI pipe manufacturer. The Company manufactures pipes in the range of 1/2" to 104" DIA. The Company's Pipe manufacturing units are located in

Bahadurgarh Steel Pipe Plant

Haryana, Madhya Pradesh and Andhra Pradesh and is currently exporting its ERW & Spiral welded pipes to over 50 countries across the globe.

Lighting & Consumer Durables and Steel Pipes & Strips. Under Lighting, the Company offers some of the widest range of lighting products, ranging from conventional GLS, CFL, to modern Luminaries to LEDs. Company also operates its Fans and Appliances business, where the Company offers several models of fans and domestic home appliances & heating appliances products like Juicer Mixer Grinders, Induction Cooktops, Toasters, Dry Irons, Steam Irons, Water Heaters and Air Coolers and Air heaters. The Company's lighting manufacturing units are located in Uttarakhand and Madhya Pradesh.



Malanpur Lighting Plant

Portfolio Stars

- One of the largest & most reputed GI, Black, Hollow Section and ERW Pipes manufacturer
- ERW pipe Manufacturing unit at Bahadurgarh, Malanpur (M.P.) and Hindupur (A.P.)
- Recently commissioned ERW Black and GI pipe manufacturing unit at Hindupur, Dist. Ananthapuramu (AP)
- Enhanced product offering with Square & Section and Rectangular section pipes in steel
- Asia's largest ribbon glass plant from Dema Glass UK at Gwalior, Madhya Pradesh
- The only lighting company with 100% backward integration with 100% in-house manufacturing
- The second largest seller of GLS and FTL lighting product in India
- Surya lamps save up to 85% electricity and have enduring life
- Surya Technology & Innovation Centre (STIC) – the state-of-the-art lighting laboratory in Noida is one of the best lighting laboratories in Asia. STIC has been recognized as an R&D centre by DSIR, Ministry of Science and Technology. It is also listed as one of the best testing laboratories in India by BEE.
- To compliment its foray in the luminaries segment, the Company has set up a state-of-the-art manufacturing facility for diverse Lighting Systems and Octagonal Poles.
- Surya provides wide categories of designer and colorful range of ceiling, table, pedestal and wall mounting fans along with a wide range of domestic exhaust fans.
- Surya launched super energy-efficient BLDC SS-32 WATT fan with energy saving of 60%
- Offers a premium and contemporary range of electrical home appliances like Electrical Storage Water Heaters, Room Heaters, Dry Irons, Steam Irons, Immersion Heater and Kitchen appliances like Mixer Grinders, Juicer Mixer Grinders, Induction Cooktops and Toasters.

OPERATIONAL REVIEW

Steel Segment

The Company's steel pipes & strips segment produces both galvanized and black varieties, in sizes ranging from ½" to 104" diameter in various specifications and is currently India's largest GI pipe manufacturer. The products have wide applications in various industries such as Agriculture, Real Estate and Oil & Gas. The American Petroleum Institute specification (API) pipes are well accepted across many developed and developing countries, contributing to exports. The Company also manufacture Square and Rectangular Section (hollow) pipes which are used for civil structures, furniture and transmission towers with several other applications.

During the year, company successfully commissioned a new manufacturing unit for ERW Black and GI Pipes at Hindupur District, Ananthapuram, Andhra Pradesh. The plant which was installed with an initial capacity of 90,000 MTPA has increased to 1,50,000 MTPA on seeing the overwhelming response of the market resulted in achieving savings in logistic cost and leveraging company's presence in the premium market of South India and creation of a larger

and stronger steel pipes business with economies of scale. The Company achieved sales of Rs. 2063.44 crores in the steel pipes & strips segment, contributing to 60% of the Company's consolidated sales.

Lighting Segment

The Company is amongst the second largest manufacturers of lighting products in India and today is amongst the most trusted brands for quality in the Indian lighting industry. Being a pioneer in introducing energy-efficient lighting solutions, Surya Roshni has been providing innovative and safe lighting equipment's to its customers through its wide spread market network of over 2,000 distributors and 2 lakh countrywide retailers across PAN India and exports to over 25 countries globally, across the Middle East, Europe, Africa and Asia, meeting the best of the global quality standards.

The Company has always been committed to provide the best to its customers. It has assiduously 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, enabling the transformation in the lighting industry in India. Being cognizant of this fact, the Company manufactures almost all its LED products in-house, backed by strategic marketing initiatives and a strong trade channel. The Company manufactures its LED products at its state-of-the-art, fully integrated plants in Kashipur (Uttarakhand) and Malanpur, near Gwalior (M.P.). The Company's product development is being supported by its advanced lighting research and laboratory centre, Surya Technology & Innovation Centre (STIC) at Noida. The key focus of the research centre is to develop new LED products further augmenting the Company's product portfolio.

The Surya Technology & Innovation Centre (STIC) at Noida, is one of the best lighting laboratories in Asia. It 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. Backed by its research centre, the Company is about to introduce 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, Rechargeable Lantern, Spot Lights and LED Wall Light, to meet the growing demand of the customers. Presently, the company is selling 180 Million GLS Lamps, 60 Million FTL Lamps, 20 Million CFL Lamps and 29 Million LED Lamps per annum. Although total demand of conventional lamps has declined, company is strategically planning to increase Surya's share through low cost products with high quality. Our target to sell 60 million LED Lamps in 2017-18 and sales target of total LED products is Rs. 900 crores i.e. approx. 50% of the total lighting turnover.

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.

Fans & Home Appliances Segment

The Company introduced fans as a business segment in FY14. Overwhelmed by the response to its fans, it further extended the category introduction of home appliances as a new business segment in FY15. Since then both the segments are witnessing strong growth. 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.

In just three years, the fans segment has captured 3% share of the total Indian fan market and has achieved a sales of Rs. 180 crores in FY17. The Company is geared up to increase its share by almost three times from the present level to capture about 6% of the fan market with its state-of-the art offerings by 2020.

During the year, the Company has augmented the portfolio by launching higher premium fans range with LED light designed with automatic color changing LED Lights with electroplated finish, aero dynamically designed blades and wood finish aluminum blades. Company also launched antidust fan with anti-dust technology which attracts 50% less dust than a regular fan. It also developed a 32W super-efficient BLDC fans, which saves around 60% energy as compared to conventional fans. The Company has also introduced new models of energy efficient and BEE five star rated fans, which will enabled it to participate in government tenders, DGS&D and CSD in the coming years.

Besides, company has already introduced and offer 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. The remote control equipped fans with LED and fans with under light Chandelier option, gives the Company a higher premium in the market.

During the year, the Company introduced many new products under the Home Appliances segment, with special focus on water heaters product group including the new Qubo & Arctic series of energy efficient and glass line tank water heaters. The room coolers range introduced last year also witnessed expansion with new range of products added in the portfolio. The response towards this business has helped Company achieving a turnover of Rs. 35 crores in FY17 and aims to generate sales of over Rs. 75 crores in the FY18.

FINANCIAL REVIEW

Transition to IND AS

The Central Government in consultation with the National Advisory Committee on Accounting Standards (NACAS) under Section 133 read with Section 469 of the Companies Act, 2013 has notified the Indian Accounting Standards ('Ind AS') vide G.S.R. 111(E) dated 16 February, 2015. The aforesaid Rules have been further amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 on 30 March, 2016. In view of this notification/ amendment and also as per the Regulation 33 of Listing Regulations, the Company has prepared the Financial Statements for the year ended 31 March, 2017 as per Ind AS, as amended.

The Company was able to maintain itself as a leader in the manufacture of GI Steel Pipes & Strips industry and as a strong contender in the Lighting industry. During the year the revenue from the operations of the Company was Rs. 3412.83 crores up from Rs. 3196.50 crores last year, registering an increase of 6.77%. PAT registered a growth rate of 4.94%, from Rs. 63.10 crores in 2015-16 to Rs. 66.22 crores in 2016-17. Overall, the Company's operations have gained momentum and it is strongly placed in both the steel pipes & strips and lighting & consumer durables segment(s) in the industry. A snapshot of financial review is provided below:

(INR in Crores)

Particulars	2016-17	2015-16
Revenue from Operations	3412.83	3196.50
Other Income	0.76	1.85
Total Revenue	3413.59	3198.35
EBIDTA	230.59	244.23
Finance costs	87.74	96.43
Cash Profit	142.85	147.80
Depreciation and amortisation expenses	55.92	61.01
Net Profit Before Tax	86.93	86.79
Tax Expenses	20.71	23.69
Net Profit After Tax	66.22	63.10
Other Comprehensive Income	(3.05)	(1.40)
Total Comprehensive Income	63.17	61.70

Credit Rating: The Company's rating for short term and long term bank facilities will improve to A from A-on the back of improvement in its financial risk profile characterized by the improvement in its capital structure and debt coverage and supported by the healthy performance of its lighting business.

STRENGTHS & OPPORTUNITIES

Strengths

'Surya Roshni' is one of the most reputed and prestigious brand in both domestic and international markets. It holds a prominent position in the Indian Steel Pipes and Lighting industry. With such strong brand equity, the Company is well poised to capitalize on the opportunities unfolding in the global market. 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.

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. It leverages the benefits of a strong and extensive pan India dealers and retailers network, with more than 2,00,000 retailers. The Company is competitively positioned today over its rivals and has become a prominent brand in the consumer market.

Business Opportunities

Steel Tubes & Pipes Segment

- **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. PNGRB is currently carrying out the sixth round of bidding and allotting licences for newer cities for CGD. This would lead to a higher demand for pipes used for compressed as well as natural gas.

- **Interlinking of Rivers:** The government aims at constructing 30 major canals stretching over around 15,000 kms, including 3,000 small and large reservoirs with combined potential of generating 34 giga watts of power. The project will also enhance irrigation, control flood damage and increase water supply eventually creating massive business opportunity for the requirement for the segment.
- **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 also create huge 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 emphasized the need to have CGD in all Smart Cities, which will further augment the demand for pipes.
- **Infrastructure:** Investment in infrastructure by NITI Aayog is expected to USD 650 billion in the next 20 years. This increase in infrastructure investment is set to raise steel demand by roughly 18.75 MTPA. Investments of USD33.06 billion would be made in the steel sector in the coming years unleashing huge potential for the company.
- **Rural India:** Rural India is expected to reach per capita consumption of 12.11 kg to 14 kg for finished steel by 2020. Policies like Food for Work Programme (FWP) & Indira Awaas Yojana, are driving growing demand for steel in rural India. In FY16, per capita consumption of steel in rural India is estimated at 60 kg, which is lower in comparison with the global average of 216 kg.

LED

- **Government Initiatives:** To enhance the energy efficiency of the nation, the government has launched UnnatJyoti by Affordable LEDs for All (UJALA) Scheme. Under this scheme, the government has planned to make LED lamps available at subsidized rates and to distribute close to 770 million LED lamps which have significantly increased the demand for LEDs in India.
- **Growing Awareness:** LED lamps have low energy consumption and longer life. With the growing awareness amongst customers, the demand for LED would further grow.
- **Compulsory Registration:** A 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 unorganized sector leading to better demand prospects for the organized sector.
- **Improvement in Electricity Consumption:** The residential electricity consumption growth has been 7% for India between 2009 and 2014. In the best case scenario, the residential electricity consumption can improve ahead past average as there is ample scope of increase in the range of 300 bps to reach a growth rate of 10%.

Fans and Home Appliances

- **Growing Housing Segment:** There is a steady growth in the real estate sector, leading to a growing demand for fans. Also the government's initiative of 'Housing for All' will further increase the demand for fans and home appliances.
- **Demographics:** India is steadily witnessing an increase in young working class as well as middle class population. This would lead to a steady demand for fans and home appliances.
- **Energy Efficiency:** With rising power per unit cost, more and more consumers are opting for energy efficient electrical products. This would curb the unorganized sector and lead to better demand from the organized sector.

RISK & MITIGATION

Surya Roshni, like all other organizations, is exposed to several types of risks, including Financial, Operational and Regulatory risks. The Risk Management Policy ("Policy") of Surya Roshni Limited is well prepared and adopted to build a framework for risk management. The key objective of a Risk Management Policy is to ensure sustainable business expansion with stability and to promote an upbeat approach towards risk management and mitigation. The main objectives of the Risk Management Policy at Surya Roshni 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 to different functions of the Company

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

At Surya Roshni, the Risk Management is being integrated with the development 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 reviews and evaluates the risk management system of the Company so that the management controls the risks through a 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. 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:

Financial Risk: This risk arises due to requirement of cash for working capital and other operating expenses.

Mitigation: The Company keeps a track of the operations and the cash conversion cycle to meet the day-to-day expenses.

Technology Risk: The ever-evolving technology with continuous upgradation and new products being developed shall make existing products obsolete.

Mitigation: At Surya Roshni there is a continuous effort in innovating and staying abreast with changing technology needs. Our move to CFL from GLS and finally to LED from CFL shows our continuous upgradation and adaption of newer technologies.

Business Competition Risk: The Steel and Lighting divisions face stiff competition in pricing from well established players and the threat of new entrants in lighting division is high as the barriers to entry is low.

Mitigation: Surya Roshni has a good brand reputation in the market and the launch of new products which are unique in all aspects, helps to sustain the competition from peer companies. Surya Roshni's increased distribution network, advertisement expenses and backward integration gives an edge over the competition.

Operational Risk: This risk arises from suppliers and identification of vendors and the debtor management which, if not properly managed can hamper the business operations.

Mitigation: The operational risks are mitigated through development of well-structured processes for effective project planning & management. The Company efficiently manages and deals with suppliers and vendors and keeps vigilant on all the operations and takes precautionary measures to nullify the risk to a maximum extent. Surya has robust credit management in which it benchmarks its suppliers that helps it to have smooth operations of the company.

Macroeconomic risks: Overcapacity and oversupply in the steel industry and high levels of imports may negatively affect steel prices and demand thereby reducing the Company's profitability.

Mitigation Strategy: The macroeconomic and market related risks are addressed through diversification of the Company's product portfolio and development of new products.

Regulatory Risks: The Company faces regulatory risk from predatory pricing and surge in steel imports. Non-compliance to regulatory and environmental norms may result in liabilities and damage the Company's reputation.

Mitigation Strategy: The regulatory risks are managed through dialogue with regulatory authorities and proactive legal consultations to ensure timely sanctions, approvals, clearances, and renewal of mining leases for the Company's operations.

Forex Fluctuation Risk: The Company deals in extensive Exports and Imports of products in business and is exposed to currency fluctuations which can have a negative impact on profitability.

Mitigation: To counter exposure to foreign exchange volatility, the Company has formulated foreign exchange hedging policies to protect the trading and manufacturing margins. The Company has hired dedicated professionals who continuously monitor the currency fluctuations and take effective measures, like 100% hedging against forex.

Generally, company undertakes Derivative/Treasury transactions with Banks as permitted by the Reserve Bank of India within the framework of the approved Risk Management Policy of the Company with a view to mitigate the underlying risk exposure or to hedge the risk pertaining to the loans/facilities obtained from various banks or Exports or Imports carried out/to be carried out or any other forex / rupee exposures in connection with the business of the Company.

Human Resources Risk: The Company needs adequate talent to run the business and may face talent crunch.

Mitigation: The Company periodically reviews the succession plan for its senior management team to ensure continuity in leadership The Company has excellent HR policies in place that attract and retain the best talent and maintains attrition at low levels.

Labour unrest Risk: There may be disruptions in production due to labour unrest and strikes which may cause delay in production and distribution leading to shortage of products in the market.

Mitigation: The Company has cordial relations with the workers and has been adequately compensating them for their work. Surya has never faced labour strike till date.

Compliance Risk: There may be risk of changes in the Regulations and Compliances from The government which may lead to adverse impact on the sales and profitability of the Company.

Mitigation: The Company is strictly adhering to all the Regulations and Compliances and complies with any change in the Regulations.

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.

Competition Risk: Competition between spurious manufacturers and unorganized sector without quality constraints and multinational companies is always a challenge.

Mitigation: The Company believes in confronting such challenges and transforming them into opportunities. It will mitigate these threats with better products, informed and better customer relationships and more aggressive marketing activities. The introduction of GST will also help the company as uniform billing and taxation system will help the Company in saving logistics cost as well as negate the competition from unorganized sector.

Raw Material Cost Risk: Metal being a major raw material in the steel tubes and pipes segment, the fluctuation in its cost may affect the Company's operating margins.

Mitigation: The Company has adopted various measures to minimize the adverse effect of volatile prices of raw materials and negate any negative effect on the company operations.

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 scope and authority of the Internal Audit function is defined in the Internal Audit Charter.

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 every quarter 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 taxations.

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 helps them to 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 cooperation 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 3309 as on 31 March, 2017.

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 for the betterment of society and a cleaner and greener environment. The key objectives of Surya Roshni CSR policy is to eradicate hunger, poverty and malnutrition; promoting health care; making available safe drinking water and sanitation; promoting education; enhancing vocational skills and livelihood enhancement projects. The Company prioritizes Women empowerment, by promoting home and hostels for women and orphans. It has also taken initiatives in 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. 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 following areas:

- Adarsh Gram Yojana
- Development of preventive and cost effective health systems of naturopathy and yoga
- Ideal Village Projects with emphasis on Literacy and Personality Development of Youth

During the year under review, the Company spent Rs. 144.38 lacs on corporate social activities, being two percent of the average net profits of the company made during the three immediately preceding financial years. At the business level this is reflected through energy-efficient products made to conserve the scarce energy resources level.

OUTLOOK

With the increasing investment cycle and inflation well in control, India's economic growth is in the upward trajectory. The government is determined on accelerating the economic growth in India through a number of policy measures. Further, a better monsoon as compared to last two years would further support the growth momentum. The Company's businesses are well placed to leverage the growing demand, both domestic as well as international, to maintain a firm growth over the coming years.

Segment Outlook

a) Steel segment

On account of Government 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 us in catering the customer demand swiftly. Surya Roshni is geared up to achieve its business goals through adoption of latest technology, operational efficiency, excellent customer service and launch of innovative and diversified products in the market.

b) Lighting segment

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 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.

c) Home Appliances & Fans segment

We have combined our synergies to diversify our consumer durables segment with the launch of high efficiency BLDC fan 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. We are focused on aligning brand promise with right delivery in product performance and service. Our value-based products stand out in the herds of look alikes and we are also making effective business strategies to ensure the customer demands are met seamlessly.

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. We 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.

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting the Forty Fourth Annual Report of the Company for the year ended 31st March, 2017.

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

TRANSITION TO IND AS

The Central Government in consultation with the National Advisory Committee on Accounting Standards (NACAS) under Section 133 read with Section 469 of the Companies Act, 2013 has notified the Indian Accounting Standards ('Ind AS') vide G.S.R. 111(E) dated 16 February 2015. The aforesaid Rules have been further amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 on 30 March 2016. In view of this notification / amendment and also as per the Regulation 33 of Listing Regulations, the Company has prepared the Financial Statements for the year ended 31 March 2017 as per Ind AS, as amended.

(Rs. in Crores)

Particulars	2016-2017	2015-2016
Revenue from Operations	3412.83	3196.50
Other Income	0.76	1.85
Total Revenue	3413.59	3198.35
EBIDTA	230.59	244.23
Finance costs	87.74	96.43
Cash Profit	142.85	147.80
Depreciation and amortisation expenses	55.92	61.01
Net Profit Before Tax	86.93	86.79
Tax Expenses	20.71	23.69
Net Profit After Tax	66.22	63.10
Other Comprehensive Income	(3.05)	(1.40)
Total Comprehensive Income	63.17	61.70

In the fiscal year under review, the revenue from operations of your Company is Rs.3412.83 crore as compared to Rs.3196.50 crores last year register an increase of 6.77%., Profit AfterTax stood at Rs.66.22 crores as compared to Rs.63.10 crores last year, registering an increase of 4.94%.

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 Rs. 300 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 reflects positive signs of revival during the year globally. 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.

Bad times are good times. One can either learn to accept them and wait for them to end; or can challenge one's abilities to perform despite them. As a company that initiated its Steel business, close to four decades ago, we at Surya Roshni Limited clearly believe in a simple fact: that each downturn is followed by an upturn and vice-versa. Therefore, successful businesses are those, which concentrate their energies and resources to build a stronger foundation for creating long term value; and not merely worry about the uncontrollable factors or the short-term challenges.

Surya is the largest GI Steel Pipe Manufacturer in India with products for 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, capex for debottlenecking and commissioning of additional mill at Malanpur at marginal capex in steel pipe division had further strengthen its operations resulted into increased volume of steel pipes. During the year under review,the revenue from operations of the divisions stood at Rs. 2063.76 crores as compared to Rs. 1827.38 crores last year, registering an increase of 12,94%, Profit before tax also moves in a positive zone during the year and stood at Rs. 6.38 crore as against a loss of Rs. 9.77 crore last year.

During the year, Commercial Production at the Company's newly set-up Steel Pipe plant at Hindupur Dist. Ananthapuramu(A.P) for manufacturing of ERW Black and GI Pipes with an installed capacity of 90,000 M.T per annum commenced from 1st March, 2017. With the start of operations at Hindupur Plant, Company will achieve savings in logistic cost and further leveraging its presence in the premium market of South India resulted into creation of a larger and stronger steel pipes business with economies of scale. Above all, being a plant set-up at notified backward area in the State of Andhra Pradesh, company is eligible for deduction under section 32AC & 32AD of the Income Tax Act, 1961.

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 Division in times to come.

LIGHTING & CONSUMER DURABLES SEGMENT

During the year under review, Lighting & Consumer Durables Segment continued to innovate and expand product portfoliothrough its wide range of LED products. With its Luminaire range of LED company expand its market share considerably.

The performance of the division remains moderate during the year as Revenue from operation of the division stood at Rs.1349.07 crores as comparedto Rs.1369.12 crores last year, Profit Before tax stood at Rs. 80.55 crores during the year.

During the year under review, LED business has increased by more than 77% and the sale of fan &Home appliances segment increased by 55%, due to which the company has become prominent player and is moving towards consumer durables from the present lighting goods..However, the sales of CFL has dipped by 59% due to its fast phasing out from LED and the same is beneficial for the company in the long term. The Company has further introduced more products in LED for various uses. The margins during the under review had remained under pressure due to lower CFL volumes, lower margins in LED Bulbs from EESL orders, increased excise burden on Kashipur plant and higher spending on advertisement.

During the year under review, Company has been awarded contracts for supply of LED Bulbs, Street Lights, Energy efficient ceiling fans and other lighting products worth Rs. 166 crores by EESL, Government departments, local authorities and other

Public Sector Undertakings. Company had successfully executed orders within the time lines of the respective orders.

During the year under review, Company has acquired Industrial unit 'HFL' engaged in the business of manufacturing, distribution and sale of LED lamps, tube lights, Street lights, HID lamps, decorative light & furniture items etc. situated at Kashipur, District U.S. Nagar, Uttarakhand, on slump sale basis.The acquisition shall enhance the company's own manufacturing capacities for LED lamps, tube lights, Street lights, HID lamps, decorative lights etc. and strengthen the overall position of the company in the lighting Industry.

We 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 laboratory 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 our products which include CFL, Tube Light, GLS, Luminaries and Accessories, High Mast Lighting Systems, Lighting Poles etc.

Company Lighting & 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 Rs. 175 crores through Fans and a sales of Rs. 50 crores 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, Metallicaall in premium Plated finish and even fans with LED in more than 15 designs during the year. Further, Surya ventured into Room Coolers on an experiment basis 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

Steel Pipe & Strips Segment scenario has been improving since last one year Globally and India is no exception to it. On account of formidable policies on steel and major thrust on "Make in India" concept by the Hon"ble Prime Minister drastic steps have been taken by the Government to improve overall steel production, consumption and exports. Resultantly production as well as exports of Steel and its subsidiary products especially Steel pipes have been started increasing during the year 2016-17.

Demand of steel pipes has been increased all around the sectors like water transportation, agriculture, boring, firefighting, Infrastructure and Oil & Gas sector. Government has ambitious plans to improve network of Gas & oil pipes line all over India. About 7 lac tons of API line pipe orders are in the pipeline for the next two years' time. Like this about 5 lac tons 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.

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 GI pipe manufacturer and exporter in India. Surya continuously assess the requirement of its customers and develop the products as per the requirement. Surya developed and supplied GI pipe up to 20" dia pipe last year and doing modification to do 24" dia pipe GI this year. Surya has good presence in Fire Fighting, Agriculture, Section pipe for infrastructure, household plumbing uses and Oil & Gas sector.

Company is the approved manufacturer of API pipes by American Petroleum Institute and produces API pipes for India as well as export market.

We are proud to mention that as per the plan Surya has established its new Pipe production facility of 7500 MT/ month at Hindupur, Dist. Anantapur, Andhra Pradesh and started its commercial production w.e.f. 1st March 2017 Looking to the brand image of "Prakash Surya", the demand & supply scenario in South Indian Market we are adding up the capacity by another 5000 MT per month in the second phase and we are expecting to make the production capacity thereafter total to the tune of 12500 MT per month by Nov. 2017.

Further, in order to meet the growing demand of Large Diameter Pipes (SAWH), the group has set-up Surya Global Steel Tubes Limited (SGSTL - an associate company) situated in west coast of India at Anjar, near Bhuj, Gujarat near International sea port. It is engaged in manufacturing of Spiral Welded Pipes and ERW pipes and due to its world-class machines and strategic location in close proximity to Kandla and Mundra Port, it is exporting almost 70% of its production. It majorly caters to the export business of the Group, and exporting to over 25 countries across the Globe.

Board of the Company have decided to merge its associates (SGSTL) with your company and the merger process is underway, which will further improve profitability & product range of your company thereafter Surya Roshni Ltd. will be a larger entity with access of complete export market of SGSTL.

LIGHTING & CONSUMER DURABLES SEGMENT

Indian Lighting Industry mainly consist of Conventional and LED products. The total size of industry is expected to grow to Rs. 28,500 Crores by 2020. The growth in the lighting industry will be fueled by LED products, this is due to numerous advantages LED technology 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 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 DeenDayalUpadhyaya Gram JyotiYojana (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. Additionally, prices of LED lights are also expected to decline in the coming years, which would drive the growth of the market over the next six years.

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 laboratory 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 Gwalior Plant. 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. Company 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.

We, Surya Roshni is a leading player in Indian Lighting Industry. At Surya, the excellence of its wide-ranging solutions is founded on strategic mechanism of backward integration, unmatched corporate governance and excellent management skills. Presently Company is selling 180 Million GLS Lamps, 60 Million FTL Lamps, 20 Million CFL Lamps and 29 Million LED Lamps. Although total demand of conventional Lamps goes down still Company Plans to increase Surya's share through low cost product with high quality and target to sell 60 Million LED Lamps in 2017-18 and overall sales target of total LED products to Rs. 900 Crores i.e. approx. 50% of total lighting turnover.

LUMINAIRE BUSINESS GROUP ("LBG")

Indian government's determination for implementing energy efficient lighting systems have empowered our growth for the second consecutive year with BU performance touching ever highest Rs. 239 Crs with a growth of 32%.

A total of Rs. 47 crore turnover was realized through EESL's (Energy Efficiency Services Limited) LED Street Lighting upgradation program. Today, 25 cites & towns from Rajasthan & 10 cities & towns from Gujarat are currently illuminated by using SURYA LED Street Lights. Company entered in the new financial year with a healthy order book of Rs. 100 crore from EESL projects. Our projects business have also made in-roads in prestigious projects like Metros, Airports & Border Lighting & industrial client like Jindal, ESSAR, etc.

LED Business continues to contribute 70% of total turnover of the Lighting & Consumer Durables Segment and with new range of Decorative Indoor, Industrial and Architectural Landscape luminaire range, promises to add a vertical growth from specifiers and architect segment.

With continuous focus and energized teams alongwith our 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 Technology & Research Centre (STIC) at Noida has greatly contributed over the last few years to enable the company emerge as the leader of the Lighting Industry in India. It is a state of the art lighting laboratory & research centre and a jewel in the crown of Surya.

STIC houses the most advanced photometric laboratory in India with a High speed automatic Mirror Gonio–Photometer from LMT, Germany - the best equipment available for measurement of light sources, luminaires& optical design of lighting systems. Recently it has added an Optical Sphere which enhances its capability to measure colorimetric values of light sources also.

Since all LED systems comprise of electronics design in its core, with thermal, optical and mechanical design, STIC has adequately invested in expert human resource and equipments for design and testing. STIC has computer aided design (CAD) facilities with advanced software for thermal and mechanical simulations. Luminaires testing facilities underextreme Thermal, Mechanical and Environmental conditions and all kinds of Electrical & Safety parameters are available at STIC. Recently advanced equipments like High-end Thermal Imager, 3 Phase 10 kV Surge tester and a very versatile Portable Oscilloscope were added to the already existing list of test equipment's.

For the last few years, STIC Noida has focused on research of LED Luminaries and has created a wide portfolio of products, for indoor, outdoor and industrial applications.

STIC has been recognized as an R & D Centre by DSIR (Department of Scientific & Industrial Research, Ministry of Science & Technology) and also it has been listed as one of the best testing laboratories in India by BEE (Bureau of Energy Efficiency), for the measurement complying BIS Standard / International Standard of LED Lighting systems. Further, Photometric Testing and Laboratory is NABL accredited. Last but not least, STIC is a Green Building with LEED Platinum certification and process of accreditation is in process.

With the above, Surya is proliferating with the Research, Design & Development of the most energy efficient, safe, reliable& environment-friendly lighting products and providing guidance and direction towards evolving into a "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.

Surrya Fans is one of the fastest growing brand in Indian fans Industry. In 2016-17 Surya has become the member of Indian Fans Manufacturers Association (IFMA), Surya Fans Division has achieved 46% Growth as against the Industry growth of 10%.The Indian market for fan is 5-6 crore units. Surya in a short span of more than three years have gone on to capture around 3% share in the fans market. We are aggressively geared to further grow our share to almost three times from the present level to capture 6% of the fan market with our state-of-art offerings by 2020.

Company have expanded its fan business in across the customers in Domestic sale, Government Projects, EESL, CSD / CPC Canteens, DGS&D and explore export markets of Middle east and Gulf countries.

Surya fan has taken the ever biggest order of fans industry from EESL for the supply of 2.75 Lacs Quantity of BEE 5 star rated fans and Super Energy efficient BLDC fan 2.0 lacs Quantity.

Surya newly launched super-efficient BLDC fan consume only 32 Watt power with 60% power saving over conventional ceiling fan. This 32 Watt Power consumption also varies from 4 Watt to 32 Watts at different stage of speed regulation step 1 to 5.

New Premium ceiling fan range Rio with multicolor LED lights with remote, Kids Fans for Boys and Girls, Electroplated antique finish of Ventura, Metallica ceiling fan to suits interior of home and Super premium Aerolite ceiling fan with wood finish and under light options are well accepted by domestic customers.

Surya fans division has set a Goal of 30% Growth in 2017-18.

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 2016-17, many new products had been launched with special focus on Water Heaters product group including Qubo & Arctic new series of energy efficient and glass line tank water heaters, which are well appreciated and accepted by the consumers as sizeable no. of Water Heaters were sold during the year under review.Room coolers range was expanded during the year which introduced last year. With focus on design and higher cooling efficiency and with multiple tank capacities, market responded to the Room coolers enthusiastically as this product segment sold decent quantity, totally against advance payment.

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, 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. Seeing the overwhelming response towards this segment, Company achieved a turnover of Rs. 35 crores in FY 2016-17 and aims to generate sales of over Rs. 75 crores in the FY 2017-18 .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)(l) 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 higher dividend pay-out of Rs. 1.50 per equity share (as against 10% last year) on the equity share capital of the company for the year 2016-17 subject to approval from the shareholders at the ensuing AGM.

The dividend on equity shares, will be payable to those shareholders whose names appear on the Company's register of members on the date as decided by the Board.

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 27th May, 2016; 8th June, 2016; 7th September, 2016; 6th December, 2016 and 14th February, 2017.

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.

Re-appointment of Whole- time Director

As per the provisions of Section 178, 196,197,198,200, 203 and Schedule V of the Companies Act, 2013, based on the recommendations of Nomination and Remuneration Committee and subject to the approval of shareholders in the ensuing Annual General Meeting, Board of Directors of the Company in its meeting held on 6th December, 2016 has approved the approved the reappointment of Sh. Jai Prakash Agarwal – Executive Chairman and Whole-time Director having (DIN – 00041119) for a consecutive period of five years from 1st January, 2017 to 31st December, 2021at the terms as set out in the agreement executed between the company and Sh. Jai Prakash Agarwal.

Change in Directorship

During the year, under review Smt. SalilaTewari, director has resigned from the board of the Company w.e.f 27th March, 2017 . Your Directors placed on record the high sense of appreciation for the wise counsel and valuable services rendered by her during her tenure on the Board.

Appointment of Director

The Board through Circular Resolution has appointed Smt. Urmil Agarwal having DIN – 00053809 as an Additional Director (Woman) of the Company w.e.f. 19th December, 2016 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. TarunBaldua	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..

FAMILARISE 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 on GST impact and implementation Plan. A detailed familiarisation programme was presented by Taxation 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.TaraSankar Bhattacharya	00157305	Member ; Independent – Director
Sh. Utpal K Mukhopadhyay	02766045	Member ; Independent – Director
Sh. MukeshTripathi	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, 2015and also meet the provisions of Section 177 of the Companies Act, 2013.

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

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

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

Nomination and Remuneration Committee

The composition of the Committee is as follows :

Name of the Member	DIN	Position	Category
Shri K K Narula	00098124	Chairman	Non-Executive, Independent
Shri Ravinder Kumar Narang	02318041	Member	Non-Executive, Independent
Shri MukeshTripathi	01951272	Member	Non-Executive, Non-Independent

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 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. appropriateexperience 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 :

Name of the Member	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.

11 INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE ASSOCIATE COMPANY

Company has a non-listed Indian Associate Company named as Surya Global Steel Tubes Limited and an amount of Rs. 50,00,00,000 is invested in the said company as on 31st March, 2017.

During the year under review, Board has approved the scheme of amalgamation of Surya Global Steel Tubes Limited with the Company for which Company has received the "No Objection" from the Stock Exchanges and has filed the petition of merger of Surya Global Steel Tubes Limited (SGSTL) with itself with the National Company Law Tribunal (NCLT) Chandigarh Bench for their directions / orders.

Board of both the companies has approved the Scheme of Arrangement along with valuation report and fairness report of independent valuer (s) which laid out in particular the share exchange ratio i.e. 782 (Seven Hundred Eighty Two) Equity shares of face value of Rs.10/- (Rupees Ten) each to be issued in Transferee Company for every 10,000 (Ten Thousand) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in 'Transferor Company' pursuant to this Scheme of Amalgamation between the company and Surya Global Steel Tubes Limited.

Major benefits for the Company as perceived from the amalgamation may be as under:

- Creation of a larger and stronger steel pipes business with economies of scale;
- Providing geographical reach in all major part of the country;
- 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;
- Benefit of availability of modern facility with newer technologies such as variety of coatings, as per the demands of international customers
- Optimal utilization of resources of the two companies and taking the advantage of operational synergies.

Surya Global Steel Tubes Limited owing to its geographical advantage and manufacturing facilities near India's two major ports is better equipped to maintain the market share in domestic markets and serving critical requirements of High End markets like USA,Europe, Australia resulted into higher volume of sales and better profitability as compared to last year.

Statement containing salient features of the financial statement of associate company in Form AOC – 1 form part of the Annual Report.Further during the year under review, no company have become / ceased to be our subsidiary / Associate Company.

12 EXTRACT OF ANNUAL RETURN:

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

13 AUDITORS AND AUDIT REPORT:

EXISTING STATUTORY AUDITORS

The Statutory Auditors, M/s Sastry K.Anandam& Company, Chartered Accountants (Firm Registration no-000179N) hold office till the conclusion of the ensuing Annual General Meeting as per the third proviso of sub section 2 of section 139 of the Companies Act, 2013

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

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 2016-17.

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 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith and marked as **Annexure – II** to this report. The Secretarial Audit Report 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 is annexed hereto and marked as **Annexure – III** and form part of this report.

15 DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:

As per the provisions of Section 74(1)(b) of the Companies Act, 2013, Company had made pre- payments, re-payments or outstanding unclaimed deposits on or before 31st March, 2015 to all the public depositor of the Company. At the close of the year 43 depositors aggregating to Rs. 17.22 lakh to whom cheques were issued but not cleared. Since then cheques aggregating to Rs. 0.49 lakh have been claimed.

16 SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

There are no significant material orders passed by the regulators / Courts / Tribunals which impact the going concern status of the Company and its future operations during the year,

17 INTERNAL FINANCIAL CONTROLS

SURYA,Internal financial controls 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 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.However company continue to provide security amounted to Rs. 50 crore to its Associate company namely Surya Global Steel Tubes Limited 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. **Financial Risks:** These risks are related to flux and movement of money and capital in the Company. This will include cash flow, working capital and cost of funds.

B. **Technology Risks:** Businesses of Surya Roshni is subject to frequent and revolutionary technological changes as new products are being developed in this segment. This also leads to risk of obsolescence of machinery as well as inventory.

C. **Business Competition:** Both Steel Pipes & Strips and Lighting & Consumer Durable Segments of Surya face stiff competition from established companies as well as new entrants in the market in terms of pricing and penetration in markets.

D. **Operational Risks:** These risks are related to business operations, identification of vendors, service delivery of vendors, realisation from debtors and business activity disruptions.

E. **Risk of Forex Fluctuation:** Imports and Exports of material constitute integral part of Surya's operations. Frequent and steep fluctuations may impact the profitability of the Company.

F. **Human Resources Risk:** These risks relate to availability of adequate talent for running the business operations. It also includes establishment and understanding of roles and responsibilities of key personnel.

G. **Risk of Labour Unrest:** Industrial relations should be and remain cordial at works in order to achieve desired production at plants.

H. **Regulatory & Compliance Risks:** Risks due to inadequate compliance of regulations and contractual obligations are covered here. Changes in Regulatory framework may also adversely affect business plans.

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.

No risks threatening the existence of the organization have been identified. However there are other risks against which adequate mitigation plans are prepared.

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 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 MukeshTripathi	01951272	Member

During the last financial year four CSR Committee meetings were held on 27th May, 2016; 7th September, 2016; 6th December, 2016 and 14th February, 2017.

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 & liveli hood 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 24 years and is in the Silver Jubilee year, to undertake CSR related activities and further is an eligible implementing agency in accordance with the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

During the year under review, Company spends Rs.1,44,38,000 on corporate social activities being two percent of the average net profits of the company made during the three immediately preceding financial years.

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.

Company had spent during the year an amount of Rs.1,44,38,000 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.Annual Report on CSR activities is annexed as **Annexure – IV** to the Board's Report.

21 RELATED PARTY TRANSACTIONS:

Particulars of contracts or arrangements or transactions at arm's length basis with Related parties referred to in Section 188(1) in Form AOC- 2 is provided in **ANNEXURE – 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, 2014and 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 yearwith 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 5th December, 2016 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, M.D, 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 Membersat 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 2016-17:

BSE Limited	The National Stock Exchange of India Ltd.
Rotunda Building, Dalal Street,	Exchange Plaza, Bandra- Kurla
Fort, Mumbai – 400 001.	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 2016-17 and 2017-18.

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 Agreement". 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 the provisions of Section 232(2)(c) of the Companies Act, 2013, Board has adopted a report in regard to effect of the Scheme of Arrangement on equity shareholders (promoter shareholders and non-¬promoter shareholders), employees and KMPs of the company (SRL) and laid out that the Scheme of Arrangement is fair in all aspects.

iii. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the Listing Agreement 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
Director Identification
No. - 00041119

Place : New Delhi
Dated :30th May, 2017

ANNEXURE – I TO BOARD'S REPORT

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2017

[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
vi)	Whether listed company	Haryana
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Yes 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	47.49%
2	CR Strips	24105	12.98%
3	Lighting Products	27400	39.53%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Surya Global Steel Tubes Limited Prakash Nagar, Sankhol, Bahadurgarh, Haryana	U28999HR2008PLC065843	Associate	26.99%	2(6)

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

I) Category wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individuals/HUF	22,16,383	-	22,16,383	5.057	22,16,383	-	22,16,383	5.057	-
(b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	2,55,38,343	-	2,55,38,343	58.265	2,55,38,343	-	2,55,38,343	58.265	-
e) Banks /Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	**2,77,54,726**	**-**	**2,77,54,726**	**63.322**	**2,77,54,726**	**-**	**2,77,54,726**	**63.322**	**-**
(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	-	2,77,54,726	63.322	2,77,54,726	-	2,77,54,726	63.322	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public shareholding									
(1) Institutions									
a) Mutual Funds	4,67,000	886	4,67,886	1.067	5,27,051	886	5,27,937	1.204	0.137
b) Banks / Financial Institutions	33,536	1,328	34,864	0.080	30,069	1,328	31,397	0.072	(0.008)
c) Central Government(s)	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	3,000	3,000	0.007	-	3,000	3,000	0.007	-
g) Foreign Institutional Investors	88,966	-	88,966	0.203	12,13,690	-	12,13,690	2.769	2.566
h) Foreign Venture Capital Funds	-	-	-		-	-	-	-	-
i) Any other (specify) : Foreign Institutional Investors	65,392	250	65,642	0.150	80,281	250	80,531	0.184	0.034
Sub-Total (B) (1)	**6,54,894**	**5,464**	**6,60,358**	**1.507**	**18,51,091**	**5,464**	**18,56,555**	**4.236**	**2.729**
(2) Non-institutions									
(a) Bodies Corporate									
i) Indian	72,34,312	14,031	72,48,343	16.537	56,26,245	4,014	56,30,259	12.845	(3.692)
ii) Overseas			-	-			-	-	-
b) Individuals -									-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	55,00,579	7,69,193	62,69,772	14.304	53,11,943	7,41,129	60,53,072	13.810	(0.494)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13,44,559	-	13,44,559	3.068	19,05,090	-	19,05,090	4.346	1.278
c) Any other (specify)			-				-	-	-
NRIs/OCB	1,99,116	6,251	2,05,367	0.469	3,26,995	6,251	3,33,246	0.760	0.292
Clearing Members	3,47,925	-	3,47,925	0.794	2,68,602	-	2,68,602	0.613	(0.181)
Trust	200	-	200	-	29,700	-	29,700	0.068	0.068
Sub-Total (B) (2)	**1,46,26,691**	**7,89,475**	**1,54,16,166**	**35.172**	**1,34,68,575**	**7,51,394**	**1,42,19,969**	**32.443**	**(2.729)**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**1,52,81,585**	**7,94,939**	**1,60,76,524**	**36.678**	**1,53,19,666**	**7,56,858**	**1,60,76,524**	**36.678**	**-**
(C) Shares held by Custodians for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
GRAND TOTAL (A)+(B)+(C)	**4,30,36,311**	**7,94,939**	**4,38,31,250**	**100.00**	**4,30,74,392**	**7,56,858**	**4,38,31,250**	**100.00**	

(II) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Jai Prakash Agarwal	18,39,416	4.197	-	18,39,416	4.197	-	-
2	Urmil Agarwal	2,10,431	0.480	-	2,10,431	0.480	-	-
3	Vinay Surya	1,66,536	0.380	-	1,66,536	0.380	-	-
4	Pankaj Investments Limited	9,69,348	2.212	-	9,69,348	2.212	-	-
5	Goel Die Cast Limited	18,80,729	4.291	-	18,80,729	4.291	-	-
6	Viksit Trading & Holding Pvt Ltd	2,37,346	0.541	-	2,37,346	0.541	-	-

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
7	Gargiya Finance & Investment Pvt. Ltd	5,22,487	1.192	-	5,22,487	1.192	-	-
8	Lustre Merchants Pvt. Ltd.	72,394	0.165	-	72,394	0.165	-	-
9	Sahaj Tie-up Pvt. Limited	31,16,250	7.110	4.335	31,16,250	7.110	4.335	-
10	Shirin CommodealPvt Ltd	20,98,750	4.788	4.687	20,98,750	4.788	4.687	-
11	S M Vyapaar Private Limited	19,70,000	4.494	2.738	19,70,000	4.494	2.738	-
12	Diwakar Marketing Private Limited	56,37,500	12.862	10.837	56,37,500	12.862	10.837	-
13	Shreyansh Mercantile Private Limited	31,78,000	7.251	-	31,78,000	7.251	-	-
14	Cubitex Marketing Private Limited	48,61,000	11.090	-	48,61,000	11.090	-	-
15	Jits Courier & Finance Private Limited	9,94,539	2.269	-	9,94,539	2.269	-	-
	TOTAL	**2,77,54,726**	**63.322**	**22.596**	**2,77,54,726**	**63.322**	**22.596**	**-**

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

Sl. No.	Name of Promoters shareholders	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 (01-04-2016 to 31-03-2017)		
		No. of Shares at the beginning (01-04-2016) and end of the year (31-03 2017)	% 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 01-04-2016	2,77,54,726	63.322	-	-	-	2,77,54,726	63.322
				– No Change –				
	Total Promoter Holding as at 31-03-2017	**2,77,54,726**	**63.322**	**-**	**-**	**-**	**2,77,54,726**	**63.322**

(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 Share holding during the year specifying the reasons for increase / decrease (e.g allotment / transfer/bonus/ sweat equity etc.)		Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)		
		No. of Shares at the beginning (01-04-2016) and end of the year (31-03-2017)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1	VLS Securities Limited	11,00,500	2.511	1-Apr-2016		-	11,00,500	2.511
				23-Sep-2016	(1,34,000)	Transfer	9,66,500	2.205
				30-Sep-2016	(14,000)	Transfer	9,52,500	2.173
		9,52,500	2.173	31-Mar-2017			9,52,500	2.173

Sl. No.	Name of the top 10 shareholders	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 (01-04-2016 to 31-03-2017)		
		No. of Shares at the beginning (01-04-2016) and end of the year (31-03-2017)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
2	Prakash Chemtex (India) Limited	9,39,655	2.144	1-Apr-2016	-	-	9,39,655	2.144
				17-Jun-2016	(23,275)	Transfer	9,16,380	2.091
				30-Jun-2016	(85,000)	Transfer	8,31,380	1.897
				15-Jul-2016	(33,628)	Transfer	7,97,752	1.820
				5-Aug-2016	(79,299)	Transfer	7,18,453	1.639
				12-Aug-2016	(1,04,154)	Transfer	6,14,299	1.402
				19-Aug-2016	(1,41,349)	Transfer	4,72,950	1.079
				26-Aug-2016	(1,61,696)	Transfer	3,11,254	0.710
		3,11,254	0.710	26-Aug-2016	-	Date of Separation	3,11,254	0.710
3	Swadeshi Tubes Limited	7,63,875	1.743	1-Apr-2016	-	-	7,63,875	1.743
		-	-	2-Sep-2016	(24,742)	Transfer	7,39,133	1.686
				9-Sep-2016	(63,079)	Transfer	6,76,054	1.542
				23-Sep-2016	(3,88,548)	Transfer	2,87,506	0.656
		2,87,506	0.656	23-Sep-2016	-	Date of Separation	2,87,506	0.656
4	Lush Traders Private Ltd	5,69,400	1.299	1-Apr-2016	No Movement during the year	-	5,69,400	1.299
		-	-	-		-	-	
5	DSP Blackrock 3 Year Close Ended Equity Fund	4,66,505	1.064	1-Apr-2016	-	-	4,66,505	1.064
					No Movement during the year			
6	Swadeshi Mercantile Private Ltd	4,63,048	1.056	1-Apr-2016	-	-	4,63,048	1.056
		-	-	-	No Movement during the year	-	-	-
		4,63,048	1.056	1-Apr-2016		-	4,63,048	1.056
7	Jasmine Ispat Private Ltd	4,35,527	0.994	1-Apr-2016		-	4,35,527	0.994
		-	-	-	No Movement during the year	-	-	-
		4,35,527	0.994	31-Mar-2017		-	4,35,527	0.994
8	Prakash Castings Private Limited	4,29,002	0.979	1-Apr-2016	-	-	4,29,002	0.979
		-	-	-	No Movement during the year	-	-	-
		4,29,002	0.979	31-Mar-2017	-	-	4,29,002	0.979
9	Mahesh DinkarVaze	4,02,000	0.917	1-Apr-2016	-	-	4,02,000	0.917
				23-Sep-2016	28,000	Transfer	4,30,000	0.981
				10-Feb-2017	(30,000)	Transfer	4,00,000	0.913
				24-Feb-2017	(50,000)	Transfer	3,50,000	0.799
				3-Mar-2017	(50,000)	Transfer	3,00,000	0.684
				17-Mar-2017	(27,000)	Transfer	2,73,000	0.623
		2,73,000	0.623	31-Mar-2017			2,73,000	0.623

Sl. No.	Name of the top 10 shareholders	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 (01-04-2016 to 31-03-2017)		
		No. of Shares at the beginning (01-04-2016) and end of the year (31-03-2017)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
10	Sakshi Trading Co. Private Limited	3,95,064	0.901	1-Apr-2016	-	-	3,95,064	0.901
				6-Jan-2017	(7,567)	Transfer	3,87,497	0.884
				13-Jan-2017	(1,10,241)	Transfer	2,77,256	0.633
				20-Jan-2017	(9,368)	Transfer	2,67,888	0.611
				3-Feb-2017	(43,043)	Transfer	2,24,845	0.513
		2,24,845	0.513	3-Feb-2017	-	Date of Separation	2,24,845	0.513
11	Gryffin Advisory Services Private Limited*(Formerly Manya Traders Pvt. Limited)	70,000	0.160	1-Apr-2016	-	-	70,000	0.160
				29-Apr-2016	25,000	Transfer	95,000	0.217
				6-May-2016	34,000	Transfer	1,29,000	0.294
				13-May-2016	66,000	Transfer	1,95,000	0.445
				24-Jun-2016	47,600	Transfer	2,42,600	0.553
				30-Jun-2016	27,400	Transfer	2,70,000	0.616
				15-Jul-2016	75,000	Transfer	3,45,000	0.787
				26-Aug-2016	26,199	Transfer	3,71,199	0.847
				2-Sep-2016	33,801	Transfer	4,05,000	0.924
				31-Mar-2017	(1,50,000)	Transfer	2,55,000	0.582
		2,55,000	0.582	31-Mar-2017	-	-	2,55,000	0.582
12	Vikas Vijaykumar Khemani*	-	-	1-Apr-2016	-	-	-	-
				17-Jun-2016	1,17,400	Transfer	1,17,400	0.268
				30-Jun-2016	59,874	Transfer	1,77,274	0.404
				8-Jul-2016	4,121	Transfer	1,81,395	0.414
				15-Jul-2016	1	Transfer	1,81,396	0.414
				22-Jul-2016	4	Transfer	1,81,400	0.414
				29-Jul-2016	13,197	Transfer	1,94,597	0.444
				5-Aug-2016	28,583	Transfer	2,23,180	0.509
				12-Aug-2016	88,012	Transfer	3,11,192	0.710
		3,11,192	0.710	31-Mar-2017	-	-	3,11,192	0.710
13	Swati Merchants Private Limited*	2,56,500	0.585	1-Apr-16	-	-	2,56,500	0.585
					No Movement during the year	-	-	-
		2,56,500	0.585	31-Mar-17	-	-	2,56,500	0.585

Sl. No.	Name of the top 10 shareholders	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 (01-04-2016 to 31-03-2017)		
		No. of Shares at the beginning (01-04-2016) and end of the year (31-03-2017)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
14	Edelweiss Custodial Services Limited	-	-	1-Apr-2016	-	-	-	-
				15-Jul-2016	15,811	Transfer	15,811	0.036
				22-Jul-2016	(3,500)	Transfer	12,311	0.028
				26-Aug-2016	3,500	Transfer	15,811	0.036
				2-Sep-2016	(3,500)	Transfer	12,311	0.028
				9-Sep-2016	(200)	Transfer	12,111	0.028
				23-Sep-2016	(510)	Transfer	11,601	0.026
				30-Sep-2016	(940)	Transfer	10,661	0.024
				14-Oct-2016	50	Transfer	10,711	0.024
				2-Dec-2016	800	Transfer	11,511	0.026
				13-Jan-2017	23,630	Transfer	35,141	0.080
				20-Jan-2017	7,650	Transfer	42,791	0.098
				27-Jan-2017	2,11,408	Transfer	2,54,199	0.580
				3-Feb-2017	(17,009)	Transfer	2,37,190	0.541
				10-Feb-2017	20,048	Transfer	2,57,238	0.587
				17-Feb-2017	12,980	Transfer	2,70,218	0.616
				24-Feb-2017	(2,494)	Transfer	2,67,724	0.611
				3-Mar-2017	33,453	Transfer	3,01,177	0.687
				10-Mar-2017	(53,660)	Transfer	2,47,517	0.565
		2,47,517	0.565	10-Mar-2017		Date of Separation	2,47,517	0.565

* Not in the list of Top 10 shareholders as on 01-04-2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders during the year ended 31st March, 2017.

(v) Share holding of Directors and Key Managerial personnel

Sl. No.	Name of the Directors and KMP	Director Identification No. (DIN	Shareholding at the beginning of the year		Shareholding at the end of the year		% change in shareholding during the year
			No, of Shares	% of total shares of the company	No, of Shares	% of total shares of the company	
Directors							
1	Jai Prakash Agarwal (Executive Chairman)	00041119	18,39,416	4.197	18,39,416	4.197	-
2	Raju Bista (Managing Director)	01299297	-	-	-	-	-
3	Urmil Agarwal*	00053809	2,10,431	0.480	210431	0.480	-
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	-	-	-	-	-
10	Dr. Salila Tiwari**	01748088	-	-	-	-	-
11	Rajeev Kumar Sinha	01334549	-	-	-	-	-
12	Mukesh Tripathi	01951272	-	-	-	-	-

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

* Appointed on the Board of the Company on 19th December, 2016

** Resigned from the Board of the Company on 27th March, 2017

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (in ₹)
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,94,99,02,105	-	-	8,94,99,02,105
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,00,02,041	-	-	3,00,02,041
Total (i+ii+iii)	**8,97,99,04,146**	**-**	**-**	**8,97,99,04,146**
Change in Indebtedness during the financial year				
• Addition	77,24,86,460	-	-	77,24,86,460
• Reduction	86,13,09,748	-	-	86,13,09,748
Net Change	**(8,88,23,288)**	**-**	**-**	**(8,88,23,288)**
Indebtedness at the end of the financial year				
i) Principal Amount	8,86,10,78,817	-	-	8,86,10,78,817
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,03,31,396	-	-	2,03,31,396
Total (i+ii+iii)	**8,88,14,10,213**	**-**	**-**	**8,88,14,10,213**

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of the Remuneration	Name of MD/WTD / Manager		Total Amount (₹)
		Jai Prakash Agarwal	Raju Bista	
		Chairman	MD	
1	**Gross Salary**			
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	2,40,00,000	1,80,00,000	4,20,00,000
	(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 (1% of Net Profit subject to a maximum of 50% of annual salary)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**2,40,00,000**	**1,80,00,000**	**4,20,00,000**
	Ceiling as per Act			**8,83,30,544**

B. Remuneration to other Directors

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	Rajeev Kumar Sinha (IDBI Nominee)	Urmil Agarwal	Mukesh Tripathi#	Dr. Salila Tewari	
3.	**Independent Directors**											
	Fees for attending board / committee meetings	5,25,000	2,80,000	3,05,000	1,95,000	1,20,000	1,20,000	-	-	-	-	15,45,000
	Commission	-	-	-	-	-	-		-	-		-
	Others	-	-	-	-	-	-		-	-		-
	Total (1)	5,25,000	2,80,000	3,05,000	1,95,000	1,20,000	1,20,000	-	-	-	-	15,45,000
	Other Non Executive Directors											-
	Fees for attending board / committee meetings	-	-	-	-	-		1,20,000	30,000	-	1,50,000	3,00,000
	Commission	-	-	-	-	-	-		-	-		-
	Others	-	-	-	-	-	-		-	-		-
	Total (2)	-	-	-	-	-	-	1,20,000	30,000	-	1,50,000	3,00,000
	Total (B) = (1+2)	**5,25,000**	**2,80,000**	**3,05,000**	**1,95,000**	**1,20,000**	**1,20,000**	**1,20,000**	**30,000**	-	**1,50,000**	**18,45,000**
	Total Managerial Remuneration(Sitting Fees)											18,45,000
	Overall Ceiling as per the Act											NIL

\# MukeshTripathi draws remuneration from Associate Company, hence no sitting fees was paid to him for attending Board / Committee Meetings

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

Sl. No.	Particulars of the Remuneration	Key Managerial Personnel				Total
		R N Maloo	**Ramanjeet Singh**	**Tarun Baldua**	**B B Singal**	
		ED & GCFO	**CEO-Lighting & Consumer Durables Segment**	**CEO-Steel Pipes & Strips Segment**	**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	53,22,940	89,59,197	78,71,100	25,12,649	2,46,65,886
	(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)	**53,22,940**	**89,59,197**	**78,71,100**	**25,12,649**	**2,46,65,886**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no penalties, punishment or compounding of offences during the year ended March 31, 2017.

for and on behalf of the Board of Directors

J P AGARWAL
CHAIRMAN
Director Identification No. - 00041119

Place : New Delhi
Dated :30th May, 2017

ANNEXURE – II TO BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

TO

THE MEMBERS
SURYA ROSHNI LIMITED
PRAKASH NAGAR, SANKHOL
BHADURGARH, 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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 ("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 2017 according to the provisions of:

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

(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 there under;

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

(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 entered into Scheme of Arrangement for Amalgmation with Surya Global Steel Tubes Limited (An associate of the company referred to as Transferor Company)

For SGS ASSOCIATES
Company Secretaries

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

Date: 30th May, 2017
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 2014 and forming part of the Directors' Report for the year ended 31st March, 2017.

I. CONSERVATION OF ENERGY

Energy conservation dictates how efficiently a company can conduct its operations. Surya Roshni Limited has recognized 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 organization.

a) Energy conservation measures taken:

At Steel Division, Bahadurgarh :

- Induction of 198 kw solar power plant.
- Induction of the energy efficient motors for the critical applications like annealing fan motor, galvanizing blower motor & water pumps.
- Monitoring and controlling of the power factor parameters.
- Enhancement in the mill speed by optimization of the drivers to get better outcome of the pipe mills.
- Reduction in the breakdown of machine results in better output by improving the technical capability.

At Malanpur Unit of Lighting Division:

- Saving of energy is achieved by Replacement of old water supply pumps in component area with new energy efficient Grundfos pumps.
- Air flow rate reduction of Trilobe blower by using pulley combination to reduce electrical energy.
- Use of alternate fuel – Natural Gas to propane.
- Electrical energy saving is achieved at chiller by regulating the flow rate of water.
- Saving of energy is achieved by replacement of Mercury Vapour lamps by LED Street Lights in Glass plant.
- By reducing electrical load by 200 KVA for lighting section,
- Saving in electrical power factor by 2% resulted in saving of energy.

At Kashipur Unit of Lighting Division:

- Installation of Separate Blower of 7.5 KW in Hind Plant in place of existing 18.5 KW blower
- Installation of Kaeser Compressor of lower capacity in place of existing old compressor.
- Use of waste treated water in truck washing in place of fresh ground water.
- Modification in Heat recovery system for TL Baker M/C and thus saves energy.
- Providing H.P air supply through carbon filter & Alumna unit in place of Air Dryer and thus saves energy.

b) Steps taken by the Company for utilizing 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 Luminaires & its application including LED Lighting System has been carried out.

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

Developed / modified energy efficient environment friendly lighting products.

c) Future Plan of action:

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

d) Expenditure on R&D:

Capital as well as Revenue expenditure made on R&D. Capital Expenditure during the year is Rs. 23.44 Lakhs and Revenue Expenditure is Rs. 313.53 Lakhs.

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 utilization 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 organized in various foreign countries

b) Total foreign exchange used and earned (Rs. in lacs)

Used : 21458.02 Earned: 25888.94

for and on behalf of
the Board of Directors

J P AGARWAL
CHAIRMAN
DIN - 00041119

Place : New Delhi
Dated : 30th May, 2017

ANNEXURE – IV TO BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2016-17

"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:

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 MukeshTripathi	Member	Non-Independent Director

Average Net Profit of tAverage Net Profit of the Company for last three financial years is	₹ 72,18,96,350
Prescribe Amount of CSR expenditure (2% of Average)	₹ 1,44,37,927
Details of CSR Spent during the financial year	₹ 1,44,38,000
Total Amount to be spent for the financial year	₹ 1,44,37,927
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 2016-17

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. 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, IMRROVING THE LITERACY RATE, HELPING THEM IN DEVELOPMENT OF THEIR VILLAGE, PROMOTE RURAL SPORTS	**HARYANA-** BAHADURGARH, JHAJJAR, ROHTAK, SONIPAT, HISSAR **UTTRAKHAND-** KASHIPUR, DEHRADUN **MADHYA PRADESH-** BHIND,GWALIOR, VIDISHA, RISEN, SIHORE, DEWAS, INDORE **PUNJAB-** AMRITSAR, KAPURTHALA, **DELHI-** NANGLOI, MADIPUR **JHARKHAND** EAST SINGH BHUM ,KHUNTI, RAMGARH,JAMSADPUR **UTTAR PRADESH** AGRA, ALIGARH, AJAMGARH, BAGPAT, BAHRAICH, BALIA, BALRAMPUR, BARABANKI, BAREILLY, BIJNORE, BULANDSHAHR, DEORIA, ETAH, FAIZABAD, FATEHPUR, FIROJABAD, GAUTAM BUDH NAGAR, GONDA, GORAKHPUR, HAMIRPUR, JHANSI, KANPUR DEHAT, KANPUR NAGAR, KAUSHAMBI, LAKHIMPUR KHEDI, LUCKNOW,MAHARJGANJ, MATHURA, MEERUT, MURADABAD, MUJAFFARNAGAR, PILIBHEET, SAHARANPUR, SANT KABIR NAGAR, SAHAJANPUR, VARANASI,AMETHI,JAUNPUR	128.33	128.33	128.33	Implementing Agency- SURYA FOUNDATION

(Rs. in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or Programs Sub heads: (1)Direct expenditure on projects or programs. (2) Overheads:**	**Cumulative expenditure upto to the reporting period**	**Amount spent: Direct or through implementing agency ***
2.	NATUROPATHY EXPENSES	PROMOTING PREVENTIVE HEALTH CARE, PROMOTE YOGA	NATUROPATHY CAMP & SEMINARS AT DELHI & Haryana	10.25	10.25	10.25	Implementing Agency- SURYA FOUNDATION
3.	OTHER ADMINISTRATION EXPENSES		DELHI	5.80	5.80	5.80	Implementing Agency- SURYA FOUNDATION
	Total				**144.38**	**144.38**	

2. Company had spent during the year the an amount of Rs. 1,44,38,000 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
Director Identification No. - 00041119

Place : New Delhi
Dated : 30th May, 2017

ANNEXURE – V TO THE BOARD'S REPORT

FORM NO. AOC - 2

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

1. Details of contracts or arrangements or transactions not at arm's length basis
   (a) Name(s) of the related party and nature of relationship: Nil
   (b) Nature of contracts/arrangements/transactions : Nil
   (c) Duration of the contracts/arrangements/transactions :Nil
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:Nil
   (e) Justification for entering into such contracts or arrangements or transactions :N.A
   (f) Date(s) of approval by the Board :N.A
   (g) Amount paid as advances, if any:Nil
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 :N.A
2. Details of material contracts or arrangement or transactions at arm's length basis
   (a) Name(s) of the related party and nature of relationship: **Surya Global Steel Tubes Limited (Associate Company)**
   (b) Nature of contracts/arrangements/transactions: :Agreement for purchase of goods or Materials and provide financial supportby way of providing guarantee(s)or securitydeposits for performance of contract.
   (c) Duration of the contracts/arrangements/transactions: **Duration of the Contract** – 1st September, 2013 to 31st March, 2017 Transactions Amount during the year 2016-17 – Rs. 182,65,47,182
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

The terms & conditions as set out in the Agreement between Surya Roshni Limited (SRL) and M/s Surya Global Steel Tubes Limited (SGSTL) are as follows:

1. The "SGSTL" to the agreement is the manufacturer of ERW pipes of various sizes and having its work at Village: Bhuvad, Tal: Anjar, (Gujarat) with all necessary man, machine, material and equipment.
2. The "SGSTL" to the agreement shall undertake to produce pipes of various sizes in its plant for the "SRL" as per the requirements and terms of Purchase Order given by "SRL".
3. The "SGSTL" shall procure all the raw material such as HR Coils, Zinc, Store & Spares etc whatever required to produce the pipes as per the requirement of Purchase Order received from "SRL".
4. **Delivery:** Material shall be delivered as per the delivery schedule given by the "SRL" to "SGSTL".
5. **Pricing Pattern:**
   a. Prices shall be determined as per the prevailing market prices based upon export orders obtained by SRL.
   b. Pricing shall be on F.O.B. MUNDRA/KANDLA basis.
   c. Increase / Decrease on raw material prices after receiving the PO by SGSTL, shall be borne by SGSTL only.
   d. Pricing shall be done order to order basis.
   e. Letter of Credit by the end customers shall be opened in the favour of SRL.
   f. Export Incentives for the export made by SRL shall be claimed by SRL only.
   g. Excise & VAT Rebate shall be claimed by SGSTL only
6. **Currency Exchange Rate Determination:** Purchase orders shall be issued by SRL on the basis of prevailing exchange rate at the time of obtaining export orders by SRL & any exchange fluctuation at the time of actual export shall be borne by SRL.
7. **Payment Terms:** "SRL" shall make payment within 5 working days from the date of Bill of Lading.
8. **Security Deposit:** Security Deposit: As stated in point no. 3 responsibility of arranging the Raw Material to execute the orders lies upon "SGSTL". Hence to facilitate SGSTL, SRL will arrange a loan upto Rs. 25 Crores from the outside lenders by providing performance guarantee on behalf of SGSTL or "SRL" may provide initial interest free security deposit of Rs. 10 crores which can be extended up to Rs. 25 Crores for the performance of above said contract for supply of goods. The above said deposit / comfort shall be refunded/rescinded on the termination of said contract.
9. Both the Parties shall ensure the compliance of Central Excise Act, 1944 and all other legal requirements.
10. The ownership of materials after delivery at MUNDRA/ KANDLA shall be vested with the "SRL".
11. Third Party Inspection by the customers may be conducted in the premises of SGSTL. SRL shall give prior intimation of the inspection to SGSTL.
12. **Quantity:** SRL shall purchase approx. 60000 MT Pipes having value of Rs. 280 Cr. Approx. on annually basis. Quantity tolerance of 20% + / - shall be applicable.
13. **Countries to be covered:** Mainly UAE, Behrin, Qatar countries shall be covered under this contract. Other countries also may be covered with mutual understanding of the both parties.
14. **Claims Settlement:** Any quality related complaints shall be intimated to SGSTL by SRL in writing. Sole responsibility related to quality complaints related to manufacturing defects lies with SGSTL. SGSTL shall attend & settle the complaint accordingly.
15. **Modernization / Capital Expenditure:** Expenses on account of modernization / expansion for new market / product development shall be borne by SGSTL.
    (e) Date(s) of approval by the Board, if any:Board of Directors in its meeting held on 30th May, 2015 has recommended the same for passing of Special Resolution in Annual General Meeting (AGM) to be held on 11th September, 2015 which was passed by the shareholders of the Company in that AGM.

for and on behalf of
the Board of Directors

J P AGARWAL
CHAIRMAN
Director Identification
DIN - 00041119

Place : New Delhi
Dated : 30th May, 2017

ANNEXURE – VI TO THE BOARD'S REPORT
REPORT ON COPRPORATE 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, 2017

The Board consists of 11 Directors as on 31st March, 2017. 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 2 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 summarized as below :

Total No. of Directors	11
Executive Chairman	Sh. Jai Prakash Agarwal
Managing Director	Sh. Raju Bista
No. of Independent Directors	
(Chairman being Executive)	6 (> 50% of Board Strength
No. of Non-Executive Directors	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
Sh Mukesh Tripathi	01951272	Non-Executive ; Non-Independent
Dr. Smt. Salila Tiwari **	01748088	Non-Executive ; Non-Independent

* Appointed as Additional Director on the Board of the Company w.e.f 19th December, 2016.

** Resigned from the Board of the Company w.e.f 27th March, 2017

b. Attendance of each Director at Board Meetings held during the year 2016-17 and last AGM

The names of the Directors on the Board and their attendance at Board meetings during the year 2016-17 and at the last AGM are as under:

Name of the Director	Director Identification No. (DIN)	No. of Board Meetings attended during 2016-17	Last AGM attendance As on 23.09.2016
Sh. Jai Prakash Agarwal (Executive Chairman)	00041119	3	NO
Sh. Raju Bista (Managing Director)	01299297	5	NO
Smt. Urmil Agarwal *	00053809	1	NO
Sh. Krishan Kumar Narula	00098124	5	YES
Sh. Ravinder Kumar Narang	02318041	5	NO
Sh. Utpal K Mukhopadhyay	02766045	5	NO
Sh. Tara Sankar Bhattacharya	00157305	3	NO
Sh. Sudhanshu Kumar Awasthi	02162923	3	NO
Sh. Surendra Singh Khurana	02126149	4	YES
Sh. Rajeev Kumar Sinha (IDBI Nominee in the capacity as lender)	01334549	4	NO
Sh Mukesh Tripathi	01951272	5	NO
Dr. Smt. Salila Tiwari **	01748088	5	NO

* Appointed as Additional Director on the Board of the Company w.e.f 19th December, 2016.

** Resigned from the Board of the Company w.e.f 27th March, 2017.

c. Directorships and Committee Memberships in other companies as on 31st March, 2017

The names of the Directors and the details of chairmanship / directorships and committee memberships of each director in other companies as on 31st March, 2017 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	1	-	-	-
Sh. Raju Bista (Managing Director)	01299297	-	1	-	-
Smt. Urmil Agarwal *	00053809	-	-	-	-
Sh. Krishan Kumar Narula	00098124	-	1	1	-
Sh. Ravinder Kumar Narang	02318041	-	1	-	1
Sh. Utpal K Mukhopadhyay	02766045	-	5	1	2
Sh. Tara Sankar Bhattacharya	00157305	-	7	-	3
Sh. Sudhanshu Kumar Awasthi	02162923	-	-	-	-
Sh. Surendra Singh Khurana	02126149	-	-	-	-
Sh Rajeev Kumar Sinha (IDBI Nominee)	01334549	-	-	-	-
Sh. Mukesh Tripathi	01951272	-	4	-	1
Dr. Smt. Salila Tiwari **	01748088	-	3	-	-

* Appointed as Additional Director on the Board of the Company w.e.f 19th December, 2016.

** Resigned from the Board of the Company w.e.f 27th March, 2017.

None of the -

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

d. No. of Board Meetings held in the financial year 2016-2017 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, our Board met five times, on 27th May, 2016; 8th June, 2016; 7th September, 2016; 06th December, 2016 and 14th February, 2017.

e. Disclosure of relationship between Director 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 2016-17.

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

A familiarization programme for Independent Directors was organised during the year to make them update on GST impact and implementation plan presented by Taxation 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 familiarization 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 Exchange) 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 :

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

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 2016-17, Audit Committee meetings were held on 27th May, 2016 ; 8th June, 2016; 7th September, 2016; 06th December, 2016 and 14th February, 2017. The names along with categories of the members and the attendance of members at the meeting was as follows:

Names of the Members	Director Identification No.	Category	No. of Meetings Attended
Sh. K. K. Narula	00098124	Chairman ; Independent – Director	5
Sh.TaraSankar Bhattacharya	00157305	Member ; Independent – Director	3
Sh. Utpal K Mukhopadhyay	02766045	Member ; Independent – Director	5
Sh. Mukesh Tripathi	01951272	Member ; Non Independent – Director	4

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 Mukesh Tripathi	01951272	Member	Non-Executive ,Non-Independent

The scope of the Remuneration Committee includes finalizing the remuneration packages for 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 2016-17, three meetings was held on 6th May,016 and 7th September, 2016. 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	2
Shri Ravinder Kumar Narang	02318041	Member	Non-Executive, Independent	2
Shri Mukesh Tripathi	01951272	Member	Non-Executive, Non-Independent	2

iv. Performance evaluation criteria for Independent Directors

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

(1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

(2) bring an objective view in the evaluation of the performance of board and management;

(3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

(4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

(5) safeguard the interests of all stakeholders, particularly the minority shareholders;

(6) balance the conflicting interest of the stakeholders;

(7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;

(8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

(9) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

(10) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;

(11) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

(12) participate constructively and actively in the committees of the Board in which they are chairpersons or members;

(13) strive to attend the general meetings of the company;\

(14) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

(15) keep themselves well informed about the company and the external environment in which it operates;

(16) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(17) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;

(18) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

(19) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(20) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

and bases on 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 organization'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 organization.	
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 23rd September, 2016.

PERFORMANCE EVALUATION:

As per the provisions Section 134(3)(p) read with Clause VIII of Schedule IV of the Companies Act, 2013 and other applicable provisions of the Act and in compliance with the provisions of Regulation 17(10), 19 and 25(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the Listing Regulations read with SEBI Circular on Guidance Note on Board evaluation having No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017, 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.

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 2016-2017 is as under:

Name	Director Identification No. (DIN)	Salary (Rs.)	Perquisites & Allowances (Rs.)	Commission (Rs.)	Bonuses, Stock Options, Pensions (Rs.)	Sitting Fees (excluding service tax) (Rs.)
Sh. J P Agarwal (Executive Chairman)	00041119	2,40,00,000	Nil	Nil	Nil	N .A.
Sh. Raju Bista (Managing Director)	01299297	1,80,00,000	Nil	Nil	Nil	N.A.
Smt.Urmil Agarwal*	00053809	Nil	Nil	Nil	Nil	30,000
Sh. K.K.Narula	00098124	Nil	Nil	Nil	Nil	5,25,000
Sh. Ravinder Kumar Narang	02318041	Nil	Nil	Nil	Nil	2,80,000
Sh. U K Mukhopadhyay	02766045	Nil	Nil	Nil	Nil	3,05,000
Sh. Tarasankar Bhattacharya	00157305	Nil	Nil	Nil	Nil	1,95,000
Sh. Sudhanshu Kumar Awasthi	02162923	Nil	Nil	Nil	Nil	1,20,000
Sh. Surendra Singh Khurana	02126149	Nil	Nil	Nil	Nil	1,20,000
Sh. Mukesh Tripathi	01951272	Nil	Nil	Nil	Nil	Nil
Dr. Salila Tewari	01748088	Nil	Nil	Nil	Nil	1,50,000
IDBI Bank (Nominee Director)	01334549	Nil	Nil	Nil	Nil	1,20,000

$ Voluntarily decided to draw total Salary of Rs. 20,00,000 p.m w.e.f 1st April,2016 as compared to his entitled salary of Rs. 25,00,000 p.m as approved by the Shareholders in the Annual General Meeting held on 28th September, 2012.

* Appointed as Additional Director on the Board of the Company w.e.f 19th December, 2016.

Name	Director Identification No. (DIN)	Performance Linked Incentives (Rs.)	Performance Criteria (Rs.)	Service Contracts (Rs.)	Notice Period	Severance Fees (Rs.)
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: NIL

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 stakeholder(s) grievances. The Committee met 4 times during the year on 29.04.2016, 25.07.2016, 24.10.2016 and 28.01.2017, and the attendance of Members at the Meeting was as follows:

Names of the Members	Director Identification No.	Status	No. of Meetings Attended
Sh. K K Narula	00098124	Chairman	4
Sh. R K Narang	02318041	Member	3
Sh. Raju Bista	01299297	Member	2

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, 2017**	:	03
iv.	**Number of complaints not solved to the satisfaction of the shareholders**	:	Nil
v.	**Number of pending complaints**	:	Nil

7. General Body Meetings

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

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

05.09.2014; 11.09.2015; 23.09.2016

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

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

Six Special Resolutions were passed in the Annual General Meeting held on 5th September, 2014, two Special Resolution were passed in the Annual General Meeting held on 11th September, 2015 and two Special Resolution were passed in the AGM held on 23rd September, 2016.

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

No resolution was passed through postal ballot last year.

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

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

f) Procedure for Postal Ballot – Not Applicable

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 (if any)investors or to the analysts	:	Yes
vi.	Whether Management Discussion & Analysis Report is part of the Annual Report or not	:	Yes

9. General Shareholder Information

i.	**AGM** : Date and Time	-	To be decided by Board*
	Venue	-	Prakash Nagar, Sankhol, Bahadurgarh, Haryana - 124507
ii.	**Financial Year**	-	1st April to 31st March
iii.	**Dividend payment date**	-	To be decided by Board*
iv.	**Listing on Stock Exchanges**	-	The securities of the company were listed on the following Stock Exchanges during the financial year 2016-17:

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 2016-17 and 2017-18

v. Stock Code

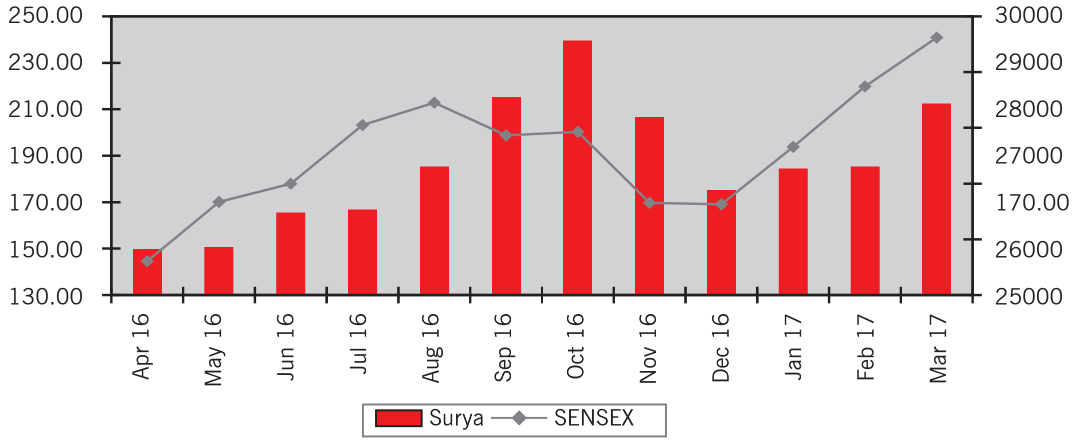
	National Stock Exchange	Bombay Stock Exchange	ISIN
Equity Shares- Symbol / Code	SURYAROSNI	500336 (Dematerialised) 336 (Physical)	INE335A01012

* **The Board of Directors in its meeting held on 13th November, 2017 have decided to convene the 44th Annual General Meeting of the Company on Friday, 29th day of December, 2017 at 11:00 a.m. at Prakash Nagar, Sankhol, Bahadurgarh, Haryana - 124507 and accordingly Dividend pay out date will be 5th January, 2018.**

vi. **Market Price Data :**

MONTH	NSE		BSE	
	HIGH (Rs.)	LOW (Rs.)	HIGH (Rs.)	LOW (Rs.)
April, 2016	159.00	138.50	159.30	139.50
May, 2016	160.60	145.45	161.00	144.80
June, 2016	183.30	150.10	183.80	149.10
July, 2016	174.90	160.00	174.80	160.20
August, 2016	192.30	166.00	192.20	166.50
September, 2016	240.40	185.00	240.00	185.80
October, 2016	250.00	211.00	245.70	210.90
November, 2016	244.40	184.00	244.50	182.20
December, 2016	211.00	165.15	210.90	165.50
January, 2017	194.00	173.05	193.70	173.10
February, 2017	198.00	180.80	197.50	181.10
March, 2017	215.00	181.75	214.45	181.00

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, 2017.

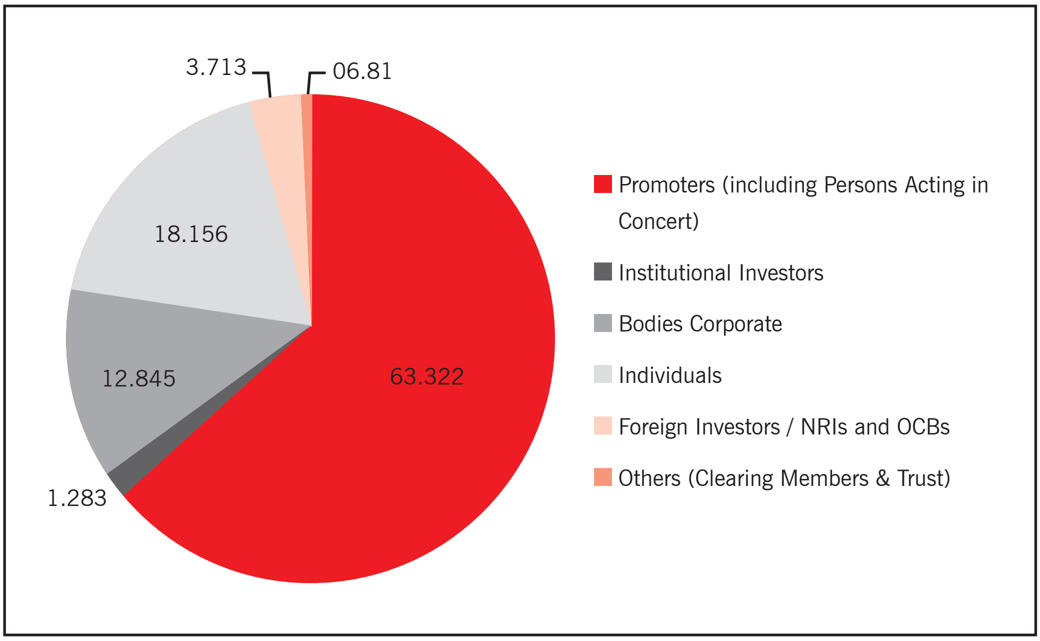
xi. **Distribution of Shareholding**

Share Holding of Nominal Value of Rs.	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 - 5000	20001	87.620	2548914	5.815
5001 - 10000	1502	6.580	1163239	2.654
10001- 20000	653	2.861	978917	2.233
20001- 30000	244	1.069	617359	1.409
30001- 40000	79	0.346	285973	0.652
40001- 50000	79	0.346	376339	0.859
50001- 100000	118	0.517	888721	2.028
100001 & Above	151	0.661	36971788	84.350
TOTAL	**22827**	**100.000**	**43831250**	**100.000**

Shareholding Pattern

CATEGORY	No. of Shares held	% age of Paid-up Capital
Promoters (including Persons Acting in Concert)	2,77,54,726	63.322
Institutional Investors	5,62,334	1.283
Bodies Corporate	56,30,259	12.845
Individuals	79,58,162	18.156
Foreign Investors / NRIs and OCBs	16,27,467	3.713
Others (Clearing Members)	2,68,602	0.613
(Trust)	29,700	0.068
TOTAL	**4,38,31,250**	**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, 2017, 4,30,74,392 equity shares, being 98.27% of the company's total paid-up equity shares had been dematerialized.The shares of the company are regularly traded at the NSE and BSE.
xiii.	**Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion 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 Division**	:	- 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. Ananthapuram (A.P.)
	Lighting Division	:	- 7 km Stone, Kashipur-Moradabad Road, Kashipur – 244 713 (Uttarakhand) - J-7, 8 & 9, Malanpur Industrial Area, Malanpur, Distt.Bhind (M.P). - Plot No. 9-13, Balaji Industrial Estate, Mahuakheraganj, Kashipur, District U.S. Nagar, Uttarakhand
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** - bbsingal@ho.surya.in, cs@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) 2015 during the financial year 2016-17.

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) 2015 during the financial year 2016-17.

- 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) 2015 during the financial year 2016-17.

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 familiarization 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 Remunaration 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
Familiarization 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 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 transfered 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	146	10263	Yes

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 and Managing Director 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 and Managing Director 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 2017 in terms of clause D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations ,2015 with the Stock Exchanges.

Jai Prakash Agrawal
Chairman
(DIN – 00041119)

Raju Bista
Managing Director
(DIN – 01299297)

for and on behalf of the Board of Directors

J P AGARWAL
CHAIRMAN
Director Identification
No. - 00041119

Place : New Delhi
Dated : 30th May, 2017

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, 2017 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 2016-2017 which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware,and that we have taken the required steps to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee that :

   1) There have been no significant changes in internal control over financial reporting during this year.

   2) There have been no significant changes in accounting policies during this year.

   3) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi **Dated : 30th May, 2017**	**J P Agarwal** **Chairman** **(DIN - 00041119)**	**Raju Bista** **Managing Director** **(DIN - 01299297)**	**R N Maloo** **ED & Group CFO**

CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE INDEPENDENT AUDITOR'S CERTIFICATE

To the members of
SURYA ROSHNI LIMITED

1. We have examined the compliance of conditions of Corporate Governance by SURYA ROSHNI Limited ("the Company"), for the year ended on 31st March, 2017, as stipulated in:

- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from 1st April, 2016 to 31st March, 2017 and

- Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1st April, 2016 to 31st March, 2017.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended 31st March, 2017.

5. We state that such compliance 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.

For Sastry K. Anandam & Co.
Chartered Accountants
Firm Registration No. 000179N

Place : New Delhi
Dated : 30th May, 2017

C.A. (Ananda Sastry K.)
Partner, FCA
Membership No. 9980

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule (1) 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 2016-17, ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2016-17.

S. No	Name of the Director / KMP and Designation	Remuneration of Director / KMP for the financial year 2016-17 (INR in lakhs)	% increase in Remuneration in the Financial year 2016-17	Ratio of remuneration of each Director / to median remuneration of employees
1	Jai Prakash Agarwal (Executive Chairman)	240.00	#	84.57
2	Raju Bista (Managing Director)	180.00	285.71	63.43
3	Tarun Baldua (CEO – Steel Operations)	78.71	26.16	Not Applicable
4	Ramanjit Singh (CEO–Lighting Operations)	89.59	$	Not Applicable
5	R N Maloo (ED & Group CFO)	53.23	4.47	Not Applicable
6	B B Singal (Sr. V.P & C.S)	25.12	12.19	Not Applicable

Jai Prakash Agarwal voluntarily decided to draw consolidated salary of Rs. 20 lakhp.mw.e.f 1st April, 2016 (as compared to his entitled salary of Rs. 25 Lakh p.m as approved by the shareholders in the AGM held on 23rd September, 2011)

$ As Ramanjit Singh was appointed CEO – Lighting Operations of the Company w.e.f 6th August, 2015 hence, figures are not comparable with the previous year drawn remuneration.

(ii) In the financial year, there was an increase of 17.88% in the median remuneration of employees;

(iii) There were 3309 number of permanent employees on the rolls of company;

(iv) averagepercentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e 2016-17 was 10.80% whereas increase in the managerial remuneration# 285.71%. and justification for increase in the managerial remuneration was that shareholders on seeing the vast responsibilities performed by itsManaging Director Sh. Raju Bista and aftertaking into account the Industry Standard's remuneration payable to managing director, in its AGM held on 23rd September, 2016 has approved an increase in the salary payable to Raju Bista as Managing Director to Rs. 15 Lakh per month w.e.f 1st April, 2016 with an annual increment of Rs.1 lakh per year for remaining partof his tenure.

Jai Prakash Agarwal voluntarily decided to draw consolidated salary of Rs. 20 lakh p.m w.e.f 1st April, 2016 (as compared to his entitled salary of Rs. 25 Lakh p.m as approved by the shareholders in the AGM held on 23rd September, 2011, hence the figures are not comparable).

(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
(ii)	remuneration received;	Rs. 2,40,00,000/-	Rs. 1,80,00,000/-
(iii)	nature of employment, whether contractual or otherwise;	Executive Chairman (Whole-time Director)	Managing Director
(iv)	qualifications and experience of the employee;	B.Com	M.B.A
(v)	date of commencement of employment;	01.04.1986	01.08.2004
(vi)	the age of such employee;	66 years	30 years
(vii)	the last employment held by such employee before joining the company;	Jindal Industries Limited (Executive Director)	Not Applicable
(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	4.20%	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
	The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than sixty lakh rupees;	Sh. Jai Prakash Agarwal – Employed throughout the Financial Year 2016-17 and consolidated salary received by him is Rs. 2,40,00,000/-	Sh. Raju Bista – Employed throughout the Financial Year 2016-17 and salary received by him is Rs. 1,80,00,000/-
	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 five lakh rupees per month;	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

FINANCIAL STATEMENT(S)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SURYA ROSHNI LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of SURYA ROSHNI LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, 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 "standalone Ind AS financial statements")

Management's Responsibility for the Standalone 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 standalone 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 thestandaloneInd 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 standalone 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 standalone 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 standalone Ind AS financial statements.The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone 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, 2017, 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, and 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 standalone 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 Standalone Ind AS financial statements – Refer Note No.(s) 41 & 56 to the Standalone 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.

iv. The company has provided requisite disclosures in its standalone Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer note No. 52 of the standalone Ind AS financial statements.

For Sastry K. Anandam & Company LLP.
Chartered Accountants
(Firm Registration – ICAI:000179N/N500051
(LLP Registration – ROC:AAH-4717)

(C.A. Ananda Sastry K.)
Partner, F.C.A
Membership No. 009980

Place: New Delhi
Dated: 30th May, 2017

"Annexure A" to the Independent Auditors' Report

The Annexure as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements of our Independent Auditors' Report to the members ofSURYA ROSHNI LIMITED Ltd. the standalone financial statements for the year ended 31 March 2017, 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 l86 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, 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 2017.

(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 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 Sastry K. Anandam & Company LLP.
Chartered Accountants
(Firm Registration – ICAI:000179N/N500051
(LLP Registration – ROC:AAH-4717)

(C.A. Ananda Sastry K.)
Partner, F.C.A
Membership No. 009980

Place: New Delhi
Dated: 30th May, 2017

"Annexure B" to the Independent Auditor's Report of even date on the Standalone 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 March 31, 2017 in conjunction with our audit of the standalone 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 March 31, 2017, 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 Sastry K. Anandam & Company LLP.
Chartered Accountants
(Firm Registration – ICAI:000179N/N500051
(LLP Registration – ROC:AAH-4717)

(C.A. Ananda Sastry K.)
Partner, F.C.A
Membership No. 009980

Place: New Delhi
Dated: 30th May, 2017

BALANCE SHEET AS AT MARCH 31,2017

(INR in Crore)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I ASSETS				
1 Non-current assets				
a Property, plant and equipment	5	786.92	753.44	754.85
b Capital work-in-progress	5	15.14	18.37	26.38
c Finacial assets				
i Investments	6	50.00	50.00	50.00
ii Other	7	9.00	8.24	7.65
2 Current assets				
a Inventories	8	540.91	469.88	389.52
b Financial assets				
i Trade receivables	9	542.13	525.68	530.58
ii Cash and cash equivalents	10	18.79	26.84	25.92
iii Bank balances other than (ii) above	11	0.41	0.42	0.43
iv Other financial assets	12	39.41	33.68	26.97
c Current tax assets (Net)	13	1.95	2.42	1.05
d Other current assets	14	95.44	87.98	87.34
Total Assets		**2,100.10**	**1,976.95**	**1,900.69**
II EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	43.83	43.83	43.83
Other equity	16	705.52	647.63	591.19
LIABILITIES				
1 Non-current liabilities				
a Financial liabilities				
i Borrowings	17	305.58	332.78	364.28
ii Other financial liabilities	18	8.93	7.81	7.03
b Provisions	19	31.74	23.39	19.21
c Deferred tax liabilities (Net)	20	52.33	52.35	51.30
2 Current liabilities				
a Financial liabilities				
i Borrowings	21	546.00	513.18	515.52
ii Trade payables	22	259.04	214.52	178.32
iii Other financial liabilities	23	84.37	96.31	97.08
b Other current liabilities	24	41.83	32.68	23.46
c Provisions	25	19.71	9.67	8.42
d Current tax liabilities (net)	26	1.22	2.80	1.05
Total Equity and Liabilities		**2,100.10**	**1,976.95**	**1,900.69**
Significant Accounting Policies	3			
Notes to Accounts	1-60			

See accompanying notes to the financial statements
As per our attached report of even date

For Sastry K. Anandam & Company LLP
Chartered Accountants
(Firm Registration No.ICAI: 000179N / N500051)
(LLP Registration - ROC : AAH-4717)

CA. ANANDA SASTRY K.
Designated Partner FCA
Membership no. 9980

J P Agarwal
Chairman
DIN: 00041119

R N Maloo
Executive Director & Group Chief Financial Officer

R K Sinha
Director
DIN: 1334549

Mukesh Tripathi
Director
DIN: 01951272

Raju Bista
Managing Director
DIN: 01299297

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

S S Khurana
Director
DIN: 02126149

K K Narula
Director
DIN: 00098124

Place : New Delhi
Dated : 30th May, 2017

Urmil Agarwal
Director
DIN: 00053809

S K Awasthi
Director
DIN: 02162923

Ravinder K Narang
Director
DIN: 02318041

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31,2017

(INR in Crore)

	Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
I	**Revenue from operations**	28	3,412.83	3,196.50
II	**Other income**	29	0.76	1.85
III	**Total revenue (I+II)**		3,413.59	3,198.35
IV	**EXPENSES**			
	Cost of materials consumed	30	2,065.63	1,964.91
	Purchases of stock-in-trade	31	344.64	229.93
	Changes in inventories of finished goods, stock-in -trade and work-in-progress	32	(59.63)	(21.57)
	Employee benefits expense	33	199.64	185.66
	Finance costs	34	87.74	96.43
	Depreciation and amortization expense	35	55.92	61.01
	Excise duty		267.37	232.34
	Other expenses	36	365.35	362.85
	Total expenses		**3,326.66**	**3,111.56**
V	**Profit/(loss) before exceptional items and tax (III-IV)**		86.93	86.79
VI	**Exceptional items**			-
VII	**Profit/(loss) before tax (V-VI)**		**86.93**	**86.79**
VIII	**Tax expense**	27		
	Current tax		19.11	21.91
	Deferred tax		1.60	1.78
IX	**Profit/(loss) for the period**		**66.22**	**63.10**
X	**Other comprehensive income**	**37**		
A	**(i) Items that will not be reclassified to profit or loss**		**(4.67)**	**(2.13)**
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.62	0.73
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	**Total Comprehensive Income(IX+X)**		**63.17**	**61.70**
	Earnings per equity shares (face value of Rs.10/-each)	38		
	1) Basic (in ₹)		15.11	14.40
	2) Diluted (in ₹)		15.11	14.40
	Significant Accounting Policies	3		
	Notes to Accounts	1-60		

See accompanying notes to the financial statements
As per our attached report of even date

For Sastry K. Anandam & Company LLP
Chartered Accountants
(Firm Registration No.ICAI: 000179N / N500051)
(LLP Registration - ROC : AAH-4717)

CA. ANANDA SASTRY K.
Designated Partner FCA
Membership no. 9980

J P Agarwal
Chairman
DIN: 00041119

R N Maloo
Executive Director & Group Chief Financial Officer

R K Sinha
Director
DIN: 1334549

Mukesh Tripathi
Director
DIN: 01951272

Raju Bista
Managing Director
DIN: 01299297

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

S S Khurana
Director
DIN: 02126149

K K Narula
Director
DIN: 00098124

Place : New Delhi
Dated : 30th May, 2017

Urmil Agarwal
Director
DIN: 00053809

S K Awasthi
Director
DIN: 02162923

Ravinder K Narang
Director
DIN: 02318041

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(INR in Crore)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net operating profit/(loss) before tax	86.93	86.79
Adjustment for :		
Re-measurement gain loss on defined benefit plans routed through OCI	(4.67)	(2.13)
Depreciation of Property Plant and Equipment	55.92	61.01
(Profit)/Loss on Sale/Retirement of Property Plant and Equipment (Net)	(0.06)	(0.49)
Allowance for doubtful debts / bad debts W/off	1.73	0.92
Interest Expenses	87.74	96.43
Operating Profit/(loss) before Working Capital changes	227.59	242.53
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(18.18)	3.98
(Increase) / Decrease in Other financial assets	(6.49)	(7.30)
(Increase) / Decrease in Other assets	(7.46)	(0.64)
(Increase)/Decrease in Inventories	(71.03)	(80.36)
Increase / (Decrease) in Trade Payables/ Provisions	62.91	41.63
Increase / (Decrease) in Other Financial Liabilities	4.66	20.75
Increase / (Decrease) in Other Liabilities	9.15	9.22
Cash generated (used) in/from Operations before tax	**201.15**	**229.81**
Net Direct Taxes paid	(20.22)	(21.53)
Net cash flow (used) in/from Operating Activities	**180.93**	**208.28**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant & Equipment.	(85.63)	(53.37)
Sale of Property Plant and Equipment	1.28	2.27
Net cash flow (used) in/from Investing Activities	**(84.35)**	**(51.10)**
Net cash (used) in/from Operating and Investing Activities	**96.58**	**157.18**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long-term borrowings repaid during the year	(86.13)	(92.81)
Long-term borrowings taken during the year	44.43	42.50
Short term borrowings repaid during the year (net)	32.82	(2.34)
Payment of dividend	(4.38)	(4.38)
Taxes on dividend	(0.90)	(0.88)
Interest paid	(90.47)	(98.35)
Net cash (used) in/from Financing Activities	(104.63)	(156.26)
Net cash (used) in/from Operating, Investing & Financing Activities	(8.05)	0.92
Net increase/(decrease) in Cash & Cash equivalent	(8.05)	0.92
Opening balance of Cash & Cash equivalent	26.84	25.92
Closing balance of Cash & Cash equivalent	18.79	26.84

Note: 1. The cash flow statement has been prepared under the indirect method as set out in India Accounting Standard (IND AS) 7 statement of cash flows.

2. Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-

i) Cash Balance on Hand	0.39	0.63
ii) Balance with Banks :		
- In Current Accounts	0.12	2.97
- In Fixed Deposits		
- Cheques in hand	18.28	23.24
Total	**18.79**	**26.84**

See accompanying notes to the financial statements

As per our attached report of even date

For Sastry K. Anandam & Company LLP
Chartered Accountants
(Firm Registration No.ICAI: 000179N / N500051)
(LLP Registration - ROC : AAH-4717)

CA. ANANDA SASTRY K.
Designated Partner FCA
Membership no. 9980

J P Agarwal
Chairman
DIN: 00041119

R N Maloo
Executive Director & Group Chief Financial Officer

R K Sinha
Director
DIN: 1334549

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S S Khurana
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K K Narula
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DIN: 00098124

Urmil Agarwal
Director
DIN: 00053809

S K Awasthi
Director
DIN: 02162923

Ravinder K Narang
Director
DIN: 02318041

Place : New Delhi
Dated : 30th May, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

a. Equity share capital (INR in Crore)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	4,38,31,250	43.83	4,38,31,250	43.83	4,38,31,250	43.83
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	**4,38,31,250**	**43.83**	**4,38,31,250**	**43.83**	**4,38,31,250**	**43.83**

b. Other equity (INR in Crore)

Particulars	Reserves & Surplus					Total
	Forfeiture reserve	Securities Premium Account	Capital Redemption Reserve	General Reserve	Retained earnings & Other Comprehensive income	
Balance at April 1, 2015	**17.63**	**140.95**	**3.00**	**48.36**	**381.25**	**591.19**
Profit for the year	-	-	-	-	63.10	63.10
Other comprehensive income for the year	-	-	-	-	(1.40)	(1.40)
Total comprehensive income for the year	**-**	**-**		**-**	**61.70**	**61.70**
Cash dividends	-	-	-	-	(4.38)	(4.38)
Dividend Distribution Tax (DDT)	-	-	-	-	(0.88)	(0.88)
Transfer to General reserve	-	-	-	6.00	(6.00)	-
Addition during the financial year	-	-	-	-		
Balance as at March 31,2016	**17.63**	**140.95**	**3.00**	**54.36**	**431.69**	**647.63**
Profit for the year					66.22	66.22
Other comprehensive income for the year					(3.05)	(3.05)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**63.17**	**63.17**
Cash dividends					(4.38)	(4.38)
Dividend Distribution Tax (DDT)					(0.90)	(0.90)
Transfer to General reserve				6.00	(6.00)	-
Balance at March 31, 2017	**17.63**	**140.95**	**3.00**	**60.36**	**483.58**	**705.52**

As per our attached report of even date

For Sastry K. Anandam & Company LLP
Chartered Accountants
(Firm Registration No.ICAI: 000179N / N500051)
(LLP Registration - ROC : AAH-4717)

CA. ANANDA SASTRY K.
Designated Partner FCA
Membership no. 9980

J P Agarwal
Chairman
DIN: 00041119

R N Maloo
Executive Director & Group Chief Financial Officer

R K Sinha
Director
DIN: 1334549

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S S Khurana
Director
DIN: 02126149

K K Narula
Director
DIN: 00098124

Place : New Delhi
Dated : 30th May, 2017

Urmil Agarwal
Director
DIN: 00053809

S K Awasthi
Director
DIN: 02162923

Ravinder K Narang
Director
DIN: 02318041

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, in India. The registered office of SRL is situated at Prakash Nagar, Sankhol, Rohtak Road, Bahadurgarh – 124507 (Haryana) India.

SRL is more than four decade old manufacturing conglomerate with business interest spanning Steel Pipes & Strips, Lighting, fittings, Fans, electric Appliances and PVC pipes & fittings. Besides enjoying market presence across the length and breadth of India, it also export products to more than 25 countries globally. Company is the largest GI Steel Pipe Manufacturer and the second largest in lighting in India.

These financial statements were approved and adopted by board of directors of the Company in their meeting dated 30th May, 2017.

2 Basis of preparation of financial statements & 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 provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted as applicable Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-Time Adoption of Indian Accounting Standards. The transition to Ind AS is April 1, 2015 which was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies(Accounts)Rules, 2014 (IGAAP), which was the previous GAAP. Recommendations and descriptions of the effect of the transition have been summarized in Note 50.

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 Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.Upto the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015.

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 amounts 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. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note 4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

3 Significant Accounting Policies

3.1 Basis of Measurement

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

Certain Financial assets and liabilities measured at fair value (including derivative financial instruments).

Defined benefit plan assets are measured at fair value.

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

3.2 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price (net of 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 and the initial estimate of restoration cost if the recognition criteria is met. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Software and licences which are integral part of the PPE are capitalised along with respective PPE.

The Company has elected to continue with the carrying value of all of its property, plant and equipment net of revaluation reserve as at the transition date, viz., 1 April 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Land and building revalued during the earlier years and credited to revaluation reserve have been reversed (net of amortisation till 1 April, 2015).

An item of property, plant & equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

sheet date is classified as capital advances under other non-current assets and the cost of Property, Plant and Equipment not available for use before such date are disclosed under 'Capital work-in-progress'

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:

Property, Plant & Equipment	Useful lives in Years
Plant & equipment	8 – 15
Building	5-60
Office equipment	5
Vehicles	8
Furniture & fixtures	10
Computers	3 – 6

In case of the following category of plant and equipment, the depreciation has been provided based on the technical evaluation of the remaining useful life which is different from the life specified in Schedule II to the Companies Act, 2013.

Plant and Machinery - 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 shall be calculated on the basis of 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 Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life adjusted prospectively, if appropriate. Freehold land is not depreciated. Lease hold land is amortised over the period of lease.

iv Free-hold land are not subject to amortisation.

3.4 Impairment of 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 on hand and at bank, 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, Stores & Spares At lower of cost or net realisable value, cost includes cost of purchases and other cost incurred in bringing the inventories to their present location and condition.

Work-in Progress At lower of cost of material plus appropriate production overheads or net realisable value

Finished Goods At lower of cost of materials plus production overheads and excise duty (wherever applicable) or net realisable value.

Purchased Goods in transit Valued at cost.

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

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. There are no other obligations other than contribution to PF Schemes.

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

Standalone financial statements have been presented in Indian Rupees (INR), 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 retranslated at the rates prevailing at that date. 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 thar are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

Subsequent measurement:

i **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii **Financial assets carried at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of (i) & (ii) above categories are subsequently fair valued through profit or loss.

iv **Financial Liabilities:** Financial liabilities are subsequently carried at 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 derecognised when the obligation under the liability is discharged or cancelled or expires. 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

i 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

ii Current tax provision is computed on Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.

iii Provision for current income taxes and advance taxes paid are presented in the balance sheet after offsetting them on an assessment year basis.

iv 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 off set, 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

a) 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 and exclude Value added tax/sales tax and service tax.

b) 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.

c) 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.

d) 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.

e) 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 all elegibility criterias are met out If the grants/assistance are related to subvention of a particular expense, it is deducted form that expense in the year of recognition of government grant / Assistance

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.

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, 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. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. 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, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.19 Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investment in associates are valued at cost less impairment. As per the IND AS 101 first time adoptions of Indian accounting standard, company has opted to continue with the previous GAAP carrying amount.

3.20 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5 PROPERTY, PLANT & EQUIPMENT

(INR in Crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment's	Computers	Temporary Construc-tions	Total	Capital work in progress
Gross carrying value											
As at April 01, 2015	**7.87**	**10.97**	**99.89**	**625.97**	**3.36**	**3.72**	**1.62**	**1.45**	**-**	**754.85**	**26.38**
Additions	-	-	0.18	58.09	0.33	0.40	1.41	0.97	-	61.38	26.73
Disposals	0.31	-	-	4.15	-	0.74	0.05	-	-	5.25	34.74
As at March 31, 2016	**7.56**	**10.97**	**100.07**	**679.91**	**3.69**	**3.38**	**2.98**	**2.42**	**-**	**810.98**	**18.37**
Additions	5.75	-	18.49	60.51	0.62	0.69	4.01	0.55	-	90.62	75.40
Disposals	-	-	-	1.38	-	0.55	0.01	0.01	-	1.95	78.63
As at March 31, 2017	**13.31**	**10.97**	**118.56**	**739.04**	**4.31**	**3.52**	**6.98**	**2.96**	**-**	**899.65**	**15.14**
Depreciation											
As at April 01, 2015											
Depreciation for the year	-	0.34	4.50	52.37	0.60	1.01	1.14	1.05	-	61.01	
Disposals	-	-	-	2.84	-	0.58	0.05	-	-	3.47	
As at March 31, 2016	**-**	**0.34**	**4.50**	**49.53**	**0.60**	**0.43**	**1.09**	**1.05**	**-**	**57.54**	**-**
Depreciation for the year	-	0.35	4.30	48.45	0.55	0.85	0.71	0.71	-	55.92	
Disposals	-	-	-	0.49	-	0.23	-	0.01	-	0.73	
As at March 31, 2017	**-**	**0.69**	**8.80**	**97.49**	**1.15**	**1.05**	**1.80**	**1.75**	**-**	**112.73**	**-**
Net carrying value											
As at April 01, 2015	7.87	10.97	99.89	625.97	3.36	3.72	1.62	1.45	-	754.85	26.38
As at March 31, 2016	7.56	10.63	95.57	630.38	3.09	2.95	1.89	1.37	-	753.44	18.37
As at March 31, 2017	13.31	10.28	109.76	641.55	3.16	2.47	5.18	1.21	-	786.92	15.14

The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:

(INR in Crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment's	Computers	Temporary Constructions	Total
As at April 01, 2015										
Gross block	186.50	13.25	149.12	1,163.83	7.44	10.75	10.55	10.19	1.51	1,553.14
Less : Accumulated depreciation	-	-	48.51	537.86	4.08	7.03	8.93	8.74	1.51	616.66
Less : Amortisation of lease hold land		2.28		-	-	-	-	-	-	2.28
Less : Revaluation reserve	178.63	-	0.72	-	-	-	-	-	-	179.35
Net block	**7.87**	**10.97**	**99.89**	**625.97**	**3.36**	**3.72**	**1.62**	**1.45**	**-**	**754.85**
As at March 31, 2016										
Gross block	186.19	13.25	149.30	1,217.77	7.77	10.41	11.90	11.16	1.51	1,609.26
Less : Accumulated depreciation	-	-	53.01	587.39	4.68	7.46	10.01	9.79	1.51	673.85
Less : Amortisation of lease hold land		2.62		-	-	-	-	-	-	2.62
Less : Revaluation reserve	178.63	-	0.72	-	-	-	-	-	-	179.35
Net block	**7.56**	**10.63**	**95.57**	**630.38**	**3.09**	**2.95**	**1.89**	**1.37**	**-**	**753.44**

Notes:

i. The Company has elected to continue with the carrying value of all of its property, plant and equipment net of revaluation reserve as at the transition date, viz., 1 April 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Land and building revalued during the earlier years and credited to revaluation reserve have been reversed (net of amortisation till 1 April, 2015).

ii. For security details refer note no.17 and 21

iii Amount of expenses preoperative capitalised during the current year in building is Rs.1.28 crore, plant & equipment is Rs.2.50 crore and office equipment's is Rs.0.26 crore (as at 31st March 2016 - Nil; as at 1st April 2015 - Nil) (refer note no.46)

iv For reconciliation of IND AS and previous GAAP refer note no.50

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

6 INVESTMENTS

(INR in Crore)

Particulars		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I	**Non-Current (Unquoted)**			
A	**Investment at cost**			
	Investment in Associate			
	Equity instruments			
	Unquoted equity shares fully paid-up (at cost less impairment)			
	Surya Global Steel Tubes Limited			
	5,00,00,000 (as at 31st March 2016 : 5,00,00,000; as at 1st April 2015 : 5,00,00,000) Equity shares of Rs.10/- each fully paid-up	50.00	50.00	50.00
		50.00	**50.00**	**50.00**
	Aggregate amount of unquoted investment	50.00	50.00	50.00

Note : The above mentioned investment in associate company is given as security by way of pledge of shares in favour of consortium banks of associate company for working capital facilities availed by it.

Additional information

The information about the place of business for significant investments in associates are as follows:

I	**Associates**	**% of shareholding**		
i	Surya Global Steel Tubes Limited	26.99%	26.99%	27.93%

7 OTHER FINANCIAL ASSETS (NON CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, considered good			
Security Deposits	9.00	8.24	7.65
	9.00	**8.24**	**7.65**

8 INVENTORIES (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Raw materials	143.98	155.24	96.40
Work-in-progress	65.50	50.35	37.82
Finished Goods	309.59	244.05	235.01
Stores, spares and Consumable	21.84	20.24	20.29
	540.91	**469.88**	**389.52**

The mode of valuation has been stated in note no.3.6

Inventories are hypothecated as security against borrowings see note no.16 & 20

9 TRADE RECEIVABLES (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, Considered Good	542.13	525.68	530.58
Doubtful	1.73	-	-
	543.86	525.68	530.58
Allowance for doubtful debts	1.73	-	-
	542.13	**525.68**	**530.58**

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:

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Within the credit period	436.89	413.83	440.42
1-180 days past due	75.05	88.86	67.40
181-365 days past due	8.33	9.15	13.54
More than one year	21.86	13.84	9.22
Balance at the end of the year	**542.13**	**525.68**	**530.58**

10 CASH & CASH EQUIVALENTS

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a. Balance with banks			
In Current Accounts	0.12	2.97	0.66
b. Cheques, drafts on hand	18.28	23.24	24.72
c. Cash on hand	0.39	0.63	0.54
Cash and cash equivalents as per statement of cash flow	**18.79**	**26.84**	**25.92**

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balance with banks			
Unpaid dividend	0.41	0.42	0.43
	0.41	**0.42**	**0.43**

Notes:

i The Company has not entered into any Non-cash transactions during the reported year(s)

ii Earmarked against the corresponding provision refer note no.23

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

12 OTHER FINANCIAL ASSETS (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Receivables from vendors	39.41	33.68	26.97
	39.41	**33.68**	**26.97**

13 CURRENT TAX ASSETS (NET)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current Tax asset (net)	1.95	2.42	1.05
	1.95	**2.42**	**1.05**

14 OTHER CURRENT ASSETS

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Considered Good, Unless Otherwise Stated			
MAT Receivable	32.53	32.89	35.49
Recoverable from government authorities	36.14	35.63	28.80
Balances with statutory authorities	8.75	7.13	9.89
Prepaid expenses	5.17	3.62	5.32
Advances recoverable	12.85	8.71	7.84
	95.44	**87.98**	**87.34**

15 SHARE CAPITAL

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I Equity Share Capital			
Authorised			
4,98,00,000 (as at 31st March 2016 : 4,98,00,000; as at 1st April 2015 : 4,98,00,000) Equity Shares of Rs. 10/- each with voting rights	49.80	49.80	49.80
Issued, subscribed and fully paid up Equity share capital			
4,38,31,250 (as at 31st March 2016 : 4,38,31,250; as at 1st April 2015 :4,38,31,250) Equity Shares of Rs. 10/- each with voting rights	43.83	43.83	43.83
	43.83	43.83	43.83

During the current year & in the previous year, there have been no movement in the number of outstanding equity shares

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
II Preference share capital			
Authorised			
6,20,000 (as at 31st March 2016 : 6,20,000; as at 1st April 2015 : 6,20,000) Preference shares of Rs. 100/- each	6.20	6.20	6.20

There are no issued, subscribed and fully paid up preference share capital

III Terms / rights attached to equity shares

The company has one class of equity shares having at par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. 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 2017		As at 31st March 2016		As at 1st April 2015	
	Number of shares held	% holding in that class of shares	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	12.86	56,37,500	12.86	56,37,500	12.86
Cubitex Marketing Private Limited	48,61,000	11.09	48,61,000	11.09	47,61,000	10.86
Shreyansh Mercantile Private Limited	31,78,000	7.25	31,78,000	7.25	31,78,000	7.25
Sahaj Tie-Up Private Limited	31,16,250	7.11	31,16,250	7.11	19,16,250	4.37

16 OTHER EQUITY

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a. Capital redemption reserve	**3.00**	**3.00**	**3.00**
b. Securities premium account	**140.95**	**140.95**	**140.95**
c. Forfeiture reserve	**17.63**	**17.63**	**17.63**
d. General reserve			
Balance at the beginning of the financial year	54.36	48.36	48.36
Add: transferred during the financial year	6.00	6.00	-
Balance at the end of the financial year	**60.36**	**54.36**	**48.36**
e. Surplus in the statement of profit and loss			
Balance at the beginning of the financial year	433.09	381.25	381.25
Addition during the financial year	66.22	63.10	-
	499.31	444.35	381.25
Transfer to General reserves	(6.00)	(6.00)	-
Dividend of previous years	(4.38)	(4.38)	-
Tax on Dividend	(0.90)	(0.88)	-
	(11.28)	**(11.26)**	**-**
	488.03	**433.09**	**381.25**
f. Other comprehensive income / (Loss) for the year			
Balance at the beginning of the financial year	(1.40)	-	-
Reassessment of defined benefit liabilities	(3.05)	(1.40)	-
	(4.45)	**(1.40)**	**-**
Balance at the end of the Financial year	**705.52**	**647.63**	**591.19**

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. **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 Act.

c. **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 & Disclosure Requirements) Regulations, 2009

d. **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.

e. **Dividend**
Proposed Dividend on Equity Shares is subject to approval at annual general meeting and not recoginised as liability.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

17 BORROWINGS

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured			
Term Loans from Banks			
Rupee Loans	39.35	110.19	272.73
Foreign Currency Loans	258.10	220.62	159.39
Term Loans From Financial Institutions			
Rupee Loans	42.66	51.00	-
	340.11	**381.81**	**432.12**
Less : Loan repayment within one year	34.53	49.03	67.84
	305.58	**332.78**	**364.28**

Term Loans are secured by way of first pari-passu charge on all fixed Assets of the Company including equitable mortgage of Land & Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present & future and personal guarantee of the Chairman of the Company.

a Rupee Term Loans from banks aggregating Rs.39.35 crore (as at 31.03.2016 Rs.110.19 crore; as at 01.04.2015 Rs.272.73 crore) are payable in 28 (maximum) quarterly installments, with last repayment date 30th September,2025, carrying floating interest rate linked with MCLR of respective banks ranging from MCLR + 80 bps to 90 bps spread with periodical interest reset.

b Rupee term loans from financial institutions of Rs.42.66 crore (as at 31.03.2016 Rs.51.00 crore; as at 01.04.2015 Rs. Nil crore) are repayable maximum up to 22 quarterly installments with last repayment date 1st September 2022, carrying interest rate linked with 1 year G-sec.+275 bps spread with periodical interest reset.

c Foreign Currency Term Loan from banks aggregating Rs.258.10 crore (as at 31.03.2016 Rs.220.62 crore; as at 01.04.2015 Rs.159.39 crore) are payable in 28 (maximum) quarterly installments, with last repayment date 30th September,2025, carrying floating interest rate ranging from LIBOR + 200 bps to 275 bps spread with periodical interest reset.

18 OTHERS FINANCIAL LIABILITIES (NON CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security Deposit	8.93	7.81	7.03
	8.93	**7.81**	**7.03**

19 PROVISION (NON CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for employee benefits			
Gratuity (refer note 47)	25.56	19.37	15.81
Compensated absences (refer note 47)	6.18	4.02	3.40
	31.74	**23.39**	**19.21**

20 DEFERRED TAX LIABILITIES

(INR in Crore)

Particulars	As at March 31, 2016	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	3.17		64.60
Sub- (a)	**61.43**	**3.17**	**-**	**64.60**
Deferred Tax Assets				
Provision for employee benefit	9.08	1.57	1.62	12.27
Sub- (b)	**9.08**	**1.57**	**1.62**	**12.27**
Net Deferred Tax Liability (a-b)	**52.35**	**1.60**	**(1.62)**	**52.33**

(INR in Crore)

Particulars	As at April 1, 2015	Recognized in P & L	Recognized in OCI	As at March 31, 2016
Deferred tax liabilities / assets are attributable to the following items;				
Deferred Tax Liabilities				
Property, plant and equipment	58.73	2.70		61.43
Sub- (a)	**58.73**	**2.70**	**-**	**61.43**
Deferred Tax Assets				
Provision for employee benefit	7.43	0.92	0.73	9.08
Sub- (b)	**7.43**	**0.92**	**0.73**	**9.08**
Net Deferred Tax Liability (a-b)	**51.30**	**1.78**	**(0.73)**	**52.35**

21 BORROWINGS (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured measured at amortised cost			
Loans Repayable on Demand			
From Banks			
Rupee Loans	232.40	513.18	480.52
Foreign currency Loans	118.60	-	-
Commercial paper	195.00	-	35.00
	546.00	**513.18**	**515.52**

Working Capital Loans are secured against Company's entire Current Assets both present and future and further secured by way of second charge on all Fixed Assets of the Company including equitable mortgage of Land & Building and personal guarantee of the Chairman of the Company. The commercial paper(s) carrying interest rate from 6.55% to 7.05%, rupee loans linked with MCLR of respective banks ranging from MCLR + 10 to 90 bps spread and foreign currency loan from LIBOR + 200 to 275 bps spread.

22 TRADE PAYABLES

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
outstanding dues of micro enterprises and small enterprises	6.87	7.97	7.65
outstanding dues other than micro enterprises and small enterprises	252.17	206.55	170.67
	259.04	**214.52**	**178.32**
I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company as under:			
(I) The Principal amount and the interest due thereon remaining unpaid to any supplier.			
Principal Amount :	6.87	7.97	7.65
Interest :	Nil	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	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	Nil
(iv) The amount of interest accrued and remaining unpaid for the year ending.	Nil	Nil	Nil
(v) The amount of further interest remaining due and payable for the earlier years.	Nil	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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

23 OTHER FINANCIAL LIABILITIES (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current maturities of long-term borrowings (refer note 17)	34.53	49.03	67.84
Interest accrued but not due on borrowings	2.03	3.00	4.92
Unpaid dividends*	0.41	0.42	0.43
Payable to employees	20.92	19.55	13.81
Expenses Payable	26.48	24.31	10.08
	84.37	**96.31**	**97.08**

Note:
* There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund as at 31st March 2017.

24 OTHER LIABILITIES (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advances from customers	6.83	7.60	6.36
Duties and Taxes payable	23.22	21.16	14.16
Excise duty on closing stock	11.78	3.92	2.94
	41.83	32.68	23.46

25 PROVISIONS (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for employee benefits			
Gratuity (refer note 47)	2.37	1.74	1.41
Compensated absences (refer note 47)	0.98	0.77	0.51
	3.35	**2.51**	**1.92**
Other Payables			
Warranty payable (refer note 43)	16.36	7.16	6.50
	16.36	**7.16**	**6.50**
	19.71	**9.67**	**8.42**

26 CURRENT TAX LIABILITY

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current Tax liability (net)	1.22	2.80	1.05
	1.22	2.80	1.05

27 INCOME TAX

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a) Income tax recognized in profit or loss		
Current tax expense	19.11	21.91
Deferred tax expense		
Origination and reversal of temporary differences	1.60	1.78
Total Tax Expenses	**20.71**	**23.69**
b) Reconciliation of effective tax rate		
Profit before tax	**86.93**	**86.79**
Domestic tax rate	34.608%	34.608%
Tax using the Company's domestic tax rate	30.08	30.04
Increase / reduction in Taxes on account of		
Income not taxable / exempt from tax	(9.86)	(6.83)
Other non deductible expenses	0.50	0.48
Income tax expenses charged to statement of profit and loss	20.71	23.69

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2017 and March 31, 2016 is as follows:

During the year ended March 31, 2017 and March 31, 2016, company has taken deduction/ availed exemption;

a) Under section 32AC of the Income-Tax Act, 1961 @ 15% on New Plant & Machinery installed during 2016-17 and 2015-16,

b) Under section 80-IC of the Income-Tax Act on 30% Profits of eligible industrial undertaking.

c) Deduction of expenses @ 200% in accordance with the provisions of Section 35(2AB) of the Income-Tax Act, 1961 on Research & Development Unit of the Company.

During the year ended March 31, 2017, company has taken deduction 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.

28 REVENUE FROM OPERATIONS

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Revenue from Operations includes		
a. Sale of products (including excise duty);		
i. Steel Pipe & Strips	2,051.63	1,811.07
ii. Lighting & consumer durables	1,332.36	1,356.06
	3,383.99	**3,167.13**
b. Sale of services	9.19	6.22
	9.19	6.22
c. Other operating revenue;		
i. Investment promotion assistance (refer note no.44)	11.76	9.78
ii. Export Incentives & claims	7.89	13.37
	19.65	**23.15**
	3,412.83	**3,196.50**

Note : The amount of sale of products includes excise duty of Rs.267.36 crores (previous year Rs.232.34 crores)

29 OTHER INCOME

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Interest Income from financial assets measured at amortised cost	0.51	1.18
b. Profit on Sale of property, plant and equipment	0.09	0.65
c. Miscellaneous Income	0.16	0.02
	0.76	**1.85**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

30 COST OF MATERIALS CONSUMED

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Raw Materials (Imported)	144.49	149.28
b. Raw Materials (Indigenous)	1,880.17	1,766.67
c. Packing Materials Consumed	40.97	48.96
	2,065.63	**1,964.91**

31 PURCHASE OF STOCK IN TRADE

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Purchase / Outsourced Materials	344.64	229.93
	344.64	**229.93**

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

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Inventories at the end of the year		
Finished goods	309.59	244.05
Work in Progress	65.50	50.35
	375.09	**294.40**
Inventories at the beginning of the year *		
Finished goods	244.05	235.76
Work in Progress	50.35	37.07
	294.40	**272.83**
* Inventories from trial run operations (refer note : 46)	21.06	-
	315.46	**272.83**
	(59.63)	**(21.57)**

33 EMPLOYEE BENEFIT EXPENSES

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Salaries, wages and bonus	186.10	172.99
b. Contribution to provident & other funds (Refer Note 47)	9.55	8.75
c. Staff welfare expenses	3.99	3.92
	199.64	**185.66**

34 FINANCE COST

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Interest expenses on financial liabilities at amortised cost	83.23	92.01
b. Other borrowing cost		
i. Bank Charges	4.51	4.42
	87.74	**96.43**

35 DEPRECIATION AND AMORTIZATION EXPENSES

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Depreciation on Tangible Assets (Refer Note 5)	55.92	61.01
	55.92	**61.01**

36 OTHER EXPENSES

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Consumption of Stores and Spares	20.38	21.09
b. Power, fuel and water charges	58.07	65.95
c. Repairs & maintenance :		
- plant and machinery	1.65	1.55
- buildings	0.26	0.25
- others	0.31	0.29
d. Warranty Cost (Refer note 43)	45.32	47.42
e. Commission on Sales	5.89	10.56
f. Advertisement and Publicity	11.56	12.51
g. Outward Freight Charges	95.11	91.06
h. Allowance for doubtful debts / bad debts W/off	1.73	0.92
i. Foreign currency fluctuations	0.32	-
j. Rent	8.71	7.78
k. Rates & Taxes	0.71	0.22
l. Insurance	1.48	1.20
m. Postage, Telegraph and Telephone	2.49	2.40
n. Printing & Stationery	1.36	1.44
o. Travelling and Conveyance	17.49	15.93
p. Staff Recruitment and Training Expenses	0.11	0.27
q. Loss on discard / disposal of property, plant & equipment	0.03	0.16
r. Corporate social responsibility expenses (refer note 40)	1.44	1.35
s. Miscellaneous expenses	90.79	80.38
t. Auditor's Remuneration (excluding service tax input credit)		
- for audit	0.09	0.07
- for tax audit	0.02	0.02
- for certification work	0.01	0.01
- for reimbursement of out of pocket expenses	0.02	0.02
	365.35	**362.85**

37 OTHER COMPREHENSIVE INCOME

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Items that will not be reclassified to profit or loss		
i. Remeasurements of the defined benefit plans	(4.67)	(2.13)
ii Income tax relating to items that will not be reclassified to profit or loss		
Related to remeasurements of the defined benefit plans	1.62	0.73
b. Items that will be reclassified to profit or loss	-	-
	(3.05)	**(1.40)**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

38 EARNING PER SHARE

(INR in Crore)

Particulars			Year ended 31st March 2017	Year ended 31st March 2016
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	4,38,31,250	4,38,31,250
B	Weighted average equity shares outstanding - Basic and Diluted	No's	4,38,31,250	4,38,31,250
C	Net profit available to equity holders of the Company used in the basic and diluted earnings per equity share		66.22	63.10
	Basic Earning per equity share (C/B)	Per / Rs.	15.11	14.40
	Diluted Earning per equity share (C/B)	Per / Rs.	15.11	14.40
	Face Value per Equity Share	Rs.	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 cancellable and are usually renewable by mutual consent 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:

(INR in Crore)

Particulars		Year ended 31st March 2017	Year ended 31st March 2016
A	Gross amount required to be spent by the Company during the year	1.44	1.35
B	Amount spent during the year		
	i Construction/ acquisition of asset	NIL	NIL
	ii On purpose other than (i) above –		
	(a) Rural Development	1.28	1.14
	(b) Naturopathy	0.10	0.14
	(c) Other administrative expenses	0.06	0.07
		1.44	**1.35**

The above amount spent through Surya Foundation

41 CONTINGENT LIABILITIES

(INR in Crore)

Particulars		Year ended 31st March 2017	Year ended 31st March 2016
I	**Guarantees**		
	Bank Guarantees issued by banks for which counter guarantee given by the Company	138.88	102.99
II	**Other contingent liabilities**		
	Bonds Executed by the Company to Custom Department against export obligation under EPCG Scheme	18.69	16.65
III	Claims against the company not acknowledged as debt	1.90	1.93

It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

42 COMMITMENTS

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Estimated amount of contract remaining to be executed on capital account (Property, Plant and Equipment) and not provided for	7.05	7.18

43 MOVEMENT IN WARRANTY PAYABLE

Movement in warranty payable during the financial year is provided below:

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
As at beginning of the year	7.16	6.50
Arising During the Year	45.32	47.42
Utilised during the year	36.12	46.76
Closing balances as at	16.36	7.16

44 GOVERNMENT GRANT

Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2004 (MPIIPAS-2004)

The Company has made investment of Rs. 122.11 Crores in the eligible investment period as per the provisions of Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2004 (Scheme) by establishing manufacturing facilities for ERW Pipes etc. (under diversification) and expansion in its CFL facilities at Malanpur a notified backward district of Madhya Pradesh.

The Company has been sanctioned assistance to the extent of aforesaid investment by way of exemption from Entry-tax for 5 Years on procurement and 75% assistance of VAT/CST deposited for 10 Years from 28th March, 2010 to 27th March, 2020.

The Company has recognized revenue of Rs.3.84 Crores during the year (Rs.26.43 Crores up to 31st March, 2017) on satisfying the conditions mentioned under the said scheme.

Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2010 (MPIIPAS-2010)

The Company has also made further investment of Rs.80.62 Crores up to 31st March, 2017 as per the provisions of ongoing scheme of Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2010 (Scheme) for expansion in ERW Pipes and for production of LED products (Lamps, Street lights, Tube lights, Down-lighters, Drivers and Fittings) at Malanpur a notified backward district of Madhya Pradesh. As per the provisions of this Scheme, Company is further eligible to make investment up to 31st March, 2018 subject to compliances associated with the said scheme.

The Company has been sanctioned assistance to the extent of aforesaid investment by way of exemption from Entry-tax for 5 Years on procurement and 75% assistance of VAT/CST deposited for 10 Years from 2nd March, 2015 to 1st March, 2025.

The Company has recognized revenue of Rs.7.79 Crores during the year (Rs.13.00 Crores up to 31st March, 2017) on satisfying the conditions mentioned under the said scheme.

Andhra Pradesh Industrial Investment Policy (IDP) 2015-2020

The Company has set-up new ERW steel pipe manufacturing unit at Hindupur District Ananthapuram a backward district of Andhra Pradesh at a Capital investment of Rs.59.65 Crores in the financial year 2016-17. As per Andhra Pradesh Industrial Development Policy (IDP) 2015-2020 the said unit is entitled for from the date of commencement i.e. 1st March, 2017, the following benefits which are as follows:

1 Refund of Stamp Duty on purchase of land amounting to Rs.0.18 Crore.

2 Partial re-imbursement of power cost@ Re 1.00 per unit for a period of five years (i.e. up to 28th February, 2022). During the year amount recognized is Rs.0.04 Crore.

3 Company has been sanctioned assistance to the extent of aforesaid investment by way of 50% assistance of VAT/CST/SGST deposited for 7 Years from 1st March, 2017 to 29th February, 2024. The Company has recognized revenue of Rs.0.13 Crores during the year on satisfying the conditions mentioned under the said scheme.

45 DISCLOSURE OF LOANS AND INVESTMENT AS PER REGULATION 33, 34 READ WITH SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015 OF LISTING REGULATION WITH THE STOCK EXCHANGES:

(INR in Crore)

Particulars	As at 31st March 2017	Maximum Investment during the Year ended March 31, 17
Investment in Equity Shares		
Associate		
Surya Global Steel Tubes Limited	50.00	50.00
Total	**50.00**	**50.00**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

46 PRE-OPERATIVE EXPENSES CAPITALISED DURING THE YEAR

The Company has set-up newly ERW steel Pipes manufacturing unit at Hindupur District Ananthapuram a backward district of Andhra Pradesh in the financial year 2016-17 at a Capital Investment of Rs. 59.65 crore including the capitalisation of following pre-operative expenses:

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Raw materials consumed	31.77	-
Employee benefits	2.18	-
Borrowing cost	1.76	-
Other expenses		
Power charges	0.55	
Excise duty	4.69	
Outward freight	0.94	
Others	2.50	-
Total	**44.39**	**-**
Less: recoveries/ recoverable includes stock amount Rs.21.06 crore as on the date of commercial operation transfer to changes in inventories refer note : 32	40.35	-
Total	**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:

Particulars	Valuation as at		
	31st March,17	31st March,16	1st April,15
Attrition rate for various ages in %	1.00 to 3.00	1.00 to 3.00	1.00 to 3.00
Discount Rate in %	7.50	8.00	8.50
Expected Rate of increase in salary in %	4.00	3.00	3.00
Mortality rate	100% of Indian Assured Lives Mortality (2006-08)	100% of Indian Assured Lives Mortality (2006-08)	100% of Indian Assured Lives Mortality (2006-08)
Expected Average remaining working lives of employees (years)	17.27	16.88	17.89

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.

Amount recognised in the statement of Profit and Loss:

(INR in Crore)

Particulars	Year ended 31st March 2017		Year ended 31st March 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current Service cost	2.02	1.05	1.58	0.76
Interest cost	1.69	0.38	1.46	0.33
Remeasurement - Actuarial loss/(gain)	-	1.68	-	0.86
Expenses recognised in the statement of Profit and Loss	**3.71**	**3.11**	**3.04**	**1.95**

Component of defined benefit costs recognised in other comprehensive income

(INR in Crore)

Particulars	Gratuity	
	Year ended 31st March 2017	Year ended 31st March 2016
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising from changes in Financial assumptions	3.27	0.85
Actuarial loss / (gain) arising from experience adjustment	1.40	1.27
Actuarial loss / (gain) arising on plan asset	**-**	**0.01**
Component of defined benefit costs recognised in other comprehensive income	**4.67**	**2.13**

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:

(INR in Crore)

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Current provision	2.37	0.98	1.74	0.77	1.41	0.51
Non-current provision	25.56	6.18	19.37	4.02	15.81	3.40
Total provision	**27.93**	**7.16**	**21.11**	**4.79**	**17.22**	**3.91**

Movement in Obligation:

(INR in Crore)

Particulars	Year ended 31st March 2017		Year ended 31st March 2016	
	Gratuity (partly funded)	Compensated absences (Unfunded)	Gratuity (partly funded)	Compensated absences (Unfunded)
Present value of obligation as at the beginning of the period	21.13	4.79	17.32	3.91
Current service cost	2.02	1.05	1.58	0.76
Interest cost	1.69	0.38	1.47	0.33
Benefits paid	(1.57)	(0.74)	(1.35)	(1.07)
Actuarial loss / (gain) arising from changes in Financial assumptions	3.27	0.92	0.85	0.20
Actuarial loss / (gain) arising from experience adjustment	1.40	0.76	1.26	0.66
Present value of obligation as at the end of the period	**27.94**	**7.16**	**21.13**	**4.79**

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

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Opening fair value of plan assets	0.02	0.10
Interest income	-	-
Return on plan assets (excluding amounts included in net interest expenses)	-	(0.01)
Benefits paid	-	(0.09)
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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

(INR in Crore)

Particulars	Year ended 31st March 2017		Year ended 31st March 2016	
	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	(2.27)	(0.64)	(1.70)	(0.40)
One percentage point decrease in discount rate	2.43	0.69	1.82	0.43
One percentage point increase in salary growth rate	2.50	0.72	1.90	0.45
One percentage point decrease in salary growth rate	(2.35)	(0.67)	(1.79)	(0.42)
One percentage point increase in withdrawals rate	0.62	0.19	0.50	0.12
One percentage point decrease in withdrawals rate	(0.69)	(0.22)	(0.52)	(0.13)

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.

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Maturity profile of Defined Benefit Obligation As at March 31, 2017

(INR in Crore)

Particulars	Gratuity	Compensated absences	Gratuity	Compensated absences
01 Apr 2017 to 31 Mar 2018	2.36	0.98	1.74	0.77
01 Apr 2018 to 31 Mar 2019	0.43	0.27	1.40	0.23
01 Apr 2019 to 31 Mar 2020	0.60	0.46	1.05	0.18
01 Apr 2020 to 31 Mar 2021	1.10	0.39	1.25	0.29
01 Apr 2021 to 31 Mar 2022	1.31	0.32	1.14	0.27
01 Apr 2022 to 31 Mar 2023	1.49	0.29	1.24	0.21
01 Apr 2023 Onwards	20.64	4.46	13.31	2.84

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:

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. R.N. Maloo	ED & Group CFO
4	Mr. Ramanjeet Singh (w.e.f. 6th August,15)	CEO-Lighting Operations
5	Mr. Tarun Baldua	CEO- Steel Operations
6	Mr. B B Singal	Sr. VP & Company Secreatry

2 **Entities where key management personnel and their relatives exercise significant influence**

S.No.	Entities	Principal activities
1	Surya Global Steel Tubes Limited	Manufaturer ERW, Spiral welded steel Pipes

3 **Relatives of key management personnel where transactions have taken place**

S.No.	Name of Relatives	Relationship
1	Mrs. Urmil Agarwal (w.e.f. 19 December, 2016)	Spouse of Mr. Jai Prakash Agarwal
2	Mr. Rajesh Bista	Brother of Mr. Raju Bista

4 **Associate**

S.No.	Name of the entity in the group	Principal place of operation /Country of Incorporation	Principal activities	% Shareholding / Voting Power	
				As at 31st March, 17	As at 31st March, 16
1	Surya Global Steel Tubes Limited	India	Manufacturer of ERW, API, Spiral welded Steel Pipes	26.99	26.99

The Board of Directors of the Company (Transferee Company) and Associate Company (Transferor Company) have approved the draft scheme of arrangement in respect of amalgamation between them on 8th June 2016 from the appointed date of 1st April 2016. On receiving of No Observation Letter(s) from NSE and BSE, Petition has been filed before the Hon'ble National Company Law Tribunal (NCLT) Chandigarh Bench for approval of the same. The proceeding are underway as on reporting date.

5 **Trust under Common Control**

S.No.	Name of the entity in the group	Principal place of operation /Country of Incorporation	Principal activities
1	Surya Roshni Limited Employee's Group Gratuity Scheme	India	Company's Employee gratuity trust

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

(INR in Crore)

S.No.	Nature of transaction/ relationship	Year ended March 31, 2017	Year ended March 31, 2016
i.	Purchase of Goods/RM/Stores/others		
	Surya Global Steel Tubes Limited	186.57	211.43
ii.	Sales of Goods/RM/Stores/others		
	Surya Global Steel Tubes Limited	14.00	5.00
iii.	Purchase of property, plant and equipment		
	Surya Global Steel Tubes Limited	0.05	NIL
iv.	Sale of property, plant and equipment		
	Surya Global Steel Tubes Limited	0.58	0.22
v.	Payment of Salaries, commission and perquisites		
	Mr. Jai Prakash Agarwal	2.40	0.81
	Mr. Raju Bista	1.80	0.63
	Mr. R.N. Maloo	0.53	0.51
	Mr. Ramanjeet Singh	0.90	0.58
	Mr. Tarun Baldua	0.79	0.62
	Mr. B B Singal	0.25	0.22

Compensation of Key Management Personnel of the Company

(INR in Crore)

S.No.	Nature of transaction/ relationship	Year ended March 31, 2017	Year ended March 31, 2016
i.	Short-Term benefits (see notes below)	6.67	3.37
	Total	**6.67**	**3.37**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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.

vi. Payment of Salaries and perquisites to relatives of KMP

Mr. Rajesh Bista	0.07	0.06

vii. Director sitting Fee's

Mrs. Urmil Agarwal	0.003	N.A.
Krishan Kumar Narula	0.05	0.05
Ravinder Kumar Narang	0.03	0.03
Utpal Kumar Mukhopadhyay	0.03	0.02
Tara shankar Bhattacharya	0.02	0.01
Sudhanshu Kumar Awasthi	0.01	0.02
Surendra Singh Khurana	0.01	0.02
Rajeev Kumar Sinha (IDBI Nominee)	0.01	0.01
Mukesh Tripathi	-	-
Dr. Salila Tewari #	0.02	0.01

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

7. Balance at the end of the year

(INR in Crore)

Nature of transaction/ relationship	As at March 31, 2017	As at March 31, 2016	As at 1st April, 2015
Investment in Associate			
Surya Global Steel Tubes Limited	50.00	50.00	50.00

The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

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 & strips (comprises Steel pipes and cold rolled strips)

2 Lighting & consumer durables (comprises Lamps, fittings, fans, 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.

I. Segment revenues and results

(INR in Crore)

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
Segment revenue	Steel Pipe & Strips	2,063.76	1,827.38
	Lighting & consumer durables	1,349.07	1,369.12
		3,412.83	**3,196.50**
Segment profit (earning before interest and taxes)	Steel Pipe & Strips	57.86	45.00
	Lighting & consumer durables	116.81	138.22
		174.67	**183.22**
Finance costs		87.74	96.43
Profit before tax		**86.93**	**86.79**
Tax expense		20.71	23.69
Profit after tax		**66.22**	**63.10**

Note:

i. Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2015-16 Rs. Nil)

II. Segment Assets and Liabilities

(INR in Crore)

Particulars		As at 31st March 17	As at 31st March 16	As at 1st April 15
Segment assets	Steel Pipe & Strips	1,103.87	1,045.58	1,053.99
	Lighting & consumer durables	911.75	846.06	760.16
Total Segment assets		**2,015.62**	**1,891.64**	**1,814.15**
	Unallocated	84.48	85.31	86.54
		2,100.10	**1,976.95**	**1,900.69**
Segment liabilities	Steel Pipe & Strips	205.54	168.77	156.36
	Lighting & consumer durables	205.55	166.58	109.32
Total Segment Liabilities		**411.09**	**335.35**	**265.68**
	Unallocated	939.66	950.14	999.99
		1,350.75	**1,285.49**	**1,265.67**

Notes :

i. Unallocated assets are comprises investment in associate company, income tax refundable etc.

ii. Unallocated liabilities are comprises borrowings, provision for income tax, deferred tax etc.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

iii. All assets are allocated to reportable segments other than investments in associate, current tax assets and other current assets.

iv. All liabilities are allocated to reportable segments other than borrowings, current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable and allocated in proportion to segment assets.

III. Other segment information

(INR in Crore)

Particulars		As at 31st March 17	As at 31st March 16	As at 1st April 15
Cost incurred on acquisition of tangible assets	Steel Pipe & Strips	72.12	27.03	44.11
	Lighting & consumer durables	15.27	26.34	22.64
		87.39	**53.37**	**66.75**
Depreciation and amortisation expense	Steel Pipe & Strips	35.36	38.70	37.08
	Lighting & consumer durables	**20.56**	**22.31**	**18.96**
		55.92	61.01	56.04

IV. Revenue from major products and services

(INR in Crore)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Steel Pipe & Strips	2,063.76	1,827.38
Lighting & consumer durables	1,349.07	1,369.12
Total	**3,412.83**	**3,196.50**

V. 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:

a. Revenue from customers

(INR in Crore)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Within India	3,153.94	2,919.55
Outside India	258.89	276.95
Total	**3,412.83**	**3,196.50**

b. Non-current assets

(INR in Crore)

Particulars		As at 31st March 17	As at 31st March 16	As at 1st April 15
Non-Current Assets	Within India	802.06	771.81	781.23
	Outside India	Nil	Nil	Nil
		802.06	771.81	781.23

VI. Information about major customers

Company has no single customer from whom the revenue is not less than 10 % of the revenue from extenrnal customers of the company

50 TRANSITION TO IND AS

Basis of preparation

For all period up to and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2017 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

Accordingly, the Company has prepared financial statements which comply with IND AS applicable for periods beginning on or after April 1, 2015 as described in the accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2015 the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as at April 1, 2015 and its previously published Indian GAAP financial statements for the quarter ended March 31, 2016 and year ended March 31, 2016.

Exemptions Applied

IND AS 101 First-time adoption of Indian Accounting Standards allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2015 opening balance sheet.

Following exceptions to the retrospective application of other IND AS as per Appendix B of IND AS 101.

1 Embedded derivatives – The Company has assessed whether an embedded derivative is required to be separated from the host contract and as per assessment no material embedded derivative is identified and hence no embedded derivative is accounted for.

Following exemptions availed from other IND AS as per Appendix D of IND AS 101.

1 Deemed cost for Property, Plant and Equipment (PPE) – The Company has elected to measure items of PPE at the date of transition to IND AS to continue with the previous carrying GAAP value.

   Life and salvage value of assets has been revisited on transition date and revised estimated life less life expired on date of transition has been considered as revised life for all assets. The impact of change in life and salvage value is provided in Note no 5.

2 Under previous GAAP, company was carrying assets at revaluation assessed to fair value assets with corresponding increase in revaluation reserve. On transition to IND AS the Company has elected not to carry those assets at revaluation done under previous GAAP and those assets are carried on at previous carrying GAAP value excluding revaluation amount. On transition revaluation reserve has been adjusted against retained earnings. The impact of such measurement is provided in summary of effect of transition.

3 Long Term Foreign Currency Monetary Items

   The Company has opted to continue the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first IND AS financial reporting period as per the previous GAAP, accordingly the Company has continued the capitalised of forex on long term loan outstanding on the date of transition i.e. April 1, 2015 and such capitalised amount is amortised over the remaining useful life of the asset.

4 Investments in associates

   The Company has recognized the investment in associate at previous GAAP carrying value on the date of transition.

5 The Company has decided to disclose prospectively from the date of transition the following as required by IND AS 19

   i The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan, and

   ii The experience adjustments arising on;

   a) The plan liabilities expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period; and

   b) The plan assets expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period.

   Under previous GAAP the Company was considering leave encashment as defined benefit plan as there was not difference in previous GAAP for accounting of experience adjustments and impact of change in actuarial assumption. On transition to IND AS, the Company has considered leave encashment as short term benefit and consequently experience adjustments and impact of change in actuarial assumption is accounted in P & L.

6 The Company has applied the transition provision in Appendix C of IND AS 17, "Determining whether an arrangement contains a Lease", and has assessed all arrangement as at the date of transition.

7 Fair value of financial assets and liabilities

   The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities which are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.

Impact of transition to IND AS

The following is summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to IND AS.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Reconcilation of Balance Sheet as at April, 2015

Particulars	Regrouped As per IGAAP As At 31st March, 2015	Adjustments	IND AS Adjustment Note No.	As per Ind-AS As at 1st April, 2015
I ASSETS				
1 Non-current assets				
a Property, plant and equipment	936.48	(181.63)	I, II & III	754.85
b Capital work-in-progress	26.38	-		26.38
c Financial assets				
i Investments	50.00	-		50.00
ii Other financial assets	7.29	0.36	III	7.65
2 Current assets				
a Inventories	389.52	-		389.52
b Financial assets				
i Trade receivables	530.58	-		530.58
ii Cash and cash equivalents	25.92	-		25.92
iii Bank balances other than (ii) above	0.43	-		0.43
iv Other financial assets	26.97	-		26.97
c Current tax assets (Net)	1.05	-		1.05
d Other current assets	87.34	-		87.34
Total	**2,081.96**	**(181.27)**		**1,900.69**
II EQUITY AND LIABILITIES				
Equity				
Equity share capital	**43.83**	**-**		**43.83**
Other equity	**767.20**	**(176.01)**	**I, II & IV**	**591.19**
LIABILITIES				
1 Non-current liabilities				
a Financial liabilities				
i Borrowings	364.28	-		364.28
ii Other financial liabilities	7.03	-		7.03
b Provisions	19.21	-		19.21
c Deferred tax liabilities (Net)	51.30	-		51.30
2 Current liabilities				
a Financial liabilities				
i Borrowings	515.52	-		515.52
ii Trade payables	178.32	-		178.32
iii Other financial liabilities	97.08	-		97.08
b Other current liabilities	23.46	-		23.46
c Provisions	13.68	(5.26)	IV	8.42
d Current tax liabilities (net)	1.05	-		1.05
Total	**2,081.96**	**(181.27)**		**1,900.69**

Note No.	IND AS Adjustments	Impact in Amount
I	Reversal of revaluation reserve	179.35
II	Amortisation of premium on lease hold land	1.92
III	Recognised security deposit part of lease hold land to non current financial assets	0.36
IV	Reversal of proposed dividend of financial year ended 31st March 2015	5.26

Reconciliation of other equity as at April 1, 2015

(INR in Crore)

Particulars	Retained Earnings	Capital Reserve	Capital Redemption Reserve	Forfeiture Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Total other equity
As at April 1, 2015 (IGAAP) (A)	377.40	0.50	3.00	17.63	140.95	48.36	179.36	**767.20**
Adjustments								-
Less: De-recognition of Revaluation Reserve							(179.36)	**(179.36)**
Add: De-recognition of proposed dividend including DDT	5.26							**5.26**
Amortisation of Lease hold land	(1.91)							**(1.91)**
Government Grants recognized as Retained Earnings	0.50	(0.50)						-
Total IND AS adjustments (B)	3.85	(0.50)	-	-	-	-	(179.36)	**(176.01)**
As at April 1, 2015 (Ind AS) (A) + (B)	**381.25**	**-**	**3.00**	**17.63**	**140.95**	**48.36**	**-**	**591.19**

Principal differences between IND AS and Indian GAAP

Measurement and recognition difference for year ended March 31, 2016

1 **Property, Plant and Equipment**

i. **Asset carried at Deemed cost in IND AS**

On transition to IND AS , Company has opted to continue with the previous carrying GAAP value at the transition date of Property, Plant & Equipment.

ii. The Company has not elected to carry assets at revaluation done under previous GAAP, revaluation reserve carrying value of Rs.179.35 crores has been adjusted against retained earnings on transition.

2 **Financial instruments**

i. **Derivative financial instruments**

Under Indian GAAP, derivative contracts are measured at fair value at each balance sheet date to the extent of any reduction in fair value, and the loss on valuation is recognised in Statement of Profit and Loss. A gain on valuation is only recognised by the Company if it represents the subsequent reversal of an earlier loss. Also under IGAAP premium on forward contracts are amortised over the contract period and fair value was calculated excluding the premium.

Under IND AS, both reductions and increases to the fair values of derivative contracts are recognised in profit & loss.

Premium is not separately accounted and amortised.

ii **Fair valuation of financial assets and liabilities**

Under Indian GAAP, receivables and payables were measured at transaction cost less allowances for impairment, if any.

Under IND AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. The resulting finance charge or income is included in finance expense or finance income in the Statement of Profit and Loss for financial liabilities and financial assets respectively.

iii **Investment in associate**

As per the para D14 and D15 of Appendix D of IND AS 101 first time adoptions of IND AS company has the options to value investments in associates either Deemed cost or Previous GAAP of which the company has opted to continue with the previous carrying GAAP value.

iv **Cost of borrowing**

Borrowing designated and carried at amortised cost.

3. **Proposed Dividend**

Under Indian GAAP, proposed dividends are recognised as liability in the period to which they relate irrespective of the approval by shareholders. Under IND AS a proposed dividend is recognised as liability in the period in which it is declared (on approval of shareholders in a general meeting) or paid. Therefore the proposed dividend and dividend distribution tax of Rs. 5.26 crores on March 31, 2015 has been derecognised and recognised during 2015-16 on payment. Similarly proposed dividend and dividend distribution tax of Rs. 5.28 crores as on March 31, 2016 has been derecognised and recognised during 2016-17.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

4 **Deferred Tax**

The Company has accounted for deferred tax on the various adjustments between Indian GAAP and IND AS at the tax rate at which they are expected to be reversed.

5 The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability is accounted in the Statement of Other Comprehensive Income and corresponding tax impact on the same. Due to this Rs.1.39 crores and Rs.3.05 crores for the period ended March 31, 2016 and March 31, 2017 respectively, tax credit there on is shown in OCI and reversal in Statement of Profit and loss.

6 **Statement of Cash Flows**

The impact of transition from Indian GAAP to IND AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under IND AS in Balance Sheet, Statement of Profit & Loss and difference in the definition of cash and cash equivalents and these two GAAP's.

7 **Depreciation on Property, Plant and Equipment**

Depreciation on Property, Plant and Equipment has been calculated on the value taken in IND AS and on revised useful life evaluated by technical valuer.

Reconciliation of Balance Sheet as at March 31, 2016

(INR in Crore)

Particulars			As per IGAAP As At 31st March, 2016	Adjustments	IND AS Adjustment Note No.	As per Ind-ASAs at 31st March, 2016
I	**ASSETS**					
1	**Non-current assets**					
	a	Property, plant and equipment	935.41	(181.97)	I, II, III & V	753.44
	b	Capital work-in-progress	18.37	-		18.37
	c	Financial assets	-			
		i Investments	50.00	-		50.00
		ii Other financial assets	7.88	0.36	III	8.24
2	**Current assets**					
	a	Inventories	469.88	-		469.88
	b	Financial assets	-			
		i Trade receivables	525.68	-		525.68
		ii Cash and cash equivalents	26.84	-		26.84
		iii Bank balances other than (ii) above	0.42	-		0.42
		iv Other financial assets	33.68	-		33.68
	c	Current tax assets (Net)	2.42	-		2.42
	d	Other current assets	87.98	-		87.98
Total			**2,158.56**	**(181.61)**		**1,976.95**
II	**EQUITY AND LIABILITIES**					
	Equity					
	Equity share capital		43.83	-		43.83
	Other equity		823.96	(176.33)	I, II, IV & V	647.63
	LIABILITIES		-			
1	**Non-current liabilities**		-			
	a	Financial liabilities				
		i. Borrowings	332.78	-		332.78
		ii. Other financial liabilities	7.81	-		7.81
	b	iii. Provisions	23.39	-		23.39
	c	Deferred tax liabilities (Net)	52.35	-		52.35

(INR in Crore)

Particulars			As per IGAAP As At 31st March, 2016	Adjustments	IND AS Adjustment Note No.	As per Ind-ASAs at 31st March, 2016
2	**Current liabilities**					
	a	Financial liabilities				
		i. Borrowings	513.18	-		513.18
		ii. Trade payables	214.52	-		214.52
		iii. Other financial liabilities	96.31	-		96.31
	b	Other current liabilities	32.68	-		32.68
	c	Provisions	14.95	(5.28)	IV	9.67
	d	Current tax liabilities (net)	2.80	-		2.80
Total			**2,158.56**	**(181.61)**		**1,976.95**

Note No.	IND AS Adjustments	Impact in Amount
I	Reversal of revaluation reserve	179.35
II	Amortisation of premium on lease hold land up the transition date	1.92
III	Recognised security deposit part of lease hold land to non current financial assets	0.36
IV	Reversal of proposed dividend of financial year ended 31st March 2015	5.28
V	Charge on amortisation of premium on lease hold land during 2015-16	0.34

Reconciliation of other equity as at 31st March, 2016

(INR in Crore)

Particulars	Retained Earnings	Capital Reserve	Capital Redemption Reserve	Forfeiture Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Total other equity
As at March 31, 2016 (IGAAP) (A)	428.16	0.50	3.00	17.63	140.95	54.36	179.36	823.96
Adjustments								
Less: De-recognition of Revaluation Reserve							(179.36)	(179.36)
Add: De-recognition of proposed dividend including DDT	5.28							5.28
Amortisation of Lease hold land	(2.25)							(2.25)
Government Grants recognized as Retained Earnings	0.50	(0.50)						-
Total IND AS adjustments (B)	3.53	(0.50)	-	-	-	-	(179.36)	(176.33)
As at March 31, 2016 (Ind AS) (A) + (B)	**431.69**	**-**	**3.00**	**17.63**	**140.95**	**54.36**	**-**	**647.63**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

(INR in Crore)

	Particulars	As per IGAAP Year ended 31.03.16	Adjustments	As per Ind-AS Year ended 31,03.16	Adjustments on account of adoptions of IND AS
I	Revenue From Operations	3,301.21	104.71	3,196.50	Discounts schemes expenses were earlier shown as expenses in previous GAAP is now deducted from the sales of products
II	Other Income	1.85	-	1.85	
III	**Total Revenue (I+II)**	**3,303.06**	**104.71**	**3,198.35**	
IV	EXPENSES				
	Cost of materials consumed	1,964.91	-	1,964.91	
	Purchases of Stock-in-Trade	229.93	-	229.93	
	Changes in inventories of finished goods,	(21.57)	-	(21.57)	
	Stock-in -Trade and work-in-progress	-			
	Employee benefits expense	187.78	2.12	185.66	Re-measurement of the defined benefit plans were shown as part of employee benefit expenses under the previous GAAP is now shown as part of other comprehensive income not to be classified to profit or loss
	Finance costs	96.43	-	96.43	
	Depreciation and amortization expense	60.67	(0.34)	61.01	Charge on account of amortisation of premium on leasehold land on transition to IND AS
	Excise Duty	232.34	-	232.34	
	Other expenses	467.56	104.71	362.85	Discounts schemes expenses is now netted from the sales of products under IND AS
	Total expenses	**3,218.05**	**106.49**	**3,111.56**	
V	Profit/(loss) before exceptional items and tax (III-IV)	85.01	(1.78)	86.79	
VI	Exceptional items				
VII	**Profit/(loss) before tax (V-VI)**	**85.01**	**(1.78)**	**86.79**	
VIII	**Tax expense**				
	Current Tax	17.64	(4.27)	21.91	
	Deferred Tax	1.05	(0.73)	1.78	
	MAT credit entitlement	4.27	4.27		
IX	**Profit/(loss) for the period (VII ± VIII)**	62.05	(1.05)	63.10	
X	**Other Comprehensive Income**				
A	(i) Items that will not be reclassified to profit or loss		2.13	(2.13)	
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.73)	0.73	
B	(i) Items that will be reclassified to profit or loss	-			
	(ii) Income tax relating to items that will be reclassified to profit or loss	-			
XI	**Total Comprehensive Income(IX+X)**	**62.05**	**0.35**	**61.70**	

Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended March 31, 2016:

(INR in Crore)

Net profit as per Indian GAAP		**62.05**
Add / (Less) : Adjustments on account of transition to IND AS		1.05
(A)	Net Profit as per IND AS	63.10
(B)	Add: Other Comprehensive Income	-
Actuarial gains and losses (net of deferred tax)		(1.40)
Total Comprehensive Income (A+B)		61.70

There were no significant reconciliation items between cash flow prepared under Indian GAAP and those prepared under IND AS

Recent Accounting Pronouncement

Standards issued but not yet effected

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The said amendment being only a disclosure requirement has not any impact either on the profit and loss for the period or any assets and liabilities recognised in the balance sheet.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

As on date, there are no transactions to be settled through share based payments. Accordingly there is no impact of the amendments on the company.

51 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Dividends proposed to be distributed

(INR in crore)

Particulars	Year ended 31.03.17	Year ended 31.03.16
Dividend proposed for Equity shareholders @ Rs.1.50 per share (previous year Re.1.00 per share	6.57	4.38

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

52 DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016 AS PROVIDED IN THE TABLE BELOW :-

(In Rupees)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08/11/2016	25,78,000	23,92,148	49,70,148
(+) Permitted receipts	-	85,76,480	85,76,480
(-) Permitted payment	-	86,71,991	86,71,991
(-) Amount deposited in Banks	25,78,000	-	25,78,000
Closing cash in hand as on 30/12/2016	**-**	**22,96,637**	**22,96,637**

53 FINANCIAL INSTRUMENTS

Fair value of financial assets and liabilities

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements are set out below.

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

(INR in crore)

S.No.	Particulars	Amortised cost	Fair value*	Total carrying value	Total fair value
	Assets:				
i	Cash and cash equivalents	18.79	-	18.79	18.79
ii	Bank Balances other than (ii) above	0.41	-	0.41	0.41
iii	Trade receivables	535.42	6.71	542.13	542.13
iv	Other financial assets	48.41	-	48.41	48.41
	Total	**603.03**	**6.71**	**609.74**	**609.74**
	Liabilities:				
i	Non Current Borrowings	82.01	258.10	340.11	340.11
ii	Current Borrowings	427.40	118.60	546.00	546.00
iii	Trade payables	156.07	102.97	259.04	259.04
iv	Other financial liabilities	58.77	-	58.77	58.77
	Total	**724.25**	**479.67**	**1,203.92**	**1,203.92**

* Amount carried at forward contract rate / prevailing exchange rate at year end

The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows:

(INR in Crore)

S.No.	Particulars	Amortised cost	Fair value*	Total carrying value	Total fair value
	Assets:				
i	Cash and cash equivalents	26.84		26.84	26.84
ii	Bank Balances other than (ii) above	0.42		0.42	0.42
iii	Trade receivables	505.40	20.28	525.68	525.68
iv	Other financial assets	41.92		41.92	41.92
	Total	**574.58**	**20.28**	**594.86**	**594.86**
	Liabilities:				
i	Non Current Borrowings	161.19	220.62	381.81	381.81
ii	Current Borrowings	513.18	-	513.18	513.18
iii	Trade payables	172.30	42.22	214.52	214.52
iv	Other financial liabilities	55.09		55.09	55.09
	Total	**901.76**	**262.84**	**1,164.60**	**1,164.60**

* Amount carried at forward contract rate / prevailing exchange rate at year end

The carrying value and fair value of financial instruments by categories as of April 1, 2015 were as follows:

(INR in Crore)

S.No.	Particulars	Amortised cost	Fair value*	Total carrying value	Total fair value
	Assets:				
i	Cash and cash equivalents	25.92	-	25.92	25.92
ii	Bank Balances other than (ii) above	0.43	-	0.43	0.43
iii	Trade receivables	503.47	27.11	530.58	530.58
iv	Other financial assets	34.62	-	34.62	34.62
	Total	**564.44**	**27.11**	**591.55**	**591.55**
	Liabilities:				
i	Non Current Borrowings	272.73	159.39	432.12	432.12
ii	Current Borrowings	515.52	-	515.52	515.52
iii	Trade payables	147.96	30.36	178.32	178.32
iv	Other financial liabilities	36.27	-	36.27	36.27
	Total	**972.48**	**189.75**	**1,162.23**	**1,162.23**

* Amount carried at forward contract rate / prevailing exchange rate at year end

The following methods and assumptions were used to estimate the fair values:

1 The carrying amount of Trade receivables, Trade payables and Cash & cash Equivalent are considered to be the same as their values due to their short term nature.

2 The carrying amount of the financial assets and liabilities carried at amortised cost is considered a reasonable approximation of fair value.

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.

54 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. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations and subject to financial risks

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 investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages financial market risk through finance 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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.

(INR in Crore)

Interest rate sensitivity	Effect on profit before tax	
	Interest rate decrease by 50 basis point	Interest rate increase by 50 basis point
For the year ended March 31, 2017	4.43	(4.43)
For the year ended March 31, 2016	4.47	(4.47)

Foreign currency risk

The Company is exposed to various foreign currencies for exports, imports, borrowings etc. out of which some of the portion is naturally hedged by purchasing of goods, commodities and services in the respective currencies. Further the Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk. The net exposure of foreign currency receivable in USD stands at Rs.2.89 crores as on 31st March, 2017(previous year Rs.6.07 Cr.)

The detail of forward contract expouser are given below:

	No. of Contract	Type	US$ (Million)	(INR in Crore)
As at 31st March 17	2	sell	0.59	3.82
	97	buy	74.48	482.93
As at 31st March 16	3	sell	1.60	10.38
	34	buy	40.15	260.30

Foreign currency sensitivity on Net Exposure

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax.

(INR in Crore)

Foreign currency (USD) exchange rates sensitivity	Effect on profit before tax	
	1% Increase	1% decrease
For the year ended March 31, 2017	0.03	(0.03)
For the year ended March 31, 2016	0.06	(0.06)

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 and sensitivity

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

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 is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(INR in Crore)

As at 31st March 2017	Less than 1 year	Above 1 year	Total
Non Current Borrowings	34.53	305.58	340.11
Current Borrowings	546.00	-	546.00
Trade payables	259.04	-	259.04
Other financial liabilities	58.77	-	58.77
Total	**898.34**	**305.58**	**1,203.92**

(INR in Crore)

As at 31st March 2016	Less than 1 year	Above 1 year	Total
Non Current Borrowings	49.03	332.78	381.81
Current Borrowings	513.18	-	513.18
Trade payables	214.52	-	214.52
Other financial liabilities	55.09	-	55.09
Total	**831.82**	**332.78**	**1,164.60**

(INR in Crore)

As at 31st March 2015	Less than 1 year	Above 1 year	Total
Non Current Borrowings	67.84	364.28	432.12
Current Borrowings	515.52	-	515.52
Trade payables	178.32	-	178.32
Other financial liabilities	36.27	-	36.27
Total	**797.95**	**364.28**	**1,162.23**

55 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 :-

Particulars	As at 31st March 17	As at 31st March 16
Interest-bearing loans and borrowings	886.11	894.99
Equity	749.35	691.46
Capital and net debt	1,635.46	1,586.45
Gearing ratio in %	54.18%	56.41%

56 In respect of Income-tax assessments of the Company (for the year 2009-10 & 2010-11) demand of Rs.40.70 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

57 EXPENDITURE ON R&D

Company has made Capital and Revenue expenditure from the financial year 2011-12 to 2016-17 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

(INR 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

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.

58 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.

59 The previous GAAP figures have been reclassified to confirm to Ind AS presentation required for this note

60 LOCAL AREA DEVELOPMENT ACT:

The Hon'ble Supreme Court (9 Judges Constitutional Bench) vide judgement dated 11th November, 2016 decided about the applicability of Entry Tax / Local Area Development Tax (LADT) is constitutionally valid on account of compensatory issue but directed that the provisions of respective Acts have to be separately examined by Division Bench of Hon'ble Supreme Court on the issues of discrimination, local area and import of goods etc. The Divisional Bench remanded the matter to the respective High Court on 21st March, 2017 and also allowed filing of new petitions/ grounds.

Earlier , The Haryana Government notified the Entry of Goods into Local Area Act, 2008 by repealing the earlier Act of The Local Area Development Act, 2000 (The Hon'ble Punjab & Haryana High Court has decided the Act ultra-vires on 14th March, 2017 and decided in favour of the Company) but no final rules were notified by the Government.

Based on the facts of our case and the consultations made by the Company, no provision has been made.

Form AOC - 1

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

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

Part- A : Subsidiaries

Company has no subsidiary hence no information is required to be disclosed under Part -A

Notes:

1. Names of subsidiaries which are yet to commence operations — None
2. Names of subsidiaries which have been liquidated or sold during the year. — None

Part- B : Associates and Joint Ventures

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

Name of Associates/ Joint Ventures	Surya Global Steel Tubes Limited (Associate)
1. Latest Audited Balance Sheet Date	31st March, 2017
2. Date on which the Associate or Joint Venture was associated or acquired	12th February, 2014
3. Shares of Associate held by the company on the year end	
No.	5,00,00,000 Equity Shares of Rs. 10/- each
Amount of Investment in Associates/Joint Ventures	Rs. 50.00 Crores
Extent of Holding %	26.99% of the Equity Capital
4. Description of how there is significant influence	**Control of at least 20 percent of total share capital**
5. Reason why the associate/ joint venture is not consolidated	**Not Applicable**
6. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs.67.89 Crore
7. Profit / Loss for the year	
I considered in Consolidation	Rs.5.41 Crore
ii Not considered in Consolidation	Nil

Notes:

1. Names of associates or joint ventures which are yet to commence operations — None
2. Names of associates or joint ventures which have been liquidated or sold during the year. — None

For Sastry K. Anandam & Company LLP
Chartered Accountants
(Firm Registration No.ICAI: 000179N / N500051)
(LLP Registration - ROC : AAH-4717)

CA. ANANDA SASTRY K.
Designated Partner FCA
Membership no. 9980

J P Agarwal
Chairman
DIN: 00041119

R N Maloo
Executive Director & Group Chief Financial Officer

T. S. Bhattacharya
Director
DIN: 00157305

U.K. Mukhopadhyaya
Director
DIN: 02766045

Raju Bista
Managing Director
DIN: 01299297

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

S S Khurana
Director
DIN: 02126149

K K Narula
Director
DIN: 00098124

Place : New Delhi
Dated : 13th November, 2017

Urmil Agarwal
Director
DIN: 00053809

S K Awasthi
Director
DIN: 02162923

Ravinder K Narang
Director
DIN: 02318041

Mukesh Tripathi
Director
DIN: 01951272

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
SURYA ROSHNI LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidatedInd Ind AS financial statements of SURYA ROSHNI LIMITED ("the Holding Company") and its associate company (referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding 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 consolidatedInd 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 Group 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.

The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and its associate 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidatedInd 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 consolidated 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 consolidatedInd AS financial statements.The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidatedInd AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidatedInd 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 Holding Company's Directors, as well as evaluating the overall presentation of the consolidatedInd 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 consolidatedInd AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditor on the separate financial statements and on the other financial information of the associate as noted below, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31 March 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date

Other Matters

The consolidated Ind AS financial statements also include the Share of net profit of associate Rs. 5.41 crores for the year ended 31 March 2017, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, and based on our audit and on the consideration of the report of the other auditor on separate financialstatements and other financial information of the associate, as noted in the 'Other Matter paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

   c) Report on the accounts of the associate audited by other auditor have been sent to us, and have been properly dealt with in preparing this report.

   d) The consolidated Ind AS financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

e) In our opinion, the consolidated Ind AS financial statements comply with Indian Accounting Standards specified under Section 133 of the Act;

f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of its associate, none of the directors of the holding company and its associate is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" ,

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports and other financial information of the Holding Company and associate, as noted in the 'Other Matter' paragraph:

   i. The Consolidated Ind AS financial statements disclosed the impact of pending litigations on the Consolidated financial position of the Group and its associate – Refer Note No.(s) 41 & 55 to the ConsolidatedInd AS financial statements.

   ii. The holding company and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay and in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its associate.

   iv. The holding company and its associate have provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the holding company and as produced to us by the Management and the reports of the other auditors. Refer note No. 51 of the consolidatedInd AS financial statements.

For Sastry K. Anandam & Company LLP.
Chartered Accountants
(Firm Registration – ICAI:000179N/N500051
(LLP Registration – ROC:AAH-4717)

(C.A. Ananda Sastry K.)
Partner, F.C.A
Membership No. 009980

Place: New Delhi
Dated: 13th November, 2017

Annexure A

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Surya Roshni Limited (hereinafter referred to as the "Holding Company") and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate company, which are companies incorporated in India, are 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 internal financial controls over financial reporting of the Holding Company and its associate company as aforesaid, 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 (ICAI) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 reportingof the Holding Company and its associate company as aforesaid.

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 Holding Company and its associate company have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on internal control over financial reporting criteria.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate is based on the corresponding reports of the auditor of such company.

For Sastry K. Anandam & Company LLP.
Chartered Accountants
(Firm Registration – ICAI:000179N/N500051
(LLP Registration – ROC:AAH-4717)

(C.A. Ananda Sastry K.)
Partner, F.C.A
Membership No. 009980

Place: New Delhi
Dated: 13th November, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31,2017

(INR in Crore)

Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I ASSETS				
1 Non-current assets				
a Property, plant and equipment	5	786.92	753.44	754.85
b Capital work-in-progress	5	15.14	18.37	26.38
c Finacial assets				
i Investments	6	67.89	62.56	58.50
ii Other financial assets	7	9.00	8.24	7.65
2 Current assets				
a Inventories	8	540.91	469.88	389.52
b Financial assets				
i Trade receivables	9	542.13	525.68	530.58
ii Cash and cash equivalents	10	18.79	26.84	25.92
iii Bank balances other than (ii) above	11	0.41	0.42	0.43
iv Other financial assets	12	39.41	33.68	26.97
c Current tax assets (Net)	13	1.95	2.42	1.05
d Other current assets	14	95.44	87.98	87.34
Total Assets		**2,117.99**	**1,989.51**	**1,909.19**
II EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	43.83	43.83	43.83
Other equity	16	723.41	660.19	599.69
LIABILITIES				
1 Non-current liabilities				
a Financial liabilities				
i Borrowings	17	305.58	332.78	364.28
ii Other financial liabilities	18	8.93	7.81	7.03
b Provisions	19	31.74	23.39	19.21
c Deferred tax liabilities (Net)	20	52.33	52.35	51.30
2 Current liabilities				
a Financial liabilities				
i Borrowings	21	546.00	513.18	515.52
ii Trade payables	22	259.04	214.52	178.32
iii Other financial liabilities	23	84.37	96.31	97.08
b Other current liabilities	24	41.83	32.68	23.46
c Provisions	25	19.71	9.67	8.42
d Current tax liabilities (net)	26	1.22	2.80	1.05
Total Equity and Liabilities		**2,117.99**	**1,989.51**	**1,909.19**
Significant Accounting Policies	3			
Notes to Accounts	1-60			

See accompanying notes to the Consolidated financial statements
As per our attached report of even date

For Sastry K. Anandam & Company LLP
Chartered Accountants
(Firm Registration No.ICAI: 000179N / N500051)
(LLP Registration - ROC : AAH-4717)

CA. ANANDA SASTRY K.
Designated Partner FCA
Membership no. 9980

J P Agarwal
Chairman
DIN: 00041119

R N Maloo
Executive Director & Group Chief Financial Officer

T. S. Bhattacharya
Director
DIN: 00157305

U.K. Mukhopadhyaya
Director
DIN: 02766045

Raju Bista
Managing Director
DIN: 01299297

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

S S Khurana
Director
DIN: 02126149

K K Narula
Director
DIN: 00098124

Urmil Agarwal
Director
DIN: 00053809

S K Awasthi
Director
DIN: 02162923

Ravinder K Narang
Director
DIN: 02318041

Mukesh Tripathi
Director
DIN: 01951272

Place : New Delhi
Dated : 13th November, 2017

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31,2017

(INR in Crore)

	Particulars	Note No.	Year ended 31st March 2017	Year ended 31st March 2016
I.	**Revenue from operations**	28	3,412.83	3,196.50
II.	**Other income**	29	0.76	1.85
III.	**Total revenue (I+II)**		**3,413.59**	**3,198.35**
IV.	**EXPENSES**			
	Cost of materials consumed	30	2,065.63	1,964.91
	Purchases of stock-in-trade	31	344.64	229.93
	Changes in inventories of finished goods, stock-in -trade and work-in-progress	32	(59.63)	(21.57)
	Employee benefits expense	33	199.64	185.66
	Finance costs	34	87.74	96.43
	Depreciation and amortization expense	35	55.92	61.01
	Excise duty		267.37	232.34
	Other expenses	36	365.35	362.85
	Total expenses		**3,326.66**	**3,111.56**
V.	**Profit/(loss) before exceptional items and tax (III-IV)**		**86.93**	**86.79**
VI.	**Exceptional items**		-	-
VII.	**Profit/(loss) before tax (V±VI)**		**86.93**	**86.79**
VIII.	**Tax expense**	**27**		
	Current tax		19.11	21.91
	Deferred tax		1.60	1.78
IX.	**Profit for the period from continuing operations (VII-VIII)**		**66.22**	**63.10**
X.	Share of profit of associate (net of tax)		5.41	4.16
XI.	**Profit/(loss) for the period (IX+X)**		**71.63**	**67.26**
XII.	**Other comprehensive income**	37		
	(i) Items that will not be reclassified to profit or loss		(4.67)	(2.13)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.62	0.73
	(iii) Share of other comprehensive income in associate (net of tax)		(0.08)	(0.03)
	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XIII.	**Total Comprehensive Income(XI+XII)**		**68.50**	**65.83**
	Earnings per equity shares (face value of Rs.10/-each)	38		
	1) Basic (in ₹)		16.34	15.35
	2) Diluted (in ₹)		16.34	15.35
	Significant Accounting Policies	3		
	Notes to Accounts	1-60		

See accompanying notes to the Consolidated financial statements
As per our attached report of even date

For Sastry K. Anandam & Company LLP
Chartered Accountants
(Firm Registration No.ICAI: 000179N / N500051)
(LLP Registration - ROC : AAH-4717)

CA. ANANDA SASTRY K.
Designated Partner FCA
Membership no. 9980

J P Agarwal
Chairman
DIN: 00041119

R N Maloo
Executive Director & Group Chief Financial Officer

T. S. Bhattacharya
Director
DIN: 00157305

U.K. Mukhopadhyaya
Director
DIN: 02766045

Raju Bista
Managing Director
DIN: 01299297

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

S S Khurana
Director
DIN: 02126149

K K Narula
Director
DIN: 00098124

Place : New Delhi
Dated : 13th November, 2017

Urmil Agarwal
Director
DIN: 00053809

S K Awasthi
Director
DIN: 02162923

Ravinder K Narang
Director
DIN: 02318041

Mukesh Tripathi
Director
DIN: 01951272

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(INR in Crore)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net operating profit/(loss) before tax	86.93	86.79
Adjustment for :		
Re-measurement gain loss on defined benefit plans routed through oci	(4.67)	(2.13)
Depreciation of property plant and equipment	55.92	61.01
(Profit)/loss on sale/retirement of property plant and equipment (net)	(0.06)	(0.49)
Allowance for doubtful debts / bad debts w/off	1.73	0.92
Interest expenses	87.74	96.43
Operating profit/(loss) before working capital changes	227.59	242.53
Adjustment for :		
(Increase) / decrease in trade receivables	(18.18)	3.98
(Increase) / decrease in other financial assets	(6.49)	(7.30)
(Increase) / decrease in other assets	(7.46)	(0.64)
(Increase)/decrease in inventories	(71.03)	(80.36)
Increase / (decrease) in trade payables/ provisions	62.91	41.63
Increase / (decrease) in other financial liabilities	4.66	20.75
Increase / (decrease) in other liabilities	9.15	9.22
Cash generated (used) in/from operations before tax	**201.15**	**229.81**
Net direct taxes paid	(20.22)	(21.53)
Net cash flow (used) in/from operating activities	**180.93**	**208.28**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property plant & equipment.	(85.63)	(53.37)
Sale of property plant and equipment	1.28	2.27
Net cash flow (used) in/from investing activities	**(84.35)**	**(51.10)**
Net cash (used) in/from operating and investing activities	**96.58**	**157.18**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long-term borrowings repaid during the year	(86.13)	(92.81)
Long-term borrowings taken during the year	44.43	42.50
Short term borrowings repaid during the year (net)	32.82	(2.34)
Payment of dividend	(4.38)	(4.38)
Taxes on dividend	(0.90)	(0.88)
Interest paid	(90.47)	(98.35)
Net cash (used) in/from financing activities	(104.63)	(156.26)
Net cash (used) in/from operating, investing & financing activities	(8.05)	0.92
Net increase/(decrease) in cash & cash equivalent	(8.05)	0.92
Opening balance of cash & cash equivalent	26.84	25.92
Closing balance of cash & cash equivalent	18.79	26.84

Note: 1. The cash flow statement has been prepared under the indirect method as set out in India Accounting Standard (IND AS) 7 statement of cash flows.

2. Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-

i) Cash Balance on Hand	0.39	0.63
ii) Balance with Banks :		
- In Current Accounts	0.12	2.97
- In Fixed Deposits		
- Cheques in hand	18.28	23.24
Total	**18.79**	**26.84**

See accompanying notes to the Consolidated financial statements

As per our attached report of even date

For Sastry K. Anandam & Company LLP
Chartered Accountants
(Firm Registration No.ICAI: 000179N / N500051)
(LLP Registration - ROC : AAH-4717)

CA. ANANDA SASTRY K.
Designated Partner FCA
Membership no. 9980

J P Agarwal
Chairman
DIN: 00041119

R N Maloo
Executive Director & Group Chief Financial Officer

T. S. Bhattacharya
Director
DIN: 00157305

U.K. Mukhopadhyaya
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S S Khurana
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DIN: 02126149

K K Narula
Director
DIN: 00098124

Place : New Delhi
Dated : 13th November, 2017

Urmil Agarwal
Director
DIN: 00053809

S K Awasthi
Director
DIN: 02162923

Ravinder K Narang
Director
DIN: 02318041

Mukesh Tripathi
Director
DIN: 01951272

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

a. Equity share capital (INR in Crore)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	4,38,31,250	43.83	4,38,31,250	43.83	4,38,31,250	43.83
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	**4,38,31,250**	**43.83**	**4,38,31,250**	**43.83**	**4,38,31,250**	**43.83**

b. Other equity (INR in Crore)

Particulars	Reserves & Surplus					Total
	Forfeiture reserve	Securities Premium Account	Capital Redemption Reserve	General Reserve	Retained earnings & Other Comprehensive income	
Balance at April 1, 2015	**17.63**	**141.14**	**3.00**	**48.36**	**389.56**	**599.69**
Proceeds from issue of shares	-	0.29	-	-		0.29
Impact of dilution of equity instrument of associate		(0.01)			(0.35)	(0.36)
Profit for the year	-	-	-	-	67.26	67.26
Other comprehensive income for the year	-	-	-	-	(1.43)	(1.43)
Total comprehensive income for the year	**-**	**-**		**-**	**65.83**	**65.83**
Cash dividends	-	-	-	-	(4.38)	(4.38)
Dividend Distribution Tax (DDT)	-	-	-	-	(0.88)	(0.88)
Transfer to General reserve	-	-	-	6.00	(6.00)	-
Balance as at March 31,2016	**17.63**	**141.42**	**3.00**	**54.36**	**443.78**	**660.19**
Profit for the year					71.63	71.63
Other comprehensive income for the year					(3.13)	(3.13)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**68.50**	**68.50**
Cash dividends					(4.38)	(4.38)
Dividend Distribution Tax (DDT)					(0.90)	(0.90)
Transfer to General reserve				**6.00**	**(6.00)**	**-**
Balance at March 31, 2017	**17.63**	**141.42**	**3.00**	**60.36**	**501.00**	**723.41**

As per our attached report of even date

For Sastry K. Anandam & Company LLP
Chartered Accountants
(Firm Registration No.ICAI: 000179N / N500051)
(LLP Registration - ROC : AAH-4717)

CA. ANANDA SASTRY K.
Designated Partner FCA
Membership no. 9980

J P Agarwal
Chairman
DIN: 00041119

R N Maloo
Executive Director & Group Chief Financial Officer

T. S. Bhattacharya
Director
DIN: 00157305

U.K. Mukhopadhyaya
Director
DIN: 02766045

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Managing Director
DIN: 01299297

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

S S Khurana
Director
DIN: 02126149

K K Narula
Director
DIN: 00098124

Place : New Delhi
Dated : 13th November, 2017

Urmil Agarwal
Director
DIN: 00053809

S K Awasthi
Director
DIN: 02162923

Ravinder K Narang
Director
DIN: 02318041

Mukesh Tripathi
Director
DIN: 01951272

1 Group 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, in India. The registered office of SRL is situated at Prakash Nagar, Sankhol, Rohtak Road, Bahadurgarh – 124507 (Haryana) India.

SRL is more than four decade old manufacturing conglomerate with business interest spanning Steel Pipes & Strips, Lighting, fittings, Fans, electric Appliances and PVC pipes & fittings. Besides enjoying market presence across the length and breadth of India, it also export products to more than 25 countries globally. Company is the largest GI Steel Pipe Manufacturer and the second largest in lighting in India.

The consolidated financial statements include following associate:

S. No.	Name of Company	Percentage of ownership/voting rights		
		31-Mar-17	31-Mar-16	1-Apr-15
1	Surya Global Steel Tubes Limited	26.99%	26.99%	27.93%

The Associate Company incorporated in India and is engaged in principal business of manufacturing of ERW, Spiral welded steel Pipes

SRL and its associate collectively reffered to as as “the Company” or “the Group”

Further, The Board of Directors of the Company (Transferee Company) and above said Associate Company (Transferor Company) have approved the draft scheme of arrangement in respect of amalgamation between them on 8th June 2016 from the appointed date of 1st April 2016. On receiving of No Observation Letter(s) from NSE and BSE, Petition has been filed before the Hon’ble National Company Law Tribunal (NCLT) Chandigarh Bench for approval of the same. The proceeding are underway as on reporting date.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting dated 13th November, 2017.

2 Basis of preparation and basis of Consolidation of financial statements & use of estimates

2.1 Basis of preparation and basis of consolidation of financial statements

These Consolidated 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 provisions of the Companies Act, 2013 (‘the Act’) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted as applicable Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-Time Adoption of Indian Accounting Standards. The transition to Ind AS is April 1, 2015 which was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies(Accounts)Rules, 2014 (IGAAP), which was the previous GAAP. Recommendations and descriptions of the effect of the transition have been summarized in Note 49.

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 Consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.Upto the year ended 31st March, 2016, the Company prepared its Consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company’s first Ind AS Consolidated financial statements. The date of transition to Ind AS is 1st April, 2015.

2.3 Use of estimates

The preparation of the Consolidated financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimate, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Consolidated financial statements have been disclosed in Note 4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Consolidated financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the Consolidated financial statements.

2.4 Basis of consolidation of Associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associate is incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale.

3 Significant Accounting Policies

3.1 Basis of Measurement

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

Certain Financial assets and liabilities measured at fair value (including derivative financial instruments).

Defined benefit plan assets are measured at fair value.

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

3.2 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price (net of 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 and the initial estimate of restoration cost if the recognition criteria is met. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. Software and licences which are integral part of the PPE are capitalised along with respective PPE.

The Company has elected to continue with the carrying value of all of its property, plant and equipment net of revaluation reserve as at the transition date, viz., 1 April 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Land and building revalued during the earlier years and credited to revaluation reserve have been reversed (net of amortisation till 1 April, 2015).

An item of property, plant & equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. 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 and the cost of Property, Plant and Equipment not available for use before such date are disclosed under 'Capital work-in-progress'

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:

Property, Plant & Equipment	Useful lives in Years
Plant & equipment	8–20
Building	05-60
Office equipment	5
Vehicles	08-10
Furniture & fixtures	10
Computers	3–6

In case of the following category of plant and equipment, the depreciation has been provided based on the technical evaluation of the remaining useful life which is different from the life specified in Schedule II to the Companies Act, 2013.

Plant and Machinery - 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 shall be calculated on the basis of 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 Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life adjusted prospectively, if appropriate. Freehold land is not depreciated. Lease hold land is amortised over the period of lease.

iv Free-hold land are not subject to amortisation.

3.4 Impairment of 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 on hand and at bank, 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, Stores & Spares : At lower of cost or net realisable value, cost includes cost of purchases and other cost incurred in bringing the inventories to their present location and condition.

Work-in Progress : At lower of cost of material plus appropriate production overheads or net realisable value

Finished Goods : At lower of cost of materials plus production overheads and excise duty (wherever applicable) or net realisable value.

Purchased Goods in transit : Valued at cost.

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

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. There are no other obligations other than contribution to PF Schemes.

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

Consolidated financial statements have been presented in Indian Rupees (INR), 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 retranslated at the rates prevailing at that date. 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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 thar are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

Subsequent measurement:

i **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii **Financial assets carried at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of (i) & (ii) above categories are subsequently fair valued through profit or loss.

iv **Financial Liabilities:** Financial liabilities are subsequently carried at 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 derecognised when the obligation under the liability is discharged or cancelled or expires. 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.

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

i 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.

ii Current tax provision is computed on Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.

iii Provision for current income taxes and advance taxes paid are presented in the balance sheet after offsetting them on an assessment year basis.

iv 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 off set, 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

a) 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 and exclude Value added tax/sales tax and service tax.

b) 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.

c) 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.

d) 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.

e) 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 all elegibility criterias are met out If the grants/assistance are related to subvention of a particular expense, it is deducted form that expense in the year of recognition of government grant / Assistance

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 Consolidated 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 Consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.17 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.18 Provisions

a) Provisions

Provisions (excluding employee benefits) are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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. Unwinding of the discount is recognised in the Statement of Profit

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

and Loss as a finance cost. 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 Consolidated financial statements.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but 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 Consolidated financial statements.

5 PROPERTY, PLANT & EQUIPMENT

(INR in Crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment's	Computers	Temporary Constructions	Total	Capital work in progress
Gross carrying value											
As at April 01, 2015	**7.87**	**10.97**	**99.89**	**625.97**	**3.36**	**3.72**	**1.62**	**1.45**	**-**	**754.85**	**26.38**
Additions	-	-	0.18	58.09	0.33	0.40	1.41	0.97	-	61.38	26.73
Disposals	0.31	-	-	4.15	-	0.74	0.05	-	-	5.25	34.74
As at March 31, 2016	**7.56**	**10.97**	**100.07**	**679.91**	**3.69**	**3.38**	**2.98**	**2.42**	**-**	**810.98**	**18.37**
Additions	5.75	-	18.49	60.51	0.62	0.69	4.01	0.55	-	90.62	75.40
Disposals	-	-	-	1.38	-	0.55	0.01	0.01	-	1.95	78.63
As at March 31, 2017	**13.31**	**10.97**	**118.56**	**739.04**	**4.31**	**3.52**	**6.98**	**2.96**	**-**	**899.65**	**15.14**
Depreciation											
As at April 01, 2015											
Depreciation for the year	-	0.34	4.50	52.37	0.60	1.01	1.14	1.05	-	61.01	
Disposals	**-**	**-**	**-**	**2.84**	**-**	**0.58**	**0.05**	**-**	**-**	**3.47**	
As at March 31, 2016	**-**	**0.34**	**4.50**	**49.53**	**0.60**	**0.43**	**1.09**	**1.05**	**-**	**57.54**	**-**
Depreciation for the year	-	0.35	4.30	48.45	0.55	0.85	0.71	0.71	-	55.92	
Disposals	**-**	**-**	**-**	**0.49**	**-**	**0.23**	**-**	**0.01**	**-**	**0.73**	
As at March 31, 2017	**-**	**0.69**	**8.80**	**97.49**	**1.15**	**1.05**	**1.80**	**1.75**	**-**	**112.73**	**-**
Net carrying value											
As at April 01, 2015	7.87	10.97	99.89	625.97	3.36	3.72	1.62	1.45	-	754.85	26.38
As at March 31, 2016	7.56	10.63	95.57	630.38	3.09	2.95	1.89	1.37	-	753.44	18.37
As at March 31, 2017	13.31	10.28	109.76	641.55	3.16	2.47	5.18	1.21	-	786.92	15.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows::

(INR in Crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment's	Computers	Temporary Constructions	Total
As at April 01, 2015										
Gross block	186.50	13.25	149.12	1,163.83	7.44	10.75	10.55	10.19	1.51	1,553.14
Less : Accumulated depreciation	-	-	48.51	537.86	4.08	7.03	8.93	8.74	1.51	616.66
Less : Amortisation of lease hold land		2.28		-	-	-	-	-	-	2.28
Less : Revaluation reserve	178.63	-	0.72	-	-	-	-	-	-	179.35
Net block	**7.87**	**10.97**	**99.89**	**625.97**	**3.36**	**3.72**	**1.62**	**1.45**	**-**	**754.85**
As at March 31, 2016										
Gross block	186.19	13.25	149.30	1,217.77	7.77	10.41	11.90	11.16	1.51	1,609.26
Less : Accumulated depreciation	-	-	53.01	587.39	4.68	7.46	10.01	9.79	1.51	673.85
Less : Amortisation of lease hold land		2.62		-	-	-	-	-	-	2.62
Less : Revaluation reserve	**178.63**	**-**	**0.72**	**-**	**-**	**-**	**-**	**-**	**-**	**179.35**
Net block	**7.56**	**10.63**	**95.57**	**630.38**	**3.09**	**2.95**	**1.89**	**1.37**	**-**	**753.44**

Notes:

i. The Company has elected to continue with the carrying value of all of its property, plant and equipment net of revaluation reserve as at the transition date, viz., 1 April 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Land and building revalued during the earlier years and credited to revaluation reserve have been reversed (net of amortisation till 1 April, 2015).

ii. For security details refer note no.17 and 21

iii Amount of expenses preoperative capitalised during the current year in building is Rs.1.28 crore, plant & equipment is Rs.2.50 crore and office equipment's is Rs.0.26 crore (as at 31st March 2016 - Nil; as at 1st April 2015 - Nil) (refer note no.45)

iv For reconciliation of IND AS and previous GAAP refer (note no.49)

6 INVESTMENTS

(INR in Crore)

Particulars		As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I	**Non-Current (Unquoted)**			
A	**Investment at cost**			
	Investment in Associate			
	Equity instruments			
	Unquoted equity shares fully paid-up (at cost less impairment)			
	Surya Global Steel Tubes Limited			
	5,00,00,000 (as at 31st March 2016 : 5,00,00,000; as at 1st April 2015 : 5,00,00,000) Equity shares of Rs.10/- each fully paid-up	50.00	50.00	50.00
		50.00	**50.00**	**50.00**
	Company's share of profit in associate	17.89	12.56	8.50
		67.89	**62.56**	**58.50**
	Aggregate amount of unquoted investment	67.89	62.56	58.50

Note : The above mentioned investment in Surya Global Steel Tubes Limited is given as security by way of pledge of shares in favour of consortium banks of associate company for working capital facilities availed by it.

Additional information

The information about the place of business for significant investments in associates are as follows:

I	**Associates**	**% of shareholding**		
i	Surya Global Steel Tubes Limited	26.99%	26.99%	27.93%

The Associae Company incorporated in India and is engaged in principal business of manufacturing of ERW, API and Spiral Welded Steel Pipes

Summarised financial information of associate:

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Non current assets	316.83	327.88	338.09
Current assets	249.27	224.92	219.83
Non current liabilites			
Borrowings	95.03	117.93	139.61
Other Non current	26.64	15.02	8.62
	121.67	**132.95**	**148.23**
Current liabilites			
Borrowings (including current maturities of long term borrowings)	84.76	89.16	88.60
Other current liabilities	108.10	98.89	111.63
	192.86	**188.05**	**200.23**

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Revenue from operations	968.40	832.65
EBIDTA	83.31	84.26
PBDT (Cash Profit)	58.33	53.35
Profit before tax (PBT)	30.64	21.22
Profit for the period (PAT)	20.06	15.15
Other comprehensive income	(0.29)	(0.11)
Total Comprehensive Incom	19.77	15.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Reconcilation of the above summarised financial information to the carrying amount of the interest in Surya Global Steel Tubes Limited recognised in the consolidated financial statements.

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Net Assets of the associates	251.57	231.80	209.46
Proportion of the Group's ownership interest in Surya Globla Steel Tubes Limited	26.99%	26.99%	27.93%
Carrying amount of the Group's ownership interest in Surya Globla Steel Tubes Limited	67.89	62.56	58.50

7 OTHER FINANCIAL ASSETS (NON CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, considered good			
Security Deposits	9.00	8.24	7.65
	9.00	**8.24**	**7.65**

8 INVENTORIES (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Raw materials	143.98	155.24	96.40
Work-in-progress	65.50	50.35	37.82
Finished Goods	309.59	244.05	235.01
Stores, spares and Consumable	21.84	20.24	20.29
	540.91	**469.88**	**389.52**

The mode of valuation has been stated in note no.3.6

Inventories are hypothecated as security against borrowings see note no.16 & 20

9 TRADE RECEIVABLES (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, Considered Good	542.13	525.68	530.58
Doubtful	1.73	-	-
	543.86	525.68	530.58
Allowance for doubtful debts	1.73	-	-
	542.13	**525.68**	**530.58**

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:

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Within the credit period	436.89	413.83	440.42
1-180 days past due	75.05	88.86	67.40
181-365 days past due	8.33	9.15	13.54
More than one year	21.86	13.84	9.22
Balance at the end of the year	**542.13**	**525.68**	**530.58**

10 CASH & CASH EQUIVALENTS

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a. Balance with banks			
In Current Accounts	0.12	2.97	0.66
b. Cheques, drafts on hand	18.28	23.24	24.72
c. Cash on hand	0.39	0.63	0.54
Cash and cash equivalents as per statement of cash flow	**18.79**	**26.84**	**25.92**

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balance with banks			
Unpaid dividend	0.41	0.42	0.43
	0.41	**0.42**	**0.43**

Notes:

i The Company has not entered into any Non-cash transactions during the reported year(s)

ii Earmarked against the corresponding provision refer note no.23

12 OTHER FINANCIAL ASSETS (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Receivables from vendors	39.41	33.68	26.97
	39.41	**33.68**	**26.97**

13 CURRENT TAX ASSETS (NET)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current Tax asset (net)	1.95	2.42	1.05
	1.95	**2.42**	**1.05**

14 OTHER CURRENT ASSETS

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Considered Good, Unless Otherwise Stated			
MAT Receivable	32.53	32.89	35.49
Recoverable from government authorities	36.14	35.63	28.80
Balances with statutory authorities	8.75	7.13	9.89
Prepaid expenses	5.17	3.62	5.32
Advances recoverable	12.85	8.71	7.84
	95.44	**87.98**	**87.34**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

15 SHARE CAPITAL

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
I Equity Share Capital			
Authorised			
4,98,00,000 (as at 31st March 2016 : 4,98,00,000; as at 1st April 2015 : 4,98,00,000) Equity Shares of Rs. 10/- each with voting rights	49.80	49.80	49.80
Issued, subscribed and fully paid up Equity share capital			
4,38,31,250 (as at 31st March 2016 : 4,38,31,250; as at 1st April 2015 :4,38,31,250) Equity Shares of Rs. 10/- each with voting rights	43.83	43.83	43.83
	43.83	43.83	43.83

During the current year & in the previous year, there have been no movement in the number of outstanding equity shares

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
II Preference share capital			
Authorised			
6,20,000 (as at 31st March 2016 : 6,20,000; as at 1st April 2015 : 6,20,000) Preference shares of Rs. 100/- each	6.20	6.20	6.20

There are no issued, subscribed and fully paid up preference share capital

III Terms / rights attached to equity shares

The company has one class of equity shares having at par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. 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 2017		As at 31st March 2016		As at 1st April 2015	
	Number of shares held	% holding in that class of shares	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	12.86	56,37,500	12.86	56,37,500	12.86
Cubitex Marketing Private Limited	48,61,000	11.09	48,61,000	11.09	47,61,000	10.86
Shreyansh Mercantile Private Limited	31,78,000	7.25	31,78,000	7.25	31,78,000	7.25
Sahaj Tie-Up Private Limited	31,16,250	7.11	31,16,250	7.11	19,16,250	4.37

16 OTHER EQUITY

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
a. Capital redemption reserve	**3.00**	**3.00**	**3.00**
b. Securities premium account			
Balance at the beginning of the financial year	141.42	141.14	141.14
Addition during the financial year (share in associate)	-	0.29	-
Impact of dilution of equity instrument of associate	-	(0.01)	-
Balance at the end of the financial year	**141.42**	**141.42**	**141.14**
c. Forfeiture reserve	**17.63**	**17.63**	**17.63**
d. General reserve			
Balance at the beginning of the financial year	54.36	48.36	48.36
Add: transferred during the financial year	6.00	6.00	-
Balance at the end of the financial year	**60.36**	**54.36**	**48.36**
e. Surplus in the statement of profit and loss			
Balance at the beginning of the financial year	445.21	389.56	389.56

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Addition during the financial year	71.63	67.26	-
Impact of dilution of equity instrument of associate	-	(0.35)	-
	516.84	**456.47**	**389.56**
Transfer to General reserves	(6.00)	(6.00)	-
Dividend of previous years	(4.38)	(4.38)	-
Tax on Dividend	(0.90)	(0.88)	-
	(11.28)	**(11.26)**	**-**
	505.56	**445.21**	**389.56**
f. Other comprehensive income / (Loss) for the year			
Balance at the beginning of the financial year	(1.43)	-	-
Reassessment of defined benefit liabilities	(3.13)	(1.43)	-
	(4.56)	**(1.43)**	**-**
Balance at the end of the Financial year	**723.41**	**660.19**	**599.69**

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. 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 Act.

c. 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 & Disclosure Requirements) Regulations, 2009

d. 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.

e. Dividend

Proposed Dividend on Equity Shares is subject to approval at annual general meeting and not recoginised as liability.

17 BORROWINGS

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured			
Term Loans from Banks			
Rupee Loans	39.35	110.19	272.73
Foreign Currency Loans	258.10	220.62	159.39
Term Loans From Financial Institutions			
Rupee Loans	42.66	51.00	-
	340.11	**381.81**	**432.12**
Less : Loan repayment within one year	34.53	49.03	67.84
	305.58	**332.78**	**364.28**

Term Loans are secured by way of first pari-passu charge on all fixed Assets of the Company including equitable mortgage of Land & Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present & future and personal guarantee of The Chairman of the Company.

a Rupee Term Loans from banks aggregating Rs.39.35 crore (as at 31.03.2016 Rs.110.19 crore; as at 01.04.2015 Rs.272.73 crore) are payable in 28 (maximum) quarterly installments, with last repayment date 30th September,2025, carrying floating interest rate linked with MCLR of respective banks ranging from MCLR + 80 bps to 90 bps spread with periodical interest reset.

b Rupee term loans from financial institutions of Rs.42.66 crore (as at 31.03.2016 Rs.51.00 crore; as at 01.04.2015 Rs. Nil crore) are repayable maximum up to 22 quarterly installments with last repayment date 1st September 2022, carrying interest rate linked with 1 year G-sec.+275 bps spread with periodical interest reset.

c Foreign Currency Term Loan from banks aggregating Rs.258.10 crore (as at 31.03.2016 Rs.220.62 crore; as at 01.04.2015 Rs.159.39 crore) are payable in 28 (maximum) quarterly installments, with last repayment date 30th September,2025, carrying floating interest rate ranging from LIBOR + 200 bps to 275 bps spread with periodical interest reset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

18 OTHERS FINANCIAL LIABILITIES (NON CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Security Deposit	8.93	7.81	7.03
	8.93	**7.81**	**7.03**

19 PROVISION (NON CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for employee benefits			
Gratuity (refer note 46)	25.56	19.37	15.81
Compensated absences (refer note 46)	6.18	4.02	3.40
	31.74	**23.39**	**19.21**

20 DEFERRED TAX LIABILITIES

(INR in Crore)

Particulars	As at March 31, 2016	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	3.17		64.60
Sub- (a)	**61.43**	**3.17**	**-**	**64.60**
Deferred Tax Assets				
Provision for employee benefit	9.08	1.57	1.62	12.27
Sub- (b)	**9.08**	**1.57**	**1.62**	**12.27**
Net Deferred Tax Liability (a-b)	**52.35**	**1.60**	**(1.62)**	**52.33**

(INR in Crore)

Particulars	As at March 31, 2015	Recognized in P & L	Recognized in OCI	As at March 31, 2016
Deferred tax liabilities / assets are attributable to the following items;				
Deferred Tax Liabilities				
Property, plant and equipment	58.73	2.70		61.43
Sub- (a)	**58.73**	**2.70**	**-**	**61.43**
Deferred Tax Assets				
Provision for employee benefit	7.43	0.92	0.73	9.08
Sub- (b)	**7.43**	**0.92**	**0.73**	**9.08**
Net Deferred Tax Liability (a-b)	**51.30**	**1.78**	**(0.73)**	**52.35**

21 BORROWINGS (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured measured at amortised cost			
Loans Repayable on Demand			
From Banks			
Rupee Loans	232.40	513.18	480.52
Foreign currency Loans	118.60	-	-
Commercial paper	195.00	-	35.00
	546.00	**513.18**	**515.52**

Working Capital Loans are secured against Company's entire Current Assets both present and future and further secured by way of second charge on all Fixed Assets of the Company including equitable mortgage of Land & Building and personal guarantee of The Chairman of the Company. The commercial paper(s) carrying interest rate from 6.55% to 7.05%, rupee loans linked with MCLR of respective banks ranging from MCLR + 10 to 90 bps spread and foreign currency loan from LIBOR + 200 to 275 bps spread.

22 TRADE PAYABLES

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
outstanding dues of micro enterprises and small enterprises	6.87	7.97	7.65
outstanding dues other than micro enterprises and small enterprises	252.17	206.55	170.67
	259.04	**214.52**	**178.32**
I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company as under:			
(I) TThe Principal amount and the interest due thereon remaining unpaid to any supplier.			
Principal Amount :	6.87	7.97	7.65
Interest :	Nil	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	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	Nil
(iv) The amount of interest accrued and remaining unpaid for the year ending.	Nil	Nil	Nil
(v) The amount of further interest remaining due and payable for the earlier years.	Nil	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)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current maturities of long-term borrowings (refer note 17)	34.53	49.03	67.84
Interest accrued but not due on borrowings	2.03	3.00	4.92
Unpaid dividends*	0.41	0.42	0.43
Payable to employees	20.92	19.55	13.81
Expenses Payable	26.48	24.31	10.08
	84.37	**96.31**	**97.08**

Note:
* There are no amounts due and outstanding to be credited to the Investor Education & Protection Fund as at 31st March 2017.

24 OTHER LIABILITIES (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advances from customers	6.83	7.60	6.36
Duties and Taxes payable	23.22	21.16	14.16
Excise duty on closing stock	11.78	3.92	2.94
	41.83	32.68	23.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

25 PROVISIONS (CURRENT)

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for employee benefits			
Gratuity (refer note 46)	2.37	1.74	1.41
Compensated absences (refer note 46)	0.98	0.77	0.51
	3.35	**2.51**	**1.92**
Other Payables			
Warranty payable (refer note 43)	16.36	7.16	6.50
	16.36	**7.16**	**6.50**
	19.71	**9.67**	**8.42**

26 CURRENT TAX LIABILITY

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Current Tax liability (net)	1.22	2.80	1.05
	1.22	2.80	1.05

27 INCOME TAX

(INR in Crore)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
a) Income tax recognized in profit or loss		
Current tax expense	19.11	21.91
Deferred tax expense		
Origination and reversal of temporary differences	1.60	1.78
Total Tax Expenses	**20.71**	**23.69**
b) Reconciliation of effective tax rate		
Profit before tax	86.93	86.79
Domestic tax rate	34.608%	34.608%
Tax using the Company's domestic tax rate	30.08	30.04
Increase / reduction in Taxes on account of		
Income not taxable / exempt from tax	(9.86)	(6.83)
Other non deductible expenses	0.50	0.48
Income tax expenses charged to statement of profit and loss	20.71	23.69

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2017 and March 31, 2016 is as follows:

During the year ended March 31, 2017 and March 31, 2016, company has taken deduction/ availed exemption;

a) Under section 32AC of the Income-Tax Act, 1961 @ 15% on New Plant & Machinery installed during 2016-17 and 2015-16,

b) Under section 80-IC of the Income-Tax Act on 30% Profits of eligible industrial undertaking.

c) Deduction of expenses @ 200% in accordance with the provisions of Section 35(2AB) of the Income-Tax Act, 1961 on Research & Development Unit of the Company.

During the year ended March 31, 2017, company has taken deduction 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.

28 REVENUE FROM OPERATIONS

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Revenue from Operations includes		
a. Sale of products (including excise duty);		
i. Steel Pipe & Strips	2,051.63	1,811.07
ii. Lighting & consumer durables	1,332.36	1,356.06
	3,383.99	**3,167.13**
b. Sale of services	9.19	6.22
	9.19	6.22
c. Other operating revenue;		
i. Investment promotion assistance (refer note no.44)	11.76	9.78
ii. Export Incentives & claims	7.89	13.37
	19.65	**23.15**
	3,412.83	**3,196.50**

Note : The amount of sale of products includes excise duty of Rs.267.36 crores (previous year Rs.232.34 crores)

29 OTHER INCOME

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Interest Income from financial assets measured at amortised cost	0.51	1.18
b. Profit on Sale of property, plant and equipment	0.09	0.65
c. Miscellaneous Income	0.16	0.02
	0.76	**1.85**

30 COST OF MATERIALS CONSUMED

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Raw Materials (Imported)	144.49	149.28
b. Raw Materials (Indigenous)	1,880.17	1,766.67
c. Packing Materials Consumed	40.97	48.96
	2,065.63	**1,964.91**

31 PURCHASE OF STOCK IN TRADE

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Purchase / Outsourced Materials	344.64	229.93
	344.64	**229.93**

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

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Inventories at the end of the year		
Finished goods	309.59	244.05
Work in Progress	65.50	50.35
	375.09	**294.40**
Inventories at the beginning of the year *		
Finished goods	244.05	235.76
Work in Progress	50.35	37.07
	294.40	**272.83**
* Inventories from trial run operations (refer note : 45)	21.06	-
	315.46	**272.83**
	(59.63)	**(21.57)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

33 EMPLOYEE BENEFIT EXPENSES

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Salaries, wages and bonus	186.10	172.99
b. Contribution to provident & other funds (Refer Note 46)	9.55	8.75
c. Staff welfare expenses	3.99	3.92
	199.64	**185.66**

34 FINANCE COST

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Interest expenses on financial liabilities at amortised cost	83.23	92.01
b. Other borrowing cost		
i. Bank Charges	4.51	4.42
	87.74	**96.43**

35 DEPRECIATION AND AMORTIZATION EXPENSES

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Depreciation on Tangible Assets (Refer Note 5)	55.92	61.01
	55.92	**61.01**

36 OTHER EXPENSES

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Consumption of Stores and Spares	20.38	21.09
b. Power, fuel and water charges	58.07	65.95
c. Repairs & maintenance :		
- plant and machinery	1.65	1.55
- buildings	0.26	0.25
- others	0.31	0.29
d. Warranty Cost (Refer note 43)	45.32	47.42
e. Commission on Sales	5.89	10.56
f. Advertisement and Publicity	11.56	12.51
g. Outward Freight Charges	95.11	91.06
h. Allowance for doubtful debts / bad debts W/off	1.73	0.92
i. Foreign currency fluctuations	0.32	-
j. Rent	8.71	7.78
k. Rates & Taxes	0.71	0.22
l. Insurance	1.48	1.20
m. Postage, Telegraph and Telephone	2.49	2.40
n. Printing & Stationery	1.36	1.44
o. Travelling and Conveyance	17.49	15.93
p. Staff Recruitment and Training Expenses	0.11	0.27
q. Loss on discard / disposal of property, plant & equipment	0.03	0.16
r. Corporate social responsibility expenses (refer note 40)	1.44	1.35
s. Miscellaneous expenses	90.79	80.38
t. Auditor's Remuneration (excluding service tax input credit)		
- for audit	0.09	0.07
- for tax audit	0.02	0.02
- for certification work	0.01	0.01
- for reimbursement of out of pocket expenses	0.02	0.02
	365.35	**362.85**

37 OTHER COMPREHENSIVE INCOME

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
a. Items that will not be reclassified to profit or loss		
i. Remeasurements of the defined benefit plans	(4.67)	(2.13)
ii Income tax relating to items that will not be reclassified to profit or loss		
Related to remeasurements of the defined benefit plans	1.62	0.73
b. Items that will be reclassified to profit or loss	-	-
	(3.05)	**(1.40)**

38 EARNING PER SHARE

(INR in Crore)

Particulars		Year ended 31st March 2017	Year ended 31st March 2016
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	4,38,31,250	4,38,31,250
B Weighted average equity shares outstanding - Basic and Diluted	No's	4,38,31,250	4,38,31,250
C Net profit available to equity holders of the Company used in the basic and diluted earnings per equity share		71.63	67.26
Basic Earning per equity share (C/B)	Per / Rs.	16.34	15.35
Diluted Earning per equity share (C/B)	Per / Rs.	16.34	15.35
Face Value per Equity Share	Rs.	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 cancellable and are usually renewable by mutual consent 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:

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
A Gross amount required to be spent by the Company during the year	1.44	1.35
B Amount spent during the year		
i Construction/ acquisition of asset	NIL	NIL
ii On purpose other than (i) above –		
(a) Rural Development	1.28	1.14
(b) Naturopathy	0.10	0.14
(c) Other administrative expenses	0.06	0.07
	1.44	**1.35**

The above amount spent through Surya Foundation

41 CONTINGENT LIABILITIES

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016
I Guarantees		
Bank Guarantees issued by banks for which counter guarantee given by the Company	149.56	109.59
II Other contingent liabilities		
Bonds Executed by the Company to Custom Department against export obligation under EPCG Scheme	18.69	16.65
III Claims against the company not acknowledged as debt	1.90	1.93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

It is not possible to predict the outcome of the pending litigations with accuracy, the Company believes, based on legal opinions received, that it has meritorious defences to the claims. The management believe the pending actions will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

42 COMMITMENTS

(INR in Crore)

Particulars	As at 31st March 2017	As at 31st March 2016
Estimated amount of contract remaining to be executed on capital account (Property, Plant and Equipment) and not provided for	7.05	7.18

43 MOVEMENT IN WARRANTY PAYABLE

Movement in warranty payable during the financial year is provided below:

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
As at beginning of the year	7.16	6.50
Arising During the Year	45.32	47.42
Utilised during the year	36.12	46.76
Closing balances as at	16.36	7.16

44 GOVERNMENT GRANT

Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2004 (MPIIPAS-2004)

The Company has made investment of Rs. 122.11 Crores in the eligible investment period as per the provisions of Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2004 (Scheme) by establishing manufacturing facilities for ERW Pipes etc. (under diversification) and expansion in its CFL facilities at Malanpur a notified backward district of Madhya Pradesh.

The Company has been sanctioned assistance to the extent of aforesaid investment by way of exemption from Entry-tax for 5 Years on procurement and 75% assistance of VAT/CST deposited for 10 Years from 28th March, 2010 to 27th March, 2020.

The Company has recognized revenue of Rs.3.84 Crores during the year (Rs.26.43 Crores up to 31st March, 2017) on satisfying the conditions mentioned under the said scheme.

Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2010 (MPIIPAS-2010)

The Company has also made further investment of Rs.80.62 Crores up to 31st March, 2017 as per the provisions of ongoing scheme of Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2010 (Scheme) for expansion in ERW Pipes and for production of LED products (Lamps, Street lights, Tube lights, Down-lighters, Drivers and Fittings) at Malanpur a notified backward district of Madhya Pradesh. As per the provisions of this Scheme, Company is further eligible to make investment up to 31st March, 2018 subject to compliances associated with the said scheme.

The Company has been sanctioned assistance to the extent of aforesaid investment by way of exemption from Entry-tax for 5 Years on procurement and 75% assistance of VAT/CST deposited for 10 Years from 2nd March, 2015 to 1st March, 2025.

The Company has recognized revenue of Rs.7.79 Crores during the year (Rs.13.00 Crores up to 31st March, 2017) on satisfying the conditions mentioned under the said scheme.

Andhra Pradesh Industrial Investment Policy (IDP) 2015-2020

The Company has set-up new ERW steel pipe manufacturing unit at Hindupur District Ananthapuram a backward district of Andhra Pradesh at a Capital investment of Rs.59.65 Crores in the financial year 2016-17. As per Andhra Pradesh Industrial Development Policy (IDP) 2015-2020 the said unit is entitled for from the date of commencement i.e. 1st March, 2017, the following benefits which are as follows:

1 Refund of Stamp Duty on purchase of land amounting to Rs.0.18 Crore.

2 Partial re-imbursement of power cost@ Re 1.00 per unit for a period of five years (i.e. up to 28th February, 2022). During the year amount recognized is Rs.0.04 Crore.

3 Company has been sanctioned assistance to the extent of aforesaid investment by way of 50% assistance of VAT/CST/SGST deposited for 7 Years from 1st March, 2017 to 29th February, 2024. The Company has recognized revenue of Rs.0.13 Crores during the year on satisfying the conditions mentioned under the said scheme.

45 PRE-OPERATIVE EXPENSES CAPITALISED DURING THE YEAR

The Company has set-up newly ERW steel Pipes manufacturing unit at Hindupur District Ananthapuram a backward district of Andhra Pradesh in the financial year 2016-17 at a Capital Investment of Rs. 59.65 crore including the capitalisation of following pre-operative expenses:

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Raw materials consumed	31.77	-
Employee benefits	2.18	-
Borrowing cost	1.76	-
Other expenses		
Power charges	0.55	
Excise duty	4.69	
Outward freight	0.94	
Others	2.50	-
Total	**44.39**	**-**
Less: recoveries/ recoverable includes stock amount Rs.21.06 crore as on the date of commercial operation transfer to changes in inventories refer note : 32	40.35	-
Total	**4.04**	**-**

46 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:

Particulars	Valuation as at		
	31st March,17	31st March,16	1st April,15
Attrition rate for various ages in %	1.00 to 3.00	1.00 to 3.00	1.00 to 3.00
Discount Rate in %	7.50	8.00	8.50
Expected Rate of increase in salary in %	4.00	3.00	3.00
Mortality rate	100% of Indian Assured Lives Mortality (2006-08)	100% of Indian Assured Lives Mortality (2006-08)	100% of Indian Assured Lives Mortality (2006-08)
Expected Average remaining working lives of employees (years)	17.27	16.88	17.89

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.

Amount recognised in the statement of Profit and Loss:

(INR in Crore)

Particulars	Year ended 31st March 2017		Year ended 31st March 2016	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current Service cost	2.02	1.05	1.58	0.76
Interest cost	1.69	0.38	1.46	0.33
Remeasurement - Actuarial loss/(gain)	-	1.68	-	0.86
Expenses recognised in the statement of Profit and Loss	**3.71**	**3.11**	**3.04**	**1.95**

Component of defined benefit costs recognised in other comprehensive income

(INR in Crore)

Particulars	Gratuity	
	Year ended 31st March 2017	Year ended 31st March 2016
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising from changes in Financial assumptions	3.27	0.85
Actuarial loss / (gain) arising from experience adjustment	1.40	1.27
Actuarial loss / (gain) arising on plan asset	**-**	**0.01**
Component of defined benefit costs recognised in other comprehensive income	**4.67**	**2.13**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Current and non-current provision for Gratuity and Compensated absences:

(INR in Crore)

Particulars	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Compensated absences
Current provision	2.37	0.98	1.74	0.77	1.41	0.51
Non-current provision	25.56	6.18	19.37	4.02	15.81	3.40
Total provision	**27.93**	**7.16**	**21.11**	**4.79**	**17.22**	**3.91**

Movement in Obligation

(INR in Crore)

Particulars	Year ended 31st March 2017		Year ended 31st March 2016	
	Gratuity (partly funded)	Compensated absences (Unfunded)	Gratuity (partly funded)	Compensated absences (Unfunded)
Present value of obligation as at the beginning of the period	21.13	4.79	17.32	3.91
Current service cost	2.02	1.05	1.58	0.76
Interest cost	1.69	0.38	1.47	0.33
Benefits paid	(1.57)	(0.74)	(1.35)	(1.07)
Actuarial loss / (gain) arising from changes in Financial assumptions	3.27	0.92	0.85	0.20
Actuarial loss / (gain) arising from experience adjustment	1.40	0.76	1.26	0.66
Present value of obligation as at the end of the period	**27.94**	**7.16**	**21.13**	**4.79**

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

(INR in Crore)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
Opening fair value of plan assets	0.02	0.10
Interest income	-	-
Return on plan assets (excluding amounts included in net interest expenses)	-	(0.01)
Benefits paid	-	(0.09)
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

(INR in Crore)

Particulars	Year ended 31st March 2017		Year ended 31st March 2016	
	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	(2.27)	(0.64)	(1.70)	(0.40)
One percentage point decrease in discount rate	2.43	0.69	1.82	0.43
One percentage point increase in salary growth rate	2.50	0.72	1.90	0.45
One percentage point decrease in salary growth rate	(2.35)	(0.67)	(1.79)	(0.42)
One percentage point increase in withdrawals rate	0.62	0.19	0.50	0.12
One percentage point decrease in withdrawals rate	(0.69)	(0.22)	(0.52)	(0.13)

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.

Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Maturity profile of Defined Benefit Obligation As at March 31, 2017

(INR in Crore)

Particulars	Gratuity	Compensated absences	Gratuity	Compensated absences
01 Apr 2017 to 31 Mar 2018	2.36	0.98	1.74	0.77
01 Apr 2018 to 31 Mar 2019	0.43	0.27	1.40	0.23
01 Apr 2019 to 31 Mar 2020	0.60	0.46	1.05	0.18
01 Apr 2020 to 31 Mar 2021	1.10	0.39	1.25	0.29
01 Apr 2021 to 31 Mar 2022	1.31	0.32	1.14	0.27
01 Apr 2022 to 31 Mar 2023	1.49	0.29	1.24	0.21
01 Apr 2023 Onwards	20.64	4.46	13.31	2.84

47 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:

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. R.N. Maloo	ED & Group CFO
4	Mr. Ramanjeet Singh (w.e.f. 6th August,15)	CEO-Lighting Operations
5	Mr. Tarun Baldua	CEO- Steel Operations
6	Mr. B B Singal	Sr. VP & Company Secreatry

2 Entities where key management personnel and their relatives exercise significant influence

S.No.	Entities	Principal activities
1	Surya Global Steel Tubes Limited	Manufaturer of ERW, API & Spiral Welded Steel Pipes

3 Relatives of key management personnel where transactions have taken place

S.No.	Name of Relatives	Relationship
1	Mrs. Urmil Agarwal (w.e.f. 19 December, 2016)	Spouse of Mr. Jai Prakash Agarwal
2	Mr. Rajesh Bista	Brother of Mr. Raju Bista

4 Associate

S.No.	Name of the entity in the group	Principal place of operation /Country of Incorporation	Principal activities	% Shareholding / Voting Power	
				As at 31st March, 17	As at 31st March, 16
1	Surya Global Steel Tubes Limited	India	Manufacturer ERW, Spiral welded steel Pipes	26.99	26.99

The transactions reported herein with Surya Global Steel Tubes Limited are on gross basis

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The Board of Directors of the Company (Transferee Company) and Associate Company (Transferor Company) have approved the draft scheme of arrangement in respect of amalgamation between them on 8th June 2016 from the appointed date of 1st April 2016. On receiving of No Observation Letter(s) from NSE and BSE, Petition has been filed before the Hon'ble National Company Law Tribunal (NCLT) Chandigarh Bench for approval of the same. The proceeding are underway as on reporting date..

5 Trust under Common Control

S.No.	Name of the entity in the group	Principal place of operation /Country of Incorporation	Principal activities
1	Surya Roshni Limited Employee's Group Gratuity Scheme	India	Company's Employee gratuity trust

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

(INR in Crore)

S.No.	Nature of transaction/ relationship	Year ended March 31, 2017	Year ended March 31, 2016
i.	**Purchase of Goods/RM/Stores/others**		
	Surya Global Steel Tubes Limited	186.57	211.43
ii.	**Sales of Goods/RM/Stores/others**		
	Surya Global Steel Tubes Limited	14.00	5.00
iii.	**Purchase of property, plant and equipment**		
	Surya Global Steel Tubes Limited	0.05	NIL
iv.	**Sale of property, plant and equipment**		
	Surya Global Steel Tubes Limited	0.58	0.22
v.	**Payment of Salaries, commission and perquisites**		
	Mr. Jai Prakash Agarwal	2.40	0.81
	Mr. Raju Bista	1.80	0.63
	Mr. R.N. Maloo	0.53	0.51
	Mr. Ramanjeet Singh	0.90	0.58
	Mr. Tarun Baldua	0.79	0.62
	Mr. B B Singal	0.25	0.22

Compensation of Key Management Personnel of the Company

(INR in Crore)

S.No.	Nature of transaction/ relationship	Year ended March 31, 2017	Year ended March 31, 2016
i.	Short-Term benefits (see notes below)	6.67	3.37
	Total	**6.67**	**3.37**

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.

vi. Payment of Salaries and perquisites to relatives of KMP

Mr. Rajesh Bista	0.07	0.06

vii. Director sitting Fee's

Director sitting Fee's	0.003	N.A.
Mrs. Urmil Agarwal	0.05	0.05
Krishan Kumar Narula	0.03	0.03
Ravinder Kumar Narang	0.03	0.02
Utpal Kumar Mukhopadhyay	0.02	0.01
Tara shankar Bhattacharya	0.01	0.02
Sudhanshu Kumar Awasthi	0.01	0.02
Surendra Singh Khurana	0.01	0.01
Rajeev Kumar Sinha (IDBI Nominee)	-	-
Mukesh Tripathi	0.02	0.01
Dr. Salila Tewari #		

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

7. **Balance at the end of the year**

(INR in Crore)

Nature of transaction/ relationship	As at March 31, 2017	As at March 31, 2016	As at 1st April, 2015
Investment in Associate			
Surya Global Steel Tubes Limited	50.00	50.00	50.00

The transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

48 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 & strips (comprises Steel pipes and cold rolled strips)

2 Lighting & consumer durables (comprises Lamps, fittings, fans, 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 THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

I. Segment revenues and results

(INR in Crore)

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
Segment revenue	Steel Pipe & Strips	2,063.76	1,827.38
	Lighting & consumer durables	1,349.07	1,369.12
		3,412.83	**3,196.50**
Segment profit (earning before interest and taxes)	Steel Pipe & Strips	57.86	45.00
	Lighting & consumer durables	116.81	138.22
		174.67	**183.22**
Finance costs		87.74	96.43
Profit before tax		**86.93**	**86.79**
Tax expense		20.71	23.69
Profit for the period from continuing operations		**66.22**	**63.10**
Share of net profit of associate company		**5.41**	**4.16**
Profit for the period		**71.63**	**67.26**

Note:

i. Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2015-16 Rs. Nil)

II. Segment Assets and Liabilities

(INR in Crore)

Particulars		As at 31st March 17	As at 31st March 16	As at 1st April 15
Segment assets	Steel Pipe & Strips	1,103.87	1,045.58	1,053.99
	Lighting & consumer durables	911.75	846.06	760.16
Total Segment assets		**2,015.62**	**1,891.64**	**1,814.15**
	Unallocated	102.37	97.87	95.04
		2,117.99	**1,989.51**	**1,909.19**
Segment liabilities	Steel Pipe & Strips	205.54	168.77	156.36
	Lighting & consumer durables	205.55	166.58	109.32
Total Segment Liabilities		**411.09**	**335.35**	**265.68**
	Unallocated	939.66	950.14	999.99
		1,350.75	**1,285.49**	**1,265.67**

Notes :

Unallocated assets are comprises investment in associate company, income tax refundable etc.

Unallocated liabilities are comprises borrowings, provision for income tax, deferred tax etc.

i. All assets are allocated to reportable segments other than investments in associate, current tax assets and other current assets.

ii. All liabilities are allocated to reportable segments other than borrowings, current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable and allocated in proportion to segment assets.

III. Other segment information

(INR in Crore)

Particulars		As at 31st March 17	As at 31st March 16	As at 1st April 15
Cost incurred on acquisition of tangible assets	Steel Pipe & Strips	72.12	27.03	44.11
	Lighting & consumer durables	15.27	26.34	22.64
		87.39	**53.37**	**66.75**
Depreciation and amortisation expense	Steel Pipe & Strips	35.36	38.70	37.08
	Lighting & consumer durables	**20.56**	**22.31**	**18.96**
		55.92	61.01	56.04

IV. Revenue from major products and services

(INR in Crore)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Steel Pipe & Strips	2,063.76	1,827.38
Lighting & consumer durables	1,349.07	1,369.12
Total	**3,412.83**	**3,196.50**

V. 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:

a. Revenue from customers

(INR in Crore)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Within India	3,153.94	2,919.55
Outside India	258.89	276.95
Total	**3,412.83**	**3,196.50**

b. Non-current assets

(INR in Crore)

Particulars		As at 31st March 17	As at 31st March 16	As at 1st April 15
Non-Current Assets	Within India	802.06	771.81	781.23
	Outside India	Nil	Nil	Nil
		802.06	**771.81**	**781.23**

VI. Information about major customers

Company has no single customer from whom the revenue is not less than 10 % of the revenue from extenrnal customers of the company

49 TRANSITION TO IND AS

Basis of preparation

For all period up to and including the year ended March 31, 2016, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2017 are the Company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

Accordingly, the Company has prepared financial statements which comply with IND AS applicable for periods beginning on or after April 1, 2015 as described in the accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2015 the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as at April 1, 2015 and its previously published Indian GAAP financial statements for the quarter ended March 31, 2016 and year ended March 31, 2016.

Exemptions Applied

IND AS 101 First-time adoption of Indian Accounting Standards allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2015 opening balance sheet.

Following exceptions to the retrospective application of other IND AS as per Appendix B of IND AS 101.

1 Embedded derivatives – The Company has assessed whether an embedded derivative is required to be separated from the host contract and as per assessment no material embedded derivative is identified and hence no embedded derivative is accounted for.

Following exemptions availed from other IND AS as per Appendix D of IND AS 101.

1 Deemed cost for Property, Plant and Equipment (PPE) – The Company has elected to measure items of PPE at the date of transition to IND AS to continue with the previous carrying GAAP value.

Life and salvage value of assets has been revisited on transition date and revised estimated life less life expired on date of transition has been considered as revised life for all assets. The impact of change in life and salvage value is provided in Note no 5.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2 Under previous GAAP, company was carrying assets at revaluation assessed to fair value assets with corresponding increase in revaluation reserve. On transition to IND AS the Company has elected not to carry those assets at revaluation done under previous GAAP and those assets are carried on at previous carrying GAAP value excluding revaluation amount. On transition revaluation reserve has been adjusted against retained earnings. The impact of such measurement is provided in summary of effect of transition.

3 Long Term Foreign Currency Monetary Items

The Company has opted to continue the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first IND AS financial reporting period as per the previous GAAP, accordingly the Company has continued the capitalised of forex on long term loan outstanding on the date of transition i.e. April 1, 2015 and such capitalised amount is amortised over the remaining useful life of the asset.

4 Investments in associates

For the pupose of applying the equity method, Investment has been measured as at the date of transition as the aggregate value of initial investment and proportionate share of assets and liabilites of the Group's ownership.

The Company has recognized the investment in associate at previous GAAP carrying value on the date of transition.

5 The Company has decided to disclose prospectively from the date of transition the following as required by IND AS 19

i The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan, and

ii. The experience adjustments arising on;

a) The plan liabilities expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period; and

b) The plan assets expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period.

Under previous GAAP the Company was considering leave encashment as defined benefit plan as there was not difference in previous GAAP for accounting of experience adjustments and impact of change in actuarial assumption. On transition to IND AS, the Company has considered leave encashment as short term benefit and consequently experience adjustments and impact of change in actuarial assumption is accounted in P & L.

6 The Company has applied the transition provision in Appendix C of IND AS 17, "Determining whether an arrangement contains a Lease", and has assessed all arrangement as at the date of transition.

7 Fair value of financial assets and liabilities

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities which are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively..

Impact of transition to IND AS

The following is summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to IND AS.

Reconcilation of Balance Sheet as at April, 2015

(INR in Crore)

Particulars	Regrouped As per IGAAP As At 31st March, 2015	Adjustments	IND AS Adjustment Note No.	As per Ind-AS As at 1st April, 2015
I ASSETS				
1 Non-current assets				
a Property, plant and equipment	936.48	(181.63)	I, II & III	754.85
b Capital work-in-progress	26.38	-		26.38
c Financial assets				
i Investments	58.50	-		58.50
ii Other financial assets	7.29	0.36	III	7.65
2 Current assets				
a Inventories	389.52	-		389.52
b Financial assets				
i Trade receivables	530.58	-		530.58
ii Cash and cash equivalents	25.92	-		25.92

(INR in Crore)

Particulars	Regrouped As per IGAAP As At 31st March, 2015	Adjustments	IND AS Adjustment Note No.	As per Ind-AS As at 1st April, 2015
iii Bank balances other than (ii) above	0.43	-		0.43
iv Other financial assets	26.97	-		26.97
c Current tax assets (Net)	1.05	-		1.05
d Other current assets	87.34	-		87.34
Total	**2,090.46**	**(181.27)**		**1,909.19**
II EQUITY AND LIABILITIES				
Equity				
Equity share capital	**43.83**	**-**		**43.83**
Other equity	**775.70**	**(176.01)**	**I, II & IV**	**599.69**
LIABILITIES	-	-		
1 Non-current liabilities	-	-		
a Financial liabilities	-	-		
i Borrowings	364.28	-		364.28
ii Other financial liabilities	7.03	-		7.03
b Provisions	19.21	-		19.21
c Deferred tax liabilities (Net)	51.30	-		51.30
2 Current liabilities				
a Financial liabilities	-	-		
i Borrowings	515.52	-		515.52
ii Trade payables	178.32	-		178.32
iii Other financial liabilities	97.08	-		97.08
b Other current liabilities	23.46	-		23.46
c Provisions	13.68	(5.26)	IV	8.42
d Current tax liabilities (net)	1.05	-		1.05
Total	**2,090.46**	**(181.27)**		**1,909.19**

(INR in Crore)

Note No.	IND AS Adjustments	Impact in Amount
I	Reversal of revaluation reserve	179.35
II	Amortisation of premium on lease hold land	1.92
III	Recognised security deposit part of lease hold land to non current financial assets	0.36
IV	Reversal of proposed dividend of financial year ended 31st March 2015	5.26

Reconciliation of other equity as at April 1, 2015

(INR in Crore)

Particulars	Retained Earnings	Capital Reserve	Capital Redemption Reserve	Forfeiture Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Total other equity
As at April 1, 2015 (IGAAP) (A)	385.71	0.50	3.00	17.63	141.14	48.36	179.36	**775.70**
Adjustments								**-**
Less: De-recognition of Revaluation Reserve							(179.36)	**(179.36)**
Add: De-recognition of proposed dividend including DDT	5.26							**5.26**
Amortisation of Lease hold land	(1.91)							**(1.91)**
Government Grants recognized as Retained Earnings	0.50	(0.50)						**-**
Total IND AS adjustments (B)	3.85	(0.50)	-	-	-	-	(179.36)	**(176.01)**
As at April 1, 2015 (Ind AS) (A) + (B)	**389.56**	**-**	**3.00**	**17.63**	**141.14**	**48.36**	**-**	**599.69**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Principal differences between IND AS and Indian GAAP

Measurement and recognition difference for year ended March 31, 2016

1 Property, Plant and Equipment

i. Asset carried at Deemed cost in IND AS

On transition to IND AS , Company has opted to continue with the previous carrying GAAP value at the transition date of Property, Plant & Equipment.

ii. The Company has not elected to carry assets at revaluation done under previous GAAP, revaluation reserve carrying value of Rs.179.35 crores has been adjusted against retained earnings on transition.

2 Financial instruments

i. Derivative financial instruments

Under Indian GAAP, derivative contracts are measured at fair value at each balance sheet date to the extent of any reduction in fair value, and the loss on valuation is recognised in Statement of Profit and Loss. A gain on valuation is only recognised by the Company if it represents the subsequent reversal of an earlier loss. Also under IGAAP premium on forward contracts are amortised over the contract period and fair value was calculated excluding the premium..

Under IND AS, both reductions and increases to the fair values of derivative contracts are recognised in profit & loss.

Premium is not separately accounted and amortised.

ii Fair valuation of financial assets and liabilities

Under Indian GAAP, receivables and payables were measured at transaction cost less allowances for impairment, if any.

Under IND AS, these financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any. The resulting finance charge or income is included in finance expense or finance income in the Statement of Profit and Loss for financial liabilities and financial assets respectively.

iii Investment in associate

As per the para D14 and D15 of Appendix D of IND AS 101 first time adoptions of IND AS company has the options to value investments in associates either Deemed cost or Previous GAAP of which the company has opted to continue with the previous carrying GAAP value Including the propotionate share of assets and liabilites of the Group's owernship as per equity method of accounting.

iv Cost of borrowing

Borrowing designated and carried at amortised cost.

3. Proposed Dividend

Under Indian GAAP, proposed dividends are recognised as liability in the period to which they relate irrespective of the approval by shareholders. Under IND AS a proposed dividend is recognised as liability in the period in which it is declared (on approval of shareholders in a general meeting) or paid. Therefore the proposed dividend and dividend distribution tax of Rs. 5.26 crores on March 31, 2015 has been derecognised and recognised during 2015-16 on payment. Similarly proposed dividend and dividend distribution tax of Rs. 5.28 crores as on March 31, 2016 has been derecognised and recognised during 2016-17.

4 Deferred Tax

The Company has accounted for deferred tax on the various adjustments between Indian GAAP and IND AS at the tax rate at which they are expected to be reversed.

5 The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability is accounted in the Statement of Other Comprehensive Income and corresponding tax impact on the same. Due to this Rs.1.39 crores and Rs.3.05 crores for the period ended March 31, 2016 and March 31, 2017 respectively, tax credit there on is shown in OCI and reversal in Statement of Profit and loss.

6 Statement of Cash Flows

The impact of transition from Indian GAAP to IND AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under IND AS in Balance Sheet, Statement of Profit & Loss and difference in the definition of cash and cash equivalents and these two GAAP's.

7 Depreciation on Property, Plant and Equipment

Depreciation on Property, Plant and Equipment has been calculated on the value taken in IND AS and on revised useful life evaluated by technical valuer.

Reconciliation of Balance Sheet as at March 31, 2016

(INR in Crore)

Particulars			As per IGAAP As At 31st March, 2016	Adjustments	IND AS Adjustment Note No.	As per Ind-ASAs at 31st March, 2016
I	**ASSETS**					
1	**Non-current assets**					
	a	Property, plant and equipment	935.41	(181.97)	I, II, III & V	753.44
	b	Capital work-in-progress	18.37	-		18.37
	c	Financial assets	-			
		i Investments	62.56	-		62.56
		ii Other financial assets	7.88	0.36	III	8.24
2	**Current assets**					
	a	Inventories	469.88	-		469.88
	b	Financial assets	-			
		i Trade receivables	525.68	-		525.68
		ii Cash and cash equivalents	26.84	-		26.84
		iii Bank balances other than (ii) above	0.42	-		0.42
		iv Other financial assets	33.68	-		33.68
	c	Current tax assets (Net)	2.42	-		2.42
	d	Other current assets	87.98	-		87.98
Total			**2,171.12**	**(181.61)**		**1,989.51**
II	**EQUITY AND LIABILITIES**					
	Equity					
	Equity share capital		43.83	-		43.83
	Other equity		836.52	(176.33)	I, II, IV & V	660.19
	LIABILITIES		-			
1	**Non-current liabilities**		-			
	a	Financial liabilities				
		i. Borrowings	332.78	-		332.78
		ii. Other financial liabilities	7.81	-		7.81
	b	iii. Provisions	23.39	-		23.39
	c	Deferred tax liabilities (Net)	52.35	-		52.35
2	**Current liabilities**					
	a	Financial liabilities				
		i. Borrowings	513.18	-		513.18
		ii. Trade payables	214.52	-		214.52
		iii. Other financial liabilities	96.31	-		96.31
	b	Other current liabilities	32.68	-		32.68
	c	Provisions	14.95	(5.28)	IV	9.67
	d	Current tax liabilities (net)	2.80	-		2.80
Total			**2,171.12**	**(181.61)**		**1,989.51**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(INR in Crore)

Note No.	IND AS Adjustments	Impact in Amount
I	Reversal of revaluation reserve	179.35
II	Amortisation of premium on lease hold land up the transition date	1.92
III	Recognised security deposit part of lease hold land to non current financial assets	0.36
IV	Reversal of proposed dividend of financial year ended 31st March 2015	5.28
V	Charge on amortisation of premium on lease hold land during 2015-16	0.34

Reconciliation of other equity as at 31st March, 2016

(INR in Crore)

Particulars	Retained Earnings	Capital Reserve	Capital Redemption Reserve	Forfeiture Reserve	Securities Premium Reserve	General Reserve	Revaluation Reserve	Total other equity
As at March 31, 2016 (IGAAP) (A)	440.25	0.50	3.00	17.63	141.42	54.36	179.36	**836.52**
Adjustments								-
Less: De-recognition of Revaluation Reserve							(179.36)	**(179.36)**
Add: De-recognition of proposed dividend including DDT	5.28							**5.28**
Amortisation of Lease hold land	(2.25)							**(2.25)**
Government Grants recognized as Retained Earnings	0.50	(0.50)						-
Total IND AS adjustments (B)	3.53	(0.50)	-	-	-	-	(179.36)	**(176.33)**
As at March 31, 2016 (Ind AS) (A) + (B)	**443.78**	**-**	**3.00**	**17.63**	**141.42**	**54.36**	**-**	**660.19**

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2016

(INR in Crore)

	Particulars	As per IGAAP Year ended 31.03.16	Adjustments	As per Ind-AS Year ended 31,03.16	Adjustments on account of adoptions of IND AS
I	Revenue From Operations	3,301.21	104.71	3,196.50	Discounts schemes expenses were earlier shown as expenses in previous GAAP is now deducted from the sales of products
II	Other Income	1.85	-	1.85	
III	**Total Revenue (I+II)**	**3,303.06**	**104.71**	**3,198.35**	
IV	EXPENSES				
	Cost of materials consumed	1,964.91	-	1,964.91	
	Purchases of Stock-in-Trade	229.93	-	229.93	
	Changes in inventories of finished goods,	(21.57)	-	(21.57)	
	Stock-in -Trade and work-in-progress	-			
	Employee benefits expense	187.78	2.12	185.66	Re-measurement of the defined benefit plans were shown as part of employee benefit expenses under the previous GAAP is now shown as part of other comprehensive income not to be classified to profit or loss
	Finance costs	96.43	-	96.43	
	Depreciation and amortization expense	60.67	(0.34)	61.01	Charge on account of amortisation of premium on leasehold land on transition to IND AS

	Particulars	As per IGAAP Year ended 31.03.16	Adjustments	As per Ind-AS Year ended 31,03.16	Adjustments on account of adoptions of IND AS
	Excise Duty	232.34	-	232.34	
	Other expenses	467.56	104.71	362.85	Discounts schemes expenses is now netted from the sales of products under IND AS
	Total expenses	**3,218.05**	**106.49**	**3,111.56**	
V	Profit/(loss) before exceptional items and tax (III-IV)	85.01	(1.78)	86.79	
VI	Exceptional items				
VII	**Profit/(loss) before tax (V-VI)**	**85.01**	**(1.78)**	**86.79**	
VIII	**Tax expense**				
	Current Tax	17.64	(4.27)	21.91	
	Deferred Tax	1.05	(0.73)	1.78	
	MAT credit entitlement	4.27	4.27		
IX	**Profit/(loss) for the period**	**62.05**	**(1.05)**	**63.10**	
X	Share of profit / (loss) of associate (net)	4.13	(0.03)	4.16	
XI	**Profit/(loss) for the period**	**66.18**	**(1.08)**	**67.26**	
XII	**Other Comprehensive Income**				
A	Share of profit / (loss) of associate (net)		2.13	(2.13)	
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(0.73)	0.73	
	(iii) Share of other Comprehensive income associate (net)		0.03	(0.03)	
B	(i) Items that will be reclassified to profit or loss	-	-		
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-		
XIII	**Total Comprehensive Income (XI+XII)**	**66.18**	**0.35**	**65.83**	

Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended March 31, 2016:

(INR in Crore)

Net profit as per Indian GAAP		66.18
Add / (Less) : Adjustments on account of transition to IND AS		1.08
(A)	Net Profit as per IND AS	67.26
(B)	Add: Other Comprehensive Income	
Actuarial gains and losses (net of deferred tax)		(1.43)
Total Comprehensive Income (A+B)		65.83

There were no significant reconciliation items between cash flow prepared under Indian GAAP and those prepared under IND AS

Recent Accounting Pronouncement

Standards issued but not yet effected

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, ‘Statement of cash flows’ and Ind AS 102, ‘Share-based payment.’ These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, ‘Statement of cash flows’ and IFRS 2, ‘Share-based payment,’ respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The said amendment being only a disclosure requirement has not any impact either on the profit and loss for the period or any assets and liabilities recognised in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

As on date, there are no transactions to be settled through share based payments. Accordingly there is no impact of the amendments on the company.

50 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Dividends proposed to be distributed

(INR in Crore)

Particulars	Year ended 31.03.17	Year ended 31.03.16
Dividend proposed for Equity shareholders @ Rs.1.50 per share (previous year Re.1.00 per share	6.57	4.38

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

51 DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08/11/2016 TO 30/12/2016 AS PROVIDED IN THE TABLE BELOW :-

(In Rupees)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08/11/2016	25,78,000	23,92,148	49,70,148
(+) Permitted receipts	-	85,76,480	85,76,480
(-) Permitted payment	-	86,71,991	86,71,991
(-) Amount deposited in Banks	25,78,000	-	25,78,000
Closing cash in hand as on 30/12/2016	**-**	**22,96,637**	**22,96,637**

DETAILS OF THE SAME OF ASSOCIATE COMPANY AS PER ITS INDIVIDUAL FINANCIALS ARE AS UNDER : -

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08/11/2016	5,76,000	1,65,834	7,41,834
(+) Permitted receipts	-	10,47,408	10,47,408
(-) Permitted payment	-	8,91,503	8,91,503
(-) Amount deposited in Banks	5,76,000	-	5,76,000
Closing cash in hand as on 30/12/2016	-	**3,21,739**	**3,21,739**

52 FINANCIAL INSTRUMENTS

Fair value of financial assets and liabilities

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements are set out below.

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

(INR in Crore)

S.No.	Particulars	Amortised cost	Fair value *	Total carrying value	Total fair value
	Assets:				
i	Cash and cash equivalents	18.79	-	18.79	18.79
ii	Bank Balances other than (ii) above	0.41	-	0.41	0.41
iii	Trade receivables	535.42	6.71	542.13	542.13
iv	Other financial assets	48.41	-	48.41	48.41
	Total	**603.03**	**6.71**	**609.74**	**609.74**
	Liabilities:				
i	Non Current Borrowings	82.01	258.10	340.11	340.11
ii	Current Borrowings	427.40	118.60	546.00	546.00
iii	Trade payables	156.07	102.97	259.04	259.04
iv	Other financial liabilities	58.77	-	58.77	58.77
	Total	**724.25**	**479.67**	**1,203.92**	**1,203.92**

* Amount carried at forward contract rate / prevailing exchange rate at year end

The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows:

(INR in Crore)

S.No.	Particulars	Amortised cost"	Fair value *	Total carrying value	Total fair value
	Assets:				
i	Cash and cash equivalents	26.84		26.84	26.84
ii	Bank Balances other than (ii) above	0.42		0.42	0.42
iii	Trade receivables	505.40	20.28	525.68	525.68
iv	Other financial assets	41.92		41.92	41.92
	Total	**574.58**	**20.28**	**594.86**	**594.86**
	Liabilities:				
i	Non Current Borrowings	161.19	220.62	381.81	381.81
ii	Current Borrowings	513.18	-	513.18	513.18
iii	Trade payables	172.30	42.22	214.52	214.52
iv	Other financial liabilities	55.09		55.09	55.09
	Total	**901.76**	**262.84**	**1,164.60**	**1,164.60**

* Amount carried at forward contract rate / prevailing exchange rate at year end

The carrying value and fair value of financial instruments by categories as of April 1, 2015 were as follows:

(INR in Crore)

S.No.	Particulars	Amortised cost"	Fair value *	Total carrying value	Total fair value
	Assets:				
i	Cash and cash equivalents	25.92		25.92	25.92
ii	Bank Balances other than (ii) above	0.43		0.43	0.43
iii	Trade receivables	503.47	27.11	530.58	530.58
iv	Other financial assets	34.62		34.62	34.62
	Total	**564.44**	**27.11**	**591.55**	**591.55**
	Liabilities:				
i	Non Current Borrowings	272.73	159.39	432.12	432.12
ii	Current Borrowings	515.52	-	515.52	515.52
iii	Trade payables	147.96	30.36	178.32	178.32
iv	Other financial liabilities	36.27		36.27	36.27
	Total	**972.48**	**189.75**	**1,162.23**	**1,162.23**

* Amount carried at forward contract rate / prevailing exchange rate at year end

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The following methods and assumptions were used to estimate the fair values:

1 The carrying amount of Trade receivables, Trade payables and Cash & cash Equivalent are considered to be the same as their values due to their short term nature.

2 The carrying amount of the financial assets and liabilities carried at amortised cost is considered a reasonable approximation of fair value.

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.

53 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. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations and subject to financial risks

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 investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages financial market risk through finance 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.

(INR in Crore)

Interest rate sensitivity	Effect on profit before tax	
	Interest rate decrease by 50 basis point	Interest rate increase by 50 basis point
For the year ended March 31, 2017	4.43	(4.43)
For the year ended March 31, 2016	4.47	(4.47)

Foreign currency risk

The Company is exposed to various foreign currencies for exports, imports, borrowings etc. out of which some of the portion is naturally hedged by purchasing of goods, commodities and services in the respective currencies. Further the Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk. The net exposure of foreign currency receivable in USD stands at Rs.2.89 crores as on 31st March, 2017(previous year Rs.6.07 Cr.)

The detail of forward contract expouser are given below

	No. of Contract	Type	US$ (Million)	(INR in Crore)
As at 31st March 2017	2	sell	0.59	3.82
	97	buy	74.48	482.93
As at 31st March 2016	3	sell	1.60	10.38
	34	buy	40.15	260.30

Foreign currency sensitivity on Net Exposure

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax.

(INR in Crore)

Foreign currency (USD) exchange rates sensitivity	Effect on profit before tax	
	1% Increase	1% decrease
For the year ended March 31, 2017	0.03	(0.03)
For the year ended March 31, 2016	0.06	(0.06)

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 and sensitivity

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

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 is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(INR in Crore)

As at 31st March 2017	Less than 1 year	Above 1 year	Total
Non Current Borrowings	34.53	305.58	340.11
Current Borrowings	546.00	-	546.00
Trade payables	259.04	-	259.04
Other financial liabilities	58.77	-	58.77
Total	**898.34**	**305.58**	**1,203.92**

(INR in Crore)

As at 31st March 2016	Less than 1 year	Above 1 year	Total
Non Current Borrowings	49.03	332.78	381.81
Current Borrowings	513.18	-	513.18
Trade payables	214.52	-	214.52
Other financial liabilities	55.09	-	55.09
Total	**831.82**	**332.78**	**1,164.60**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(INR in Crore)

As at 31st March 2015	Less than 1 year	Above 1 year	Total
Non Current Borrowings	67.84	364.28	432.12
Current Borrowings	515.52	-	515.52
Trade payables	178.32	-	178.32
Other financial liabilities	36.27	-	36.27
Total	**797.95**	**364.28**	**1,162.23**

54 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 :-

(INR in Crore)

Particulars	As at 31st March 17	As at 31st March 16
Interest-bearing loans and borrowings	886.11	894.99
Equity	767.24	704.02
Capital and net debt	1,653.35	1,599.01
Gearing ratio in %	53.59%	55.97%

55 In respect of Income-tax assessments of the Company (for the year 2009-10 & 2010-11) demand of Rs.40.70 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.

56 EXPENDITURE ON R&D

Company has made Capital and Revenue expenditure from the financial year 2011-12 to 2016-17 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

(INR 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

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.

57 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.

58 The previous GAAP figures have been reclassified to confirm to Ind AS presentation required for this note.

59 LOCAL AREA DEVELOPMENT ACT:

The Hon'ble Supreme Court (9 Judges Constitutional Bench) vide judgement dated 11th November, 2016 decided about the applicability of Entry Tax / Local Area Development Tax (LADT) is constitutionally valid on account of compensatory issue but directed that the provisions of respective Acts have to be separately examined by Division Bench of Hon'ble Supreme Court on the issues of discrimination, local area and import of goods etc. The Divisional Bench remanded the matter to the respective High Court on 21st March, 2017 and also allowed filing of new petitions/ grounds.

Earlier, The Haryana Government notified the Entry of Goods into Local Area Act, 2008 by repealing the earlier Act of The Local Area Development Act, 2000 (The Hon'ble Punjab & Haryana High Court has decided the Act ultra-vires on 14th March, 2017 and decided in favour of the Company) but no final rules were notified by the Government.

Based on the facts of our case and the consultations made by the Company, no provision has been made.

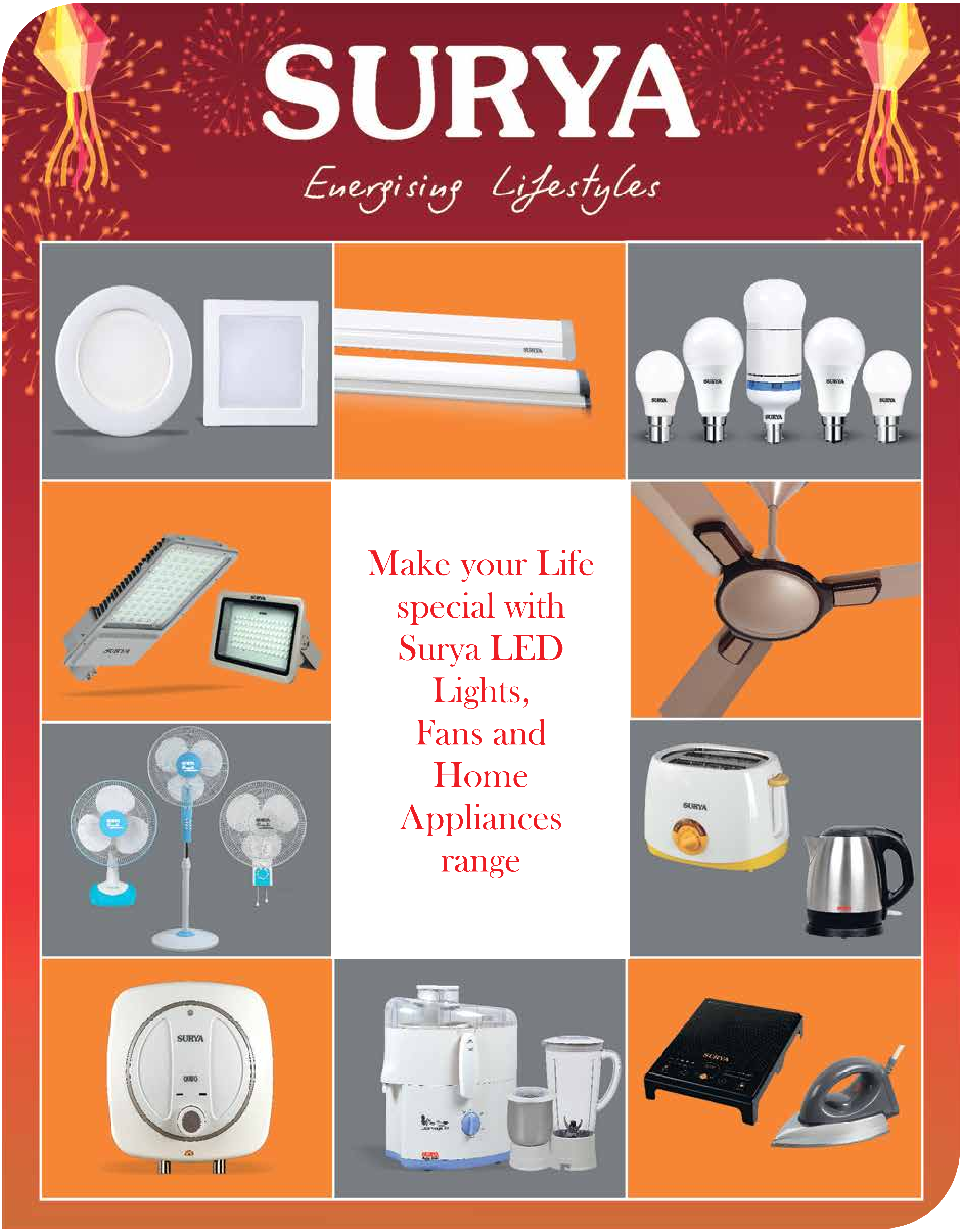
60 ADDITIONAL INFORMATION RELATING TO ASSOCIATE (AS PER SCHEDULE III OF COMPANIES ACT, 2013)

(INR in Crore)

Name of the Entity in the Group	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
As on 31.03.2017								
Surya Roshni Limited (A)	**91.15**	699.35	**92.45**	66.22	**97.44**	(3.05)	**92.22**	63.17
Associates (Investment as per equity method) Indian								
Surya Global Steel Tubes Limited	**8.85**	67.89	**7.55**	5.41	**2.56**	(0.08)	**7.78**	5.33
Total Associates (B)	**8.85**	67.89	**7.55**	5.41	**2.56**	(0.08)	**7.78**	5.33
Total (A + B)	**100.00**	767.24	**100.00**	71.63	**100.00**	(3.13)	**100.00**	68.50
As on 31.03.2016								
Surya Roshni Limited (A)	**91.11**	641.46	**93.82**	63.10	**97.90**	(1.40)	**93.73**	61.70
Associates (Investment as per equity method) Indian								
Surya Global Steel Tubes Limited	**8.89**	62.56	**6.18**	4.16	**2.10**	(0.03)	**6.27**	4.13
Total Associates (B)	**8.89**	62.56	**6.18**	4.16	**2.10**	(0.03)	**6.27**	4.13
Total (A + B)	**100.00**	704.02	**100.00**	67.26	**100.00**	(1.43)	**100.00**	65.83
As on 01.04.2015								
Surya Roshni Limited (A)	**90.91**	585.02						
Associates (Investment as per equity method) Indian								
Surya Global Steel Tubes Limited	**9.09**	58.50						
Total Associates (B)	**9.09**	58.50						
Total (A + B)	**100.00**	643.52						

Notes

Notes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