



GURUDEV

SURANA Corporation Limited

Corporate Head Office :

New No. 161, (Old No. 79), NSC Bose Road, Sowcarpet,
Chennai - 6000 001. Ph.: +91-44-2535 5072

Fax : +91-44-2535 5069 E-mail : secretarial@suranacorp.com

Website : www.suranacorp.com CIN : L65991TN1991PLC020783

Ref: SCL/SEC/11 /FY2017-2018

October 16, 2017

The Manager, National Stock Exchange of India Limited, Listing Department, Exchange Plaza, Bandra-Kurla complex, Bandra (E), Mumbai – 400051.	The Deputy General Manger, Department of Corporate Services, Bombay Stock Exchange Limited, 23 rd Floor, PJ Towers, Dalal Street, Mumbai - 400 001.
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Sub: Annual Report for the Financial Year 2016-17.

Ref: Scrip Code: 531102, Scrip ID: SURANACORP, Symbol: SURANACORP.

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attached herewith the Annual Report for the Financial Year 2016-17.

This is for your information and records.

Thanking You,
Yours Faithfully,

For SURANA CORPORATION LIMITED

DEVARAJAN.K.E
DIRECTOR



GURUDEV



FORWARD - LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information's to enable investors to fully appreciate our prospects and take informed investment decisions. Many factors may affect the actual results, which could be different from what the Company envisages in terms of future performance and outlook.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information's, future events or otherwise.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Swaminathan Ganesh	Non - Executive Chairman
Shri. Vijayraj Surana	Managing Director*
Smt. Agnes Roselind Joseph	Independent Director
Shri. Devarajan.K.E	Non-Executive Director

MANAGEMENT

Shri.Velayutham	Assistant Manager (Accounts)
Shri.Hemanth Kumar	Deputy Manager (Showroom)
Shri.J.Thiyagarajan	Assistant Manager (Showroom)

STATUTORY AUDITORS

V D S R & Co, Chartered Accountants,
3A, 3rd Floor, Amber Crest Apartments,
No.37, Pantheon Road (Near Mercury Hospital),
Egmore, Chennai – 600008.

INTERNAL AUDITOR

CA. R. Gopinath, Proprietor, Chartered Accountants,
Muruga Bhavanam, No. 751, Poonamallee High Road,
Kilpauk, Chennai - 600 010, Tamil Nadu, India

SECRETARIAL AUDITORS

M/s. Lakshmmi Subramanian & Associates,
Practicing Company Secretaries,
81, Murugesu Naicker Office Complex,
Greams Road, Chennai - 600 006.

*Resignation sent to Board but not accepted.

REGISTERED OFFICE CUM FACTORY:

No. 30, G N T Road, Madhavaram, Chennai, Tamil Nadu – 600 110.

CORPORATE OFFICE AND SHOWROOM:

New No.161, (Old No.79), NSC Bose Road, Sowcarpet, Chennai – 600 001.

SPECIAL ECONOMIC ZONE:

Plot A-4, Phase II, MEPZ-SEZ, NH – 45, Tambaram, Chennai – 600 045.

REGISTRAR AND SHARE TRANSFER AGENT:

CAMEO CORPORATE SERVICES LIMITED,

No.01, Club House Road, 05th Floor,

“Subramanian Building”, Chennai – 600 002.

Contact No. 044 – 28460390; Fax. 044 – 28460129.

E-Mail: investor@cameoindia.com

BANKERS

S.No.	NAME OF THE BANK	BRANCH NAME	ADDRESS
01	State Bank of India	Stressed Asset Management Branch	No.32, Montieth Road, Egmore, Chennai – 600 008.
02	Punjab National Bank	Asset Recovery Management Branch	No.46-49, Royapettah High Road, Royapettah, Chennai – 600 014.
03	Bank of India	Chennai Mid Corporate	Tarapore Towers, No. 826, 4 th Floor, Anna Salai, Chennai – 600 002.
04	IDBI Bank	Specialized Corporate	No. 115, Anna Salai, P.B.No.805, Saidapet, Chennai – 600 015.
05	Central Bank of India	Corporate Finance	Addison Building, No. 803, Anna Salai, Chennai – 600 002.
06	Standard Chartered Bank	Rajaji Salai	No.19, Rajaji Salai, 5 th Floor, Chennai – 600 001.

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**NOTICE OF 26th ANNUAL GENERAL MEETING
OF
SURANA CORPORATION LIMITED**

Notice is hereby given that Twenty Sixth Annual General Meeting of M/s. Surana Corporation Limited will be held on the Wednesday, 27th September, 2017 at 10.00 A.M at New Door No.1, Ambedkar Nagar, GNT Road, Madhavaram, Chennai - 600060 to transact the following businesses:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at **31st March, 2017** and the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of **Shri. Devarajan. K.E (07228715), Director** who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint the statutory auditors of the Company and to fix their remuneration and to pass the following resolution as an **“Ordinary Resolution”**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), **M/s. VDSR & Co, Chartered Accountants, Chennai (Firm No. 001626S)**, who have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant Rules and offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of twenty ninth Annual General Meeting of the Company, subject to ratification of members in each Annual General Meeting at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors.”

Date : 02nd September, 2017

By Order of the Board of Directors

Place: Chennai

**Devarajan.K.E
Director
(DIN: 07228715)**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY FORMS, IN ORDER TO BE VALID SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING I.E BY 10.00 A.M. ON WEDNESDAY, 27th SEPTEMBER, 2017.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. Members/Proxies are requested to bring their Attendance slip duly filed in for attending the meeting along with their copy of the Annual Report.
4. Corporate Members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of Board Resolution together with their respective specimen signature authorizing such representative(s) to attend and vote their behalf at the Meeting.
5. Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, disclosure of relationships between directors inter-se, names of listed entities in which they hold directorships and memberships/chairmanships of Board Committees, their shareholding as stipulated under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are provided with this notice.
6. Members are advised to quote the Registered Folio Numbers/ DPID & client ID Number in all correspondence with the company.
7. All documents referred to in the above notice and statement is open for inspection at the Registered Office of the company between 10.30 A.M. to 01.00 P.M on all working days.
8. The register of members of the company shall remain closed from 21st September, 2017 to 27th September, 2017 (both days inclusive).
9. Members are requested to contact the Registrar and Transfer Agent (RTA) for all matters relating to Company's shares at:

M/s. Cameo Corporate Services Limited,
No.1, Club House Road, 5th Floor,
"Subramanian Building", Chennai 600 002
10. Members holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agents to facilitate better services:

- (i) Any change in their address, mandates, and Bank details.
 - (ii) Share certificates held in multiple accounts names or joint names in the same order of names for consolidation of such shareholding into one account.
11. Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agent of the Company, immediately of the change in their residential status on return to India for Permanent settlement together with the particulars of their Bank Account maintained in India with complete Name, Branch, Account type, account number and address of the Bank with PIN code number if not furnished earlier.
 12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
 13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.
 14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
 15. We propose to send all documents including Annual Reports in electronic form to the Members on the email address provided by them to the Company/ RTA / Depositories. The Members holding shares in physical form are requested to intimate/update the email address to the Company/RTA, while those holding in Demat form can intimate/update their email address to their respective Depository Participants.
 16. Members are entitled to be furnished, free of cost, the physical copy of the documents sent by e-mail upon receipt of a requisition from them.
 17. In compliance with provisions of the New Companies Act, 2013 the Company is pleased to offer e-voting facility, for all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically.
 18. The Company has appointed Smt. Lakshmmi Subramanian, Senior Partner, [M.No .3534] of M/s. Lakshmmi Subramanian & Associates, Practicing Company Secretary, as Scrutinizer for conducting the e-voting process in a transparent manner.
 19. In terms of Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and conditions specified under the Companies (Management and Administration) Rules, 2014, or amendments made thereto, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, September 20, 2017, i.e. the cut-off date taken by the Company for the purpose of e-voting.

E-voting process:

20. The instructions for members for voting electronically are as under:-

- (i) The voting period begins on September 24, 2017 at 10.00 a.m. and ends on September 26, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 20, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store.

Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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Details of Director seeking re-appointment pursuant to The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Profile of Shri. Devarajan.K.E

Name	Shri. Devarajan.K.E
Father's Name	(Late) Prof.K.E.Govindan
Age	41 Years
Expertise in Specific functional area	Finance, Accounts, Portfolio Management, Equity Placement, Project Management and related areas.
Background Details	Shri.Devarajan.K.E is a fellow member of Institute of Chartered Accounts of India and Graduate Member of Institute of Cost and Management Accountant of India and brings in rich and varied experience to the Board.
Other Listed company Directorship	Nil
Chairmanship & Membership of other Committees of the Board	Nil
No of Shares	Nil
Relationship between Directors Inter-se	Nil

Date : 02nd September, 2017

By Order of the Board of Directors

Place: Chennai

**Devarajan.K.E
Director
(DIN: 07228715)**

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DIRECTOR'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

To

The Members,

The Directors of the Company present to you the 26th Annual Report of the Company, together with the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ending on 31st March, 2017.

1. FINANCIAL RESULTS

The Financial Results of the Company for the year under review is summarized below for your perusal and consideration.

(Rs. in Crores)

PARTICULARS	2016-17	2015-16
REVENUE FROM OPERATIONS	234.66	1196.33
PROFIT/(LOSS) BEFORE TAX AND DEPRECIATION	(142.09)	(106.21)
PROFIT/(LOSS) BEFORE TAX (PBT)	(319.27)	(322.40)
PROVISION FOR CURRENT TAX	-	-
TAX EXPENSE	-	(20.57)
PROFIT/(LOSS) AFTER TAX	(319.27)	(299.62)

1.1 FINANCIAL PERFORMANCE

The company has achieved a Net Revenue of Rs. 234.66 Crores as against the Net Revenue of Rs. 1196.33 Crores in the previous financial year. The Net Revenue of the year was mainly dependent on the trading activities as the Manufacturing activity was almost Nil due to the non operation of factory premises. Further, going forward with the levy of Excise on Gold Jewellery by the Finance Bill 2016, there has been a negative sentiment prevailing in the market.

Revenues from wind power generation during the year amounted to Rs.3.10 Crores as against Rs.3.68 Crores for the previous year. The fall in wind energy division has been on account of failure of almost half the capacity of the project because of locational factors. Along with this there have been evacuation problems for abnormal period during the peak season.

The company has incurred a loss after tax of Rs.319.27 Crores as against loss after taxes amounting to Rs.299.62 Crores in the previous year. The major factors contributing to this loss has been the ballooning interest cost and non ability of the company to scale up its operations for want of working capital funds release from banks.

1.2 CORPORATE DEBT RESTRUCTURING (CDR)

The Gem and Jewellery sector had been affected due to restrictions imposed by RBI on the Bullion trade during the year 2013. Due to the RBI guidelines, it had a profound impact on working capital financing of the domestic jewelers as RBI restricted the import of gold on consignment

basis only for the export purpose and asked banks to restrict issuance of LC against 100% cash margin. These moves reduced the gold supply during the last and current financial year.

Due to the non availability of the Gold in the market per se and the business model the company was operating the average credit period for the domestic customers got extended to around 90-120 days. Similarly in respect to the restriction on import and export of Gold, the export business of the company also suffered.

Due to the above external factors as discussed, the Company has faced difficulties in managing its cash flows and working capital requirements. In order to correct its working capital position and liquidity challenges arising out of the mismatch of the loan maturities and potential projected earnings, the Company had approached the lenders for restructuring of its entire debt for suitable realignment under Corporate Debt Restructuring (CDR) mechanism. The CDR Cell approved the proposal of debt restructuring with super majority of the lenders at the CDR Empowered Group (EG) meeting held on 24.10.2014 and issued the Letter of Approval (LOA) on 22.11.2014 based on which the lenders agreeing to the package has signed the Master Restructuring Agreement (MRA) on 20.01.2015. The lenders have restructured the debts of the Company to the extent of Rs. 1547.15 Crores under the CDR mechanism.

As part of the CDR, the identified sticky debtors have mortgaged their assets as collateral under the CDR package. A detailed understanding of this is provided under the Debtors position.

The salient features of the package were as under:

1. Repayment of Restructured Term Loans ('RTL') after moratorium of 2 years from cut-off date in 32 structured quarterly installments commencing from 30th June, 2017 to March, 2024. The moratorium period of 2 years has expired on June 30, 2017.
2. Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL') and "Fund based working Capital".
3. Unpaid Interest due on certain existing facilities on cutoff date, interest accrued during the moratorium period on WCTL and interest on fund based working capital facilities for certain period were to be converted into Funded Interest Term Loans ('FITLs').
4. Contribution of Rs 35.20 Crore in the CL by promoters in lieu of bank sacrifice in the form of equity/and/or unsecured loans on terms and conditions stipulated by/accepted to CDR EG.
5. An additional Working capital facilities (fund based) limits of Rs. 139.94 Crore shall be reconstituted.

Even after company has complied all the conditions as stipulated in the CDR and every Consortium banker assuring the company of release of additional credits into the working capital account, it has been holding back substantial amount. Such unilateral holding up of funds affects the day to day operations of the company and also destroys the company's goodwill in the market. This leads to a situation of losing the market and consequently incurring losses.

Even after many request submitted by the Company, the bankers are not in a position to take a positive look for releasing additional working capital facility as the banks has put the company under wait and watch. Because of these hurdles and restrictions, the company is unable to do the operations freely in the market and the realization from the debtors also getting delayed. However, at the JLM cum Consortium meeting held on April 20, 2016, the consortium bankers have taken the decision for exiting from CDR and informed the company that the same shall be

communicated in CDR EG meeting to be held on April 27, 2016. The fresh proposal in the form of company entering into the real sector business (subject to the approval of shareholders) for promoting the properties pledged by the sticky debtors to the company and promoters properties for settling the dues of the consortium bankers where submitted to the bankers for their approval, however the company has not received any communication from the bankers on the same.

During the Financial 2016-17, the company was continuously negotiating with the lead Bank SBI and other member banks to come forward for a compromise settlement by way of One Time Settlement. By considering the company sincere efforts to settle of the dues by way of One Time Settlement, the lead Bank SBI and other member banks had provided their In- principle approval for settling the dues of the consortium at a One-Time Settlement of Rs. 252 Crores at the Joint Lenders Meeting held on December 14, 2016 and the company is awaiting for the individual sanction of the each banks to proceed further.

2. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 was Rs. 24.36 Crores. During the year under report, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

3. DIVIDEND

Your Directors have not recommended any dividend for the financial year 2016-17 in view of the losses incurred and the need to conserve resources of the Company. The Company is also required to seek prior approval of the lenders for declaration of dividend, in terms of the Corporate Debt Restructuring package.

4. MANAGEMENT DISCUSSION AND ANALYSIS

4.1 INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 6-7 per cent of the country's GDP. One of the fastest growing sectors, it is extremely export oriented and labour intensive.

Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 75 per cent of the world's polished diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The Government of India has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100 per cent Foreign Direct Investment (FDI) in the sector through the automatic route.

MARKET SIZE

The gems and jewellery market in India is home to more than 500,000 players, with the majority being small players. India is one of the largest exporters of gems and jewellery and the industry

is considered to play a vital role in the Indian economy as it contributes a major chunk to the total foreign reserves of the country. UAE, US, Russia, Singapore, Hong Kong, Latin America and China are the biggest importers of Indian jewellery. The demand for gold in India rose by 15 per cent year-on-year to reach 123.5 tonnes during January-March 2017, according to the World Gold Council (WGC). The Goods and Services Tax (GST) and monsoon will steer India's gold demand going forward.

INVESTMENTS/DEVELOPMENTS

The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewellers are able to fulfil their changing demands better than the local unorganized players. Moreover, increase in per capita income has led to an increase in sales of jewellery, as jewellery is a status symbol in India.

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000 - March 2017 were US\$ 895.96 million, according to Department of Industrial Policy and Promotion (DIPP).

GOVERNMENT INITIATIVES

- In the Union Budget 2017-18, the Government of India, offered tax cuts for the middle class and other sections of society (5 per cent for the Rs 250,000-500,000 tax slab; which was 10 per cent initially). All these measures will drive consumption, which will be favourable to the gems and jewellery industry.
- The Government of India's proposal to cut corporate tax rates to 25 per cent for micro, small and medium enterprises (MSMEs) having annual turnover up to Rs 50 crore (US\$ 7.5 million) will benefit a large number of gems and jewellery exporters from MSME category.
- The Government of India's announcement on establishing gold spot exchange could help in India's participation in determining gold price in the international markets.
- The demonetisation move is encouraging people to use plastic money, debit/ credit cards for buying jewellery. This is good for the industry in the long run and will create more transparency.

ROAD AHEAD

In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry. The improvement in availability along with the reintroduction of low cost gold metal loans and likely stabilisation of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

Mr Narendra Modi, Prime Minister of India, encouraged the diamond industry in Surat, Gujarat to come forward in making India number one in the gems and jewellery sector, by focusing on Design in India in addition to the Make in India campaign.

Exchange Rate Used: INR 1 = US\$ 0.0155 as of April 17, 2017.

References: Media Reports, Press Releases, Department of Industrial Policy and Promotion (DIPP), Reserve Bank of India, Gem & Jewellery Export Promotion Council, Union Budget 2017-18

4.2 OPPORTUNITIES

The global body expects Indian gold demand to be about 650-750 tonnes in 2017. Demand was just a little more than 600 tonnes in the last calendar year. Incidentally, the year 2016 saw gold demand in India falling to its lowest level since 2009 as government policies along with weak rural sentiment kept consumers away. While the gold trade body said that the outlook for 2017 was “cautious”, it added that demand was likely to improve going forward. The global body further stated that while demonetisation did dent economic growth, it was helping large jewellery retailers and consumers in terms of transparency and quality.

“Demonetisation is also boosting large jewellery retailers, and they will continue to grab a larger share of the market. Over time, consumers will move away from cash towards digital payments, and organised players should benefit from this trend. This change in market dynamics will result in more transparency and a better deal for consumers, protecting them from shady practices such as under-carating,” the WGC said.

5. OPERATIONS

5.1 MANUFACTURING

The Company has shifted its manufacturing facility from Tondiarpet to Madhavaram during the month of December, 2014; this shift in factory operation has affected the manufacturing capacity of the Company since December, 2014. The Company with a view to mitigate the loss of business on account of shift in factory has resorted to outsourcing of Jewellery manufacturing to a small set of trusted karigars.

5.2 WIND ENERGY DIVISION

The Wind energy division of your Company earned an income of Rs.3.10 Crores during the financial year 2016-17 as compared to an income of Rs.3.68 Crores in the previous year. The fall in wind energy division has been mainly due to shutting down of grid for abnormal period during the peak season. During the financial year, due to non-payment of dues to the State Bank of India, where the 60 windmill assets owned by the company are pledged were taken on possession and subsequently sold by State Bank of India through private treaty to a third party. The sale proceeds are utilized by SBI for adjusting the outstanding dues of the company. Accordingly, the said investment has been impaired during the year.

5.2 DEBTORS POSITION

Surana Corporation Limited had to face a stretch in its working capital needs as the company’s debtors also stretched payments.

With restricted market conditions for jewellery sector, the working capital cycle of the company has been badly affected. Almost all the jewelers have been asking for extended credit period, whereby the company’s liquidity is getting stretched. The credit period for more than Rs. 370 Crores of company’s domestic debtors has got stretched to more than 180 days. As the banks also not released any additional drawing power, the company was unable to do/improve the operations in the market and which becomes difficult for the company to bring down the over drawings. Similarly, because of the existing scenario, there is enormous delay in realization from sticky debtors which includes foreign debtors also.

Debtors of Rs. 612.56 crores aged more than one year (referred as sticky) are covered under the Memorandum of understanding entered in June 2014 confirming the schedule of repayment. This

Schedule of repayment has been considered as part of company CDR proposal by the consortium of Banks. Further the Memorandum also indicates coverage of these debts belonging to the some of the debtors by properties. These properties of the debtors have been mortgaged in favour of the consortium lenders of the company as part of CDR. Also the company reserves the rights to sell the said properties in case of non receipt of scheduled payments .

During the financial year 2015-16, the Company has provided for an amount of Rs.30,22,49,611/-, which was to be recovered as per the MOU but not recovered. During the year 2015-16 the company has recovered a total of Rs.57,72,22,892/- from the sticky debtors. A portion of such recovery had happened in the form of takeover of coal and steel stocks relating to the party. Even though the anticipated recovery from the sticky debtors was Rs.59,75,00,375/- as per schedule of repayment of MOU, the company has recognised additional provision for said domestic debtors from whom not recovered as per MOU individually.

During the Financial Year 2016-17, there is no recovery from the sticky debtors and the company had issued notice under Section 434 of the Companies Act, 1956. However, the company is taking all necessary steps to approach NCLT under The Insolvency and Bankruptcy Code.

Even though the company is confident of collecting all its debtors, as an abundant precaution, the company is getting the debts securitized by collaterals wherever possible. The company is also in the process of negotiating with the debtors to seek early repayment by giving some discounts. These measures will help the company to reduce the liquidity crunch marginally and at the same time would give comfort the banks about the recoverability of the same.

The Company being continuously hounded by one or the other statutory authorities, the markets have been jittery in dealing with the company directly. Even though the market has been faith on the promoters of the company but still our hesitant to have too much of direct exposure, this hesitancy in the market has been restricting the company's performance. Hence the company with the view to overcome this hurdle and in order to maintain the existing the market and trade, have entered into a kind of agreement with "Sasyso Exim Private Limited " and " Thribovan Enterprises Private Limited" at an increase credit period term during the financial year 2016-17. This arrangement effectively helps the company in maintaining its business share without sacrificing profitability.

6. FUTURE OUTLOOK

As stated earlier, the Company had obtained In-principle approval from the consortium banks for settling their outstanding dues at a One Time Settlement of Rs.252 Crores. However, individual sanction for the individual consortium members is awaited. Once the said approval from the individual consortium is received, the company debt burden will drastically reduce and company shall concentrate more towards the core area of developing the business into new heights.

7. RISK PERCEPTION AND CONCERN:

The Directors are constantly assessing the business risks pertaining to the performance of the Company. The following are the important risks perceptions:

- Volatility in gold and silver prices.
- Uncertain regulatory atmosphere.
- Current account deficit and more restrictions by the Government on import of gold.
- Increased customs duty.

- Customers Default
- Inadequacy of Finance Arrangement
- Statutory Policies
- Restriction of importing of Gold
- Events Due to Unforeseen Circumstances
- Uncertainties of global economy, impacting overall growth.

Your Directors are fully conscious of the various business risks and have taken adequate care to tackle any situation.

Statutory Departmental Enquiries:

During the financial year 2012-13 based on the complaints by MMTC Ltd, CBI had seized of around 400 Kgs of Gold during the search conducted on 20.06.2012. The main complaints against the company by MMTC were an outstanding amount of around Rs. 29 crores due to them on Gold supply transactions entered into 2007-08 to 2010-11. In this regard, the company had submitted to the investigating authorities that the alleged dues as claimed by the MMTC can never arise due to the fact that bullion is always supplied on payment of advance in full or at a margin of 110 % of the value. Consequently the investigating authority (CBI) had filed a charge sheet in August, 2013 concluding that there was a total due of around Rs. 13.86 crore recoverable from MMTC from the company. These calculation with the investigating agency are also bound to fall flat in the court of law as MMTC subsequent to filing of the charge sheet has also filed a civil suit with the high court of madras in which they have declared that the calculation by the CBI officer was wrong and the final working on the net amount payable and claimed in the civil suit is only 2.25 crores. Further on 25th February, 2015 the honourable CBI Court has closed the FIR relating to 400 kgs of Gold Seizer. The Court in its order has pronounced that there is no prosecutable evidence against the company or it's Management.

In October, 2015 based on the field information, the DRI officers had come for search to the company showroom. During the search the officers seized 2.339 Kgs of Gold valued Rs. 62.50 lacs alleging it to be non duty paid item. The company has produced all the necessary documents confirming the genuinely of the gold to the department. On completion of the investigation , the department has issued a show cause notice in April, 2015 whereby asking for the reason as to why penalty equivalent to the duty amount payable on the said 2.339 Kgs gold be not levied on the company. The liability under the show cause notice is amounting to maximum of Rs. 62.50 Lacs.

Other than that DRI has also issued a show cause notice in the year 2013 relating to the differential duty to be paid on import of Jewellery from Thailand by disputing the value addition certified by the country of origin. This show cause notice of DRI is a PAN India phenomenal and has been issued to all the jewellers across the country who has imported the gold jewellery from Thailand. The company has a prudent measure has already provided for Rs 15.81 crore Relating to the said related duties. At the same time the company is of the opinion that this liability may not be crystallized in view of the recent Delhi High court judgment whereby circular/ notification of the CBEC under which these show cause notices were issued has been quashed.

8. INTERNAL CONTROL SYSTEM:

Your Directors are pleased to inform you that your Company has an adequate and sufficient internal controls as well as Internal Audit Systems manned by company officials commensurate

with the size and nature of the Company's day to day operations. The Internal policies and controls do ensure efficient use of Company's productive assets. These internal guidelines also help protection of the assets of the Company. They also ensure that the activities of the Company are in accordance with the stated policies, guidelines and other statutes and regulations in force. Independent audit functions and compliances of the various stipulations of the Statutory Authorities are strictly adhered to by the Company and this aspect is monitored by the Audit Committee. The Internal Control Mechanism also provides for well documented policies and approved procedures for guiding the company's operations.

9. HUMAN RESOURCES

The Management envisions trained and motivated employees as the backbone of the Company. Special attention is given to recruit trained and experienced personnel not only in the production department but also in marketing, finance and accounts. The Management strives to retain and improve employee morale. The Company has total staff strength of about 20 employees. The Company is in the process of revamping the employer employee engagement program.

10. CORPORATE GOVERNANCE

The Directors pay special attention to ensure that the guidelines given for the corporate governance are strictly adhered to. All possible steps are taken to adhere to the requirements set out by SEBI Guidelines on Corporate Governance.

A separate report on the Corporate Governance also forms part of the Annual Report. Requisite certificates from the Auditors of your Company regarding compliance of the conditions of the corporate governance as stipulated under Regulation 27(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is also attached to the corporate governance report.

11. CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

The Board of Directors has constituted a Corporate Social Responsibility and Governance Committee (CSR&G Committee) in compliance with the provisions under the Companies Act, 2013. The committee comprises of Shri. Swaminathan Ganesh as the Chairman and Smt. Agnes Roselind Joseph and Shri. Devarajan.K.E as members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

During the financial year 2014-15, 2015-16 and 2016-17 the Company had achieved a Net Loss of Rs.287.06 Crores, Rs.299.65 Crores and 319.27 Crores respectively. Due to subsequent liquidity crunch faced by the Company, the Company is not in a position to spend money pertaining to CSR activities. The Company during the last three financial year had an average net loss of Rs.302 Crores, hence the submission of a report on CSR activities does not apply.

12. RISK MANAGEMENT COMMITTEE AND POLICY:

The Board of Directors has constituted a Risk Management Committee and framed a Risk Management Policy in compliance with the provisions under the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The committee comprises of Shri. Swaminathan Ganesh as the Chairman and Smt. Agnes Roselind Joseph and Shri.Devarajan.K.E as members.

13. SEXUAL HARASSMENT POLICY:

The Company had adopted the sexual harassment policy as recommended by the Audit Committee of the Board of Directors; however the Company is in the process of constituting a committee for the same.

14. DEPOSITORY SYSTEM / E-VOTING MECHANISM:

The Company has entered into a Tripartite Agreement with both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (I) Ltd (CSDL) along with Registrars M/s Cameo Corporate Service Ltd, Chennai for providing electronic connectivity for dematerialization on the Company's shares facilitating the investors to hold the shares in electronic form and trade in those shares. The shares of your Company are being traded now on the Bombay and National Stock Exchanges under compulsory demat form. Further, in accordance with provisions stipulated under Companies Act, 2013, the facility of e-voting is also made available to all shareholders of the Company. The instructions regarding e-voting are available in a separate section of the Annual report. All shareholders are also requested to update their email ids with the Company or our RTA M/s. Cameo Corporate Services Ltd.

15. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Companies Act, 2013 and rules framed thereunder, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund. The details of the same are covered under the Corporate Governance Report.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th September, 2016 (date of last Annual General Meeting) on the Company's website (www.suranacorp.com), as also on the Ministry of Corporate Affairs' website.

16. AUDITORS**STATUTORY AUDITORS**

M/s. VDSR & Co, Chartered Accountants, Chennai having firm registration number 001626S has been re-appointed as Statutory auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of twenty ninth Annual General Meeting of the Company as set out in Item No.3 of the Notice of Annual General Meeting, subject to ratification of their appointment by shareholders in each Annual General Meeting.

M/s. VDSR & Co, Chartered Accountant, Chennai have conveyed their consent to be appointed as Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed the Companies Act, 2013.

17. AUDITORS REPORT AND MANAGEMENT'S RESPONSE TO AUDITORS EMPHASIS

The Auditors have emphasized certain matters in their report as mentioned below and the management has given their respective response on the same.

AUDITORS QUALIFICATION ON INDEPENDENT AUDITORS REPORT:

AUDITORS QUALIFICATION

The Company has not provided for interest and penal interest on certain borrowings for the year ended March 31, 2017 which is estimated at Rs. 4697 Lakhs.

MANAGEMENT'S RESPONSE

The Management has not provided for interest on certain borrowings as the lenders have declared the accounts as Non-Performing assets and have not charged the interest in their loan books.

AUDITORS QUALIFICATION

The company has considered trade receivables outstanding for more than 6 months of Rs. 249.36 Crores and long term trade receivables of Rs. 358.92 Crores, as good and recoverable. However, we were unable to confirm or verify, by alternative means, balances of such trade receivables.

Had provision been made with respect to the above interest and receivables in the books of the company, the loss would have been increased by Rs. 655.25 Crores and consequently networth have been reduced by Rs. 655.25 Crores.

MANAGEMENT'S RESPONSE

The Company has treated the long receivables of Rs. 358.92 Crores, which is net of provisioning as good and recoverable due to fact that the said receivables are covered under the Memorandum of Understanding consisting of definitive repayment schedule and some of the assets belonging to the said parties are collateralized to the consortium on behalf of the company. Further trade receivables outstanding for more than six months of Rs. 249.36 Crores are considered good and fully recoverable.

AUDITORS QUALIFICATION

The carrying values of the financial assets as at March 31, 2017 are not measured in accordance with the Ind-AS 39 and we are unable to comment on the adjustments that may be required to the carrying values of the financial assets.

MANAGEMENT'S RESPONSE

The Company has implemented Ind-AS 39 and as all the necessary provisions on the financial assets and financial liabilities have been recognized, the company is of the view that financial assets and financial liabilities of the company are represented at fair market value. Further there are no financial assets held by the company. Similarly as all the financial liabilities of the company is payable on demand due to the fact that the loans have become Non-Performing Assets and the banks have initiated recovery suit, these financial liabilities are disclosed in the books as per the claims made by the lenders and accordingly the management is of the view that there might not be any adjustments required in carrying value of financial assets and liabilities.

AUDITORS QUALIFICATION

We draw attention to Note no 4 to the statement which indicates that the company has incurred net loss of Rs. 200.68 Crores and Rs.319.26 Crores during the half year ended and year ended March 31, 2017 respectively and as on that date, the Company's current liabilities exceeded its current assets by Rs. 1,229.80 Crores and the company's accumulated losses aggregate to Rs. 838.63 Crores resulting in erosion of its networth. These conditions along with other matters as set forth in the aforesaid note indicates the existence of a material uncertainty that may cast

significant doubt about the company's ability to continue as a going concern. However, the financial statements have been prepared under the assumptions of going concern, considering the outcome of the consortium meeting dated December 14, 2016 and May 08, 2017, whereby the company has offered One Time Settlement of its liabilities with the consortium members, which has been considered by them for further approval. The ability of the company to continue as a going concern is significantly dependent on the further approval by consortium of lenders on the one time settlement offered by the company.

MANAGEMENT'S RESPONSE

The Company would like to submit that vide the consortium meeting dated December 14, 2016 and May 08, 2017 the company's offer for one time settlement of its liabilities with the consortium members has been considered and forwarded to necessary authorities for approval. Consequently, the company is well within its capacity to repay the consortium liabilities and accordingly the book of accounts has been prepared on on-going concern basis.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Lakshmmi Subramanian & Associates, Practising Company Secretaries, Chennai to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit Report is annexed herewith as "**Annexure A**".

MANAGEMENT RESPONSE TO SECRETARIAL AUDITOR'S OBSERVATION:

1. The Company received a sum of Rs. 35,27,73,330 from its promoter's consequent to restructuring of loans and advances by financial institutions and banks, as per the terms of the restructure under Corporate Debt Restructuring Scheme. Further, during the year under review, consequent to decision taken by the Board to not allot shares to the promoter the said sum was partially returned. The balance sum of Rs. 14,68,87,050 was reclassified as unsecured loan as per the instruction of subscriber to the shares, which is not in compliance of the Companies (Acceptance of Deposit) Rules, 2014.

As the CDR was declared as failure and exited by the consortium of banks, further processing of converting the promoter contribution into share capital could not happen and accordingly it was reclassified as unsecured loan.

2. The Company has not fully complied with the provisions of Secretarial Standards 1 and 2.

The Company is in the process of fully complying with the provisions of Secretarial Standards 1 and Secretarial Standards 2.

3. The Company has not filed any forms with the Registrar of Companies during the Financial Year.

The company is already into the system of filing forms with Registrar of Companies on regular basis.

4. The Company has not appointed Company Secretary (CS) and Chief Financial Officer (CFO) as required under section 203 of the Companies Act, 2013 during the Financial Year.

The Company is in the process of identifying the suitable candidate for the post of Company Secretary and Chief Financial Officer. The Company is taking all necessary steps to comply with the provisions of Section 203 of Companies Act, 2013.

5. The Company has not updated its website as per the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Company is already in the process of updating the website as per the said provisions.

18. INTERNAL AUDITOR:

The Board has appointed CA. R. Gopinath, Proprietor, Chartered Accountants, Chennai as the Internal Auditors of the Company pursuant to Section 138 of Companies Act, 2013 and Rule No. 13 of The Companies (Accounts of Companies) Rules, 2014 for the financial year 2017-18.

The Internal Auditors of the Company has a qualified team of Internal Audit professionals, who shall be reporting directly to the Audit Committee of the Company. The Internal Audit would ensure that strong internal control mechanism is put in place in the Company as per the recommendations and guidance of Audit Committee.

19. DECLARATION BY INDEPENDENT DIRECTORS:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

20. DIRECTORS:

The following changes have occurred in the Board of Directors during the financial year 2016-17:

20.1 RESIGNATION OF DIRECTORS:

Smt. Soundharya Panchapakesam has resigned from the position of Director with effect from 02nd September, 2016; The Board had placed on record the appreciation for the outstanding contributions made by Smt. Soundharya Panchapakesam during her tenure of office with the Company.

20.2 APPOINTMENT OF DIRECTOR:

Smt. Agnes Roselind was appointed as an Independent Director of the Company with effect from May 26, 2016.

During the Financial Year, the company had informed the consortium about the resignation of Shri. Vijayraj Surana. However, the consortium is yet to provide its confirmation in this regard.

21 RE-APPOINTMENTS

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum & Articles of Association of the Company, at the ensuing 26th Annual General Meeting, Shri. K.E.Devarajan, Non- Executive Director of the Company is liable to retire by rotation and being eligible offer himself for re-appointment. The Board recommends his re-appointment.

22. BOARD EVALUATION

Pursuant to the provisions of Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board shall monitor and review the Board evaluation

framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

23. TRAINING OF INDEPENDENT DIRECTORS

Every new independent director of the Board attends an orientation program. To familiarize the new inductees with the strategy, operations and functions of our Company, the executive directors/senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management.

24. REMUNERATION POLICY

The Board on recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

25. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors, make the following statement in terms of Section 134 (3) (c) of the Companies Act, 2013:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A statement containing the particulars relating to conservation of energy, research and development and technology absorption as required under Section 134(3)(m) of the Companies Act, 2013

and Rule 8(3)(A), (3)(B) and 3(A)(C) of The Companies (Accounts) Rules, 2014 are given in “Annexure B”

27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Details of Loan, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statements.

28. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 of the Companies Act 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 in respect of the employees of the company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees’ particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

29. DEPOSITS

Your Company has not accepted any deposits from the public during the year under review.

30. MEETINGS

During the year 5 (Five) Board Meetings and 4 (Four) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period as prescribed under the Companies Act, 2013.

31. COMMITTEES

Currently, the Board of Directors of the Company pursuant to the mandatory provisions of Companies Act, 2013 has the following committees namely:

- a) Audit Committee
- b) Nomination & Remuneration Committee
- c) Stakeholders Relationship Committee
- d) CSR Committee
- e) Risk Management Committee
- f) Share Transfer & Transmission Committee

A detailed note on the Board and its committees along with the composition of the committees and compliances is provided under the Corporate Governance Report section in this Annual Report.

32. AUDIT COMMITTEE

Currently, the Company has an independent and qualified Audit Committee as per the provisions of Section 177(8) of the Companies Act, 2013 and Rule 7 of The Companies (Meetings of Board and its Powers) Rules, 2014 and The SEBI (LODR) Regulations, 2015, the following is the current composition of Audit Committee:

Name of the Director	Category	Status
Shri. Swaminathan Ganesh	Non-Executive Independent Director	Chairman
Shri. Agnes Roselind Joseph	Non-Executive Independent Director	Member
Shri. Devarajan.K.E	Non-Executive Director	Member

The Board has accepted all the recommendations provided by the Audit Committee.

33. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a vigil mechanism/whistle blower Policy to deal with instance of fraud and mismanagement, if any. The details of the vigil mechanism Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

34. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The Company is in the process of developing a Related Party Transactions Manual, Standard Operating Procedures for purpose of identification and monitoring of such transactions. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. Particulars of Contracts or arrangement with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as “**Annexure C**” to the Board's Report.

35. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “**Annexure D**”.

36. ENHANCING SHAREHOLDER VALUE

Your 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 asset and resource base and nurturing overall corporate reputation. Your company is also committed to creating value for its other stakeholders by ensuring its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

37. GREEN INITIATIVES

During fiscal 2015-16, we started a sustainability initiative with the aim of going green and minimizing our impact on the environment. This year, we are publishing only the statutory disclosures in the print version of the Annual Report. Additional information is available on our website www.suranacorp.com.

Electronic copies of the Annual Report 2016-17 and Notice of the 26th Annual General Meeting are sent to all the members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Annual Report 2016-17 and the Notice of 26th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

38. ACKNOWLEDGEMENT

The Board of Directors of the Company wishes to express their deep sense of appreciation and offer their sincere thanks to all the Shareholders of the Company for their unstinted support to the Company.

The Board also wishes to express their sincere thanks to all the esteemed Customers for their support to the Company's products.

The Board would also like to place on record their deep sense of gratitude to the various Central and State Government Departments, Organizations, Banks, Financial Institutions and Agencies for the continued help and co-operation extended by them.

In the end, the Board would like to place on record their deep sense of appreciation to all the executives, officers, employees, staff members, and workers at the factories.

Date : 02nd September, 2017
Place: Chennai

For and on behalf of the Board of Director

Agnes Roselind Joseph
Director
(DIN: 00007313)

Devarajan.K.E
Director
(DIN: 07228715)

ANNEXURE “A”**SECRETARIAL AUDIT REPORT****For The Financial Year Ended On 31st March, 2017**

(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,

SURANA CORPORATION LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Surana Corporation 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 my opinion thereon.

Based on our verification of the Company 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, 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 Contract (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Imports and Exports of goods and services, Current Account Transactions and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based employee Benefits), 2014 (Not applicable for the Audit Period).

- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client to the extent of securities issued;
 - (f) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 (Not applicable for the Audit Period).
 - (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 (Not applicable for the Audit Period).
 - (h) The Securities Exchange Board of India (Buyback of Securities) Regulation, 1998 (Not applicable for the Audit Period).
 - (i) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015
- (vi) Other laws applicable specifically to the company being a manufacturer, Importer /Exporter of Bullion (which has been currently suspended) and Wind energy:
- (i) Factories Act, 1948
 - (ii) Legal Metrology Act, 2009
 - (iii) Negotiable Instruments Act, 1881
 - (iv) Environment (Protection) Act, 1986
 - (v) Water (Prevention and Control of Pollution) Act, 1981
 - (vi) Air (Prevention and Control of Pollution) Act, 1974
 - (vii) Hazardous Waste (Management and handling) Rules, 1989
 - (viii) State Fire Safety Act
 - (ix) Electricity Act, 2003
 - (x) Trademarks Act, 1999

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

- i. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- ii. Uniform Listing Agreement entered with the stock exchanges pursuant to the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Company received a sum of Rs 35,27,73,330 from its promoters consequent to restructuring of loans and advances by financial institutions and banks, as per the terms of the restructure under Corporate Debt Restructuring Scheme. Further, during the year under review, consequent to decision taken by the Board to not allot shares to the promoter the said sum was partially returned. The balance sum of Rs 14,68,87,050 was reclassified as unsecured loan as per the instruction of subscriber to the shares, which is not in compliance of the Companies (Acceptance of Deposit) Rules, 2014.

2. The Company has not fully complied with the provisions of Secretarial Standards 1 and 2.
3. The Company has not filed any forms with the Registrar of Companies during the Financial Year.
4. The Company has not appointed Company Secretary (CS) and Chief Financial Officer (CFO) as required under section 203 of the Companies Act, 2013 during the Financial Year.
5. The Company has not updated its website as per the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.
6. The Company's investment in its overseas subsidiary has been written off, and the Company is yet to file Form ODI-Part IV with the Reserve Bank of India.

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, which is monitored by the internal auditor appointed by the Company, and periodical improvements to the system is suggested by the auditor.

We further report that, the compliance by the Company of applicable finance laws like Direct and Indirect tax laws has not been reviewed in this audit since the same have been subject to review by Statutory Financial Audit and other designated professionals.

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, except for mandatory disclosures to be made to the Registrar of Companies.

Notice is given to all directors to schedule the Board/ committee Meetings, agenda and detailed notes on agenda, are delivered 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.

As recorded in the minutes of the meeting and signed by the Chairman, the decisions of the Board of Directors or committee of the Board, as the case may be were unanimous and no dissenting views have been recorded except for one instance relating to resignation of the managing director of the Company.

We further report that during the audit period:

- i. Networth of the Company has eroded, hence the company has opted to be governed by Corporate Debt Restructuring (CDR) Scheme.
- ii. The Company submitted its proposal for One-time Settlement to the Consortium of lenders and an in-principle approval for the same was received after the close of the Financial Year on 08 May 2017.
- iii. All the consortium banks had classified the account of the Company as a Non Performing Asset (NPA).

Place: Chennai

Date: 02nd September, 2017

For Lakshmi Subramanian & Associates

P S SRINIVASAN

ACS NO:1090

CP NO : 3122

ANNEXURE “A”

**(To the Secretarial Audit Report of M/s. SURANA CORPORATION LIMITED
for the financial year ended 31.03.2017)**

To,

The Members,

SURANA CORPORATION LIMITED

Our Secretarial Audit Report for the financial year ended 31 March 2017 is to be read along with this Annexure A.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basic to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basic for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance and law, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basic.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai

For Lakshmmi Subramanian & Associates

Date: 02nd September, 2017

P S SRINIVASAN

ACS NO:1090

CP NO : 3122

**ANNEXURE “B”
TO DIRECTORS REPORT**

Information pursuant to Sec 217(1) (e) of the Companies Act, 1956 read with the companies (Disclosure of Particulars in the Report of Director) Rules, 1988 for the year ended at 31st March 2017.

A. CONSERVATION OF ENERGY:

1. ELECTRICITY	2016-17	2015-16
Purchased	(Amount in Rs.)	
a) Total Units Consumed	14,000	35,420
b) Total Amount (Rs)	1,52,777	3,27,016
c) Rate Per Unit (Rs)	10.91	9.23
2. FURNACE OIL		
a) Total Consumption (lts)	Nil	Nil
b) Total Amount (Rs)	Nil	Nil
c) Rate Per Litre (Rs)	Nil	Nil
3. COAL		
a) Total Consumption (Tonnes)	Nil	Nil
b) Total Amount (Rs)	Nil	Nil
c) Rate per Tonne (Rs)	Nil	Nil

NOTES:

- Total amount of electricity charges paid includes demand charges, belated payment charges, peak hour charges and meter rent.

- B. RESEARCH AND DEVELOPMENT** **NIL**
C. TECHNOLOGY ABSORPTION **NIL**
D. FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	
Earnings		
Export Receivables	NIL	NIL
Export of Goods	NIL	Nil
Expenditure		
Imports	NIL	NIL
Travel Expenditure	NIL	NIL

Date : 02nd September, 2017
Place: Chennai

For and on behalf of the Board of Directors

Agnes Roselind Joseph
Director
(DIN: 00007313)

Devarajan.K.E
Director
(DIN: 07228715)

ANNEXURE “C”**TO DIRECTORS REPORT****AOC - 2****Particulars of Contracts/arrangements made with related parties**

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub –section (1) of Section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto.

Details of contracts or arrangement or transactions not at arm’s length basis

There were no contracts or arrangement or transactions entered into during the year ended March 31, 2017, which were not at arm’s length basis.

Details of material contracts or arrangement or transactions at arm’s length basis

The details of material contracts or arrangement or transactions at arm’s length basis for the year ended March 31, 2017 are as follows:

Name of the Related Party	Nature of Relationship	Duration of the Contract	Salient terms	Amount (Rs. in lakhs)
Nature of Contract : Provision for Bad and Doubtful Debts / Diminution value of Investments				
Gurudev Wind Energy Private Limited	Subsidiary	NA	NA	22.63
Surana Wind Energy Private Limited	Subsidiary	NA	NA	08.86
Surana Projects Private Limited	Subsidiary	NA	NA	00.11
Nature of Contract Remuneration to KMP / Others				
Lease Rent to Shri. Dineshchand Surana	Relative	NA	NA	12.00

Date : 02nd September, 2017
Place: Chennai

For and on behalf of the Board of Directors

Agnes Roselind Joseph
Director
(DIN: 00007313)

Devarajan.K.E
Director
(DIN: 07228715)

ANNEXURE “D”**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 DETAILS	
CIN	L65991TN1991PLC020783
Registration Date	10 th May, 1991
Name of the Company	SURANA CORPORATION LIMITED
Category/Sub Category of the Company	Company Limited by Shares/Indian Non-Government Company
Address of the Registered Office and Contact Details	No: 30, G.N.T Road, Madhavaram, Chennai – 600110. Email: secretarial@suranacorp.com Phone: 044-25355072 Fax:044-25355069
Whether Listed Company	Yes
Name, address and contact details of Registrar And Transfer Agent, if any	Cameo Corporate Services Limited, No.1, Club House Road, 5th Floor, “Subramanian Building”, Mount Road, Chennai - 60002 Tel No: 044-28460390/395

II. PRINCIPAL BUSINESS ACTIVITIES		
All the business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Products / Services	NIC Code of the Product/ Service	% to Total Turnover
Manufacture of basic precious metal and by products	27205	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S.No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Share held	Applicable Section
NIL					

I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the end of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	12247426	Nil	12247426	50.28	12247426	Nil	12247426	50.28	Nil
(b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (1)	12247426	Nil	12247426	50.28	12247426	Nil	12247426	50.28	Nil
(2) Foreign									
(a) NRIs – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	12247426	Nil	12247426	50.28	12247426	Nil	12247426	50.28	Nil

Category of Shareholders	No. of Shares held at the end of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(d) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(e) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(g) FII's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(i) Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(2) Non- Institutions									
(a) Bodies Corp									
(i) Indian	2524400	1934704	4459104	18.31	489118	2524400	3013518	12.37	(5.94)
(ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 Lakh	3000327	483816	3484143	14.30	2523129	461716	2984845	12.25	(2.05)

Category of Shareholders	No. of Shares held at the end of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	1193496	Nil	1193496	4.90	3119194	22100	3141294	12.90	+8.00
(C) Any Others (Specify)									
Hindu Undivided Families	268548	Nil	268548	1.10	275940	Nil	275940	1.13	+0.03
Non Resident Indians	1457167	148450	1605617	6.59	1441417	148450	1589867	6.53	+0.02
Overseas Corporate Bodies	Nil	1100000	1100000	4.52	Nil	1100000	1100000	4.52	Nil
Clearing Members	400	Nil	400	0.01	5844	Nil	5844	0.02	+0.01
Sub-Total (B)(2)	8444338	3666970	12111308	49.72	7854642	4256666	12111308	49.72	Nil
Total Shareholding of Promoter = (B) (1) + (B) (2)									
C. Shares held by custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	20691764	3666970	24358734	100	20102068	4256666	24358734	100	Nil

(ii) Shareholding of Promoters :

S.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of Change of 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	Dineshchand Surana	12216713	50.15	98.35	12216713	50.15	98.35	Nil
2	Udairaj Surana	30713	0.13	Nil	30713	0.13	Nil	Nil
	TOTAL	12247426	50.28	98.35	12247426	50.28	98.35	Nil

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

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	12247426	50.28	12247426	50.28
	Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease	Nil	Nil	Nil	Nil
	At the End of the year	12247426	50.28	12247426	50.28

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

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5203558	21.36	4500000	18.47
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	(703558)	(2.89)	Nil	Nil
	At the End of the year (or on the date of separation, if Separated during the year)	4500000	18.47	4500000	18.47

(v) Shareholding of Directors and Key Managerial Personnel**Shri. Vijayraj Surana**

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease :	Nil	Nil	Nil	Nil
	Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease:	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

II. INDEBTEDNESS:**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1310.01	-	-	1310.01
ii) Interest due but not paid	129.18	-	-	129.18
iii) Interest accrued but not due	179.58	-	-	179.58
Total (i+ii+iii)	1618.77	-	-	1618.77
Change in Indebtedness during the financial year				
Addition	117.97	-	-	117.97
Reduction	-	-	-	-
Net Change	117.97	-	-	117.97
Indebtedness at the end of the financial year				
i) Principal Amount	761.43	-	-	761.43
ii) Interest due but not paid	233.81	-	-	233.81
iii) Interest accrued but not due	741.50	-	-	741.50
Total (i+ii+iii)	1736.74	-	-	1736.74

III. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S.No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Vijayraj Surana		
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
(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, please specify	-	-	-
Total (A)		-	-	-

B. Remuneration to other Directors:**(Rs. Lacs)**

S.No.	Particulars of Remuneration	Name of Directors				Total Amount
		Swaminathan Ganesh	Jagadish Gopal	Soundharya Panchapakesan	Devarajan.K.E	
	3. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil
Total (1)						
	4. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil
Total (2)		Nil	Nil	Nil	Nil	Nil
Total (B) = (1)+(2)		Nil	Nil	Nil	Nil	Nil
Total Managerial Remuneration		Nil	Nil	Nil	Nil	Nil
Overall Ceiling as per the Act						1% of Net Profit

C. Remuneration to other Directors key managerial personnel other than MD/MANAGER/WTD:

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission- as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
Total (A)		Nil	Nil	Nil	Nil

IV. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

REPORT ON CORPORATE GOVERNANCE

(Pursuant To Regulation 27(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Surana Corporation Limited is committed to good corporate governance. The Company believes that a good corporate governance process aims to achieve a balance between the shareholders interest and corporate goals of the Company. It helps to attain the highest levels of transparency, accountability and integrity, thereby enhancing the value of the shareholders and their Company. The Company believes that strong and effective corporate governance is indispensable to healthy business growth and resilient as well as vibrant capital markets, besides being an important instrument for protecting the interest of the investors.

2. BOARD OF DIRECTORS

2.1 APPOINTMENT AND TENURE

The Directors of the Company are appointed by Shareholders at General Meetings. All the Directors except Independent Director(s) are subject to retirement by rotation and at every Annual General Meeting one third of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of the Companies Act and that of the Articles of Association of the Company.

2.2 COMPOSITION OF THE BOARD

The Board of Directors of our Company comprises of One Executive Director, Two Independent Director and One Non- Executive Director. The Chairman of the Board is a Non- Executive Independent Director. The optimum combination of Executive, Non-executive and Independent Directors ensures independence of the Board and separation of Board function of governance and management.

2.3 BOARD AND COMMITTEE MEETINGS AND PROCEDURES

The Board of Directors oversees the entire functioning and operations of the Company. They evaluate performance of the Company and provide direction and guidance to the Company for undertaking the business of the Company in accordance with its corporate goals and statutory requirements. They also give valuable advice, monitor the Management Policies and their effectiveness and ensure that the long term interests of the shareholders are served. The Managing Director is being assisted by Key Management Personnel, Senior Management Staff and Officers to ensure proper functioning of the Company in terms of set guidelines.

The Board has constituted other Committees viz Executive Committee, Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Allotment Committee, Corporate Social Responsibility & Governance Committee, Risk Management Committee, and Management Committee. The Board constitutes additional functional committees from time to time depending upon the necessity. A minimum of four Board Meetings are held every year. At times more meetings are convened depending upon the requirements. Dates for the Board Meetings are decided well in advance. The Board/Committee meetings are conducted as per well defined procedures and systems. The information placed before the Board includes:

- Compliance with Statutory/Regulatory requirements and review of major legal issues.
- Quarterly/Half Yearly/Annual Financial Results of the Company.
- Noting of the proceedings of the Meeting of Audit Committee and other Committees of the Board.
- Review of the Board Minutes of subsidiaries.
- Annual and Accounting Policies
- Monitoring of Performance
- Annual operating Plans, budgets and updates on the same.
- Capital Budgets and updates on the same.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Any material default in financial obligations to and by the listed entity, or substantial non payment for goods sold by the listed entity.
- Detailed analysis of Market Position and Economic Scenario.
- Delegation of Authority and renewal thereof, etc.

In addition to the above, the company is also following the practice of placing all the items to the extent applicable to it as specifically required under Regulation 17(7) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.4 DISTRIBUTION OF BOARD AGENDA PAPERS

Board Notes are circulated well advance in the devised agenda format as stipulated in Secretarial Standards on Meetings of Board of Directors (SS-1). All material information is incorporated in the agenda notes so that there can be meaningful discussions in the Board Meetings.

2.5 MINUTES OF THE BOARD MEETINGS

The Board Meeting Minutes are recorded immediately after the Board Meetings are over and these are circulated to the Directors in draft form for their approval. Any changes as suggested by them in the draft are incorporated and then final minutes are prepared and signature of the Chairman is obtained. The Company is following all the regulations as stipulated in Secretarial Standards on Meetings of Board of Directors (SS-1) as prescribed by the Institute of Company Secretaries of India.

2.6 COMPLIANCE WITH STATUTORY REQUIREMENTS

At the time of preparation of agenda notes, it is ensured that all the statutory requirements are complied with under Companies Act, SEBI Regulations and guidelines from other statutory bodies including Secretarial Standards on Meetings of Board of Directors (SS-1) as prescribed by the Institute of Company Secretaries of India.

3. BOARD MEETINGS

Five Board Meetings were held during the financial year 2016-17 i.e May 26, 2016, September 02, 2016, September 13, 2016, December 14, 2016 and February 08, 2017. The intervening period between the two Board Meetings was within the maximum time gap prescribed under the Companies Act and Securities Exchange Board of India (Listing Obligations and Disclosures Regulations), 2015.

Attendance of each Director at Board Meetings & Annual General Meeting of the Company held during the year and the number of Directorship(s) and Committee Chairmanships/Memberships held by them in other companies are given below:

Name of the Director	Category	Attendance		Number of Directorships in Public Limited Companies Including this Company*	Committee Memberships (including this Company) **	
		Board	AGM		Chairman	Member
Shri. Vijayraj Surana	Managing Director	-	-	1	-	-
Shri. Swaminathan Ganesh \$	Independent Director	1	-	1	2	-
Shri.Devarajan.K.E	Non-Executive Director	5	Yes	1	Nil	2
Smt. Soundharya Panchapakesan #	Independent Director	-	No	-	Nil	-
Smt. Agnes Roselind Joseph §	Independent Director	5	Yes	3	-	5

* Only Indian Public Limited Companies are included.

** Represents directorship(s)/membership(s) of Audit and Stakeholders' Relationship Committee(s) in public limited companies governed by the Companies Act, 2013

Smt. Soundharya Panchapakesan was resigned as an Independent Director with effect from 02nd September, 2016.

§ Smt. Agnes Roselind Joseph was appointed as an Independent Director with effect from May 26, 2016

The Board has been provided with all material and substantial information that facilitates them for imparting significant decisions while discharging its duties as trustees of shareholders. The Non-Executive Directors of the Company does not hold any shares and convertible instruments in the Company. None of the Directors have any inter-se relationship.

The details of familiarization programs imparted to independent directors are disclosed in the web link www.suranacorp.com.

4. CODE OF CONDUCT

A declaration signed by the Director, stating that all Directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the Company is enclosed at the end of the report. The code of conduct is available on the website of the Company www.suranacorp.com.

5. PREVENTION OF INSIDER TRADING

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, our Company has adopted a Code of Conduct for prevention of Insider Trading. This Code is applicable to all Board members/officers/designated employees. The objective of this code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information.

6. SECRETARIAL STANDARDS RELATING TO BOARD MEETINGS

The Company is following regulations has stipulated in the Secretarial Standards on Meetings of Board of Directors (SS-1) as prescribed by the Institute of Company Secretaries of India.

7. AUDIT COMMITTEE

7.1 COMPOSITION, NAMES OF MEMBERS AND CHAIRMAN

The Audit Committee has been re-constituted on 02nd September, 2016 which comprises of **Shri. Swaminathan Ganesh** as **Chairman**, **Smt. Agnes Roselind Joseph** and **Shri. Devarajan.K.E** as **Member**.

7.2 MEETINGS DURING THE YEAR

Four meetings of the Audit Committee were held during the year **May 26, 2016, September 13, 2016, December 14, 2016** and **February 08, 2017**.

Name of the Director	Status	No. of Meetings attended
Shri. Swaminathan Ganesh	Chairman	1
Shri. Devarajan.K.E	Member	4
Smt. Soundharya Panchapakesan #	Member	-
Smt. Agnes Roselind Joseph %	Member	4

Smt. Soundharya Panchapakesan, resigned as Independent Director with effect from September 02, 2016.

% Smt. Agnes Roselind Joseph, appointed as Independent Director with effect from May 26, 2016.

7.3 BRIEF DESCRIPTION OF TERMS OF REFERENCE

The Terms of Reference of Audit Committee cover the matters specified for Audit Committee under Regulation 18 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 well as in Section 177 of the Companies Act, 2013.

The brief terms of reference are:

- i) Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ii) Recommending the appointment of/removal of external auditors, fixation of audit fees and approval of payment for any other services.
- iii) Review with the Management, the annual and quarterly financial statements before submission to the Board;
- iv) Review with the Management, the Internal and External Audit Reports and the adequacy of internal control systems;
- v) Review the adequacy and effectiveness of accounting and financial controls of the Company, compliance with the Company's policies and applicable laws and regulations;
- vi) To undertake periodical review of Company's operations and more particularly in the following areas:
 - Financial Performance of the Company.
 - Payment of dues to Institutions, both interest and principal.
 - Payment of Government dues, such as customs duties, excise duties, sales tax, income tax, etc.
 - Inter corporate investments.
 - Policies relating to award of contracts, purchase and sale of raw materials, finished goods, etc.
 - To do such other acts, deeds or things, as may be necessary from time to time, to fulfill the objectives aforementioned.

8. NOMINATION AND REMUNERATION COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has renamed the existing "Remuneration Committee" as "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee of our Company has been constituted to recommend to the Board the appointment/reappointment of the Executive and Non-Executive Directors, the induction of Board members into various committees and suggest revision in total remuneration package of the Executive Director(s) keeping in view the prevailing statutory guidelines. The Committee has also been empowered to review/recommend the periodic increments, if any, in salary and annual incentive of the Executive Director(s).

The Nomination and Remuneration Committee comprises of Shri. Swaminathan Ganesh as Chairman and Smt. Agnes Roselind Joseph and Shri. Devarajan. K.E as Member. One meeting of the Nomination and Remuneration Committee were held during the year May 26, 2016.

Name of the Director	Status	No. of Meetings attended
Shri. Swaminathan Ganesh	Chairman	1
Shri. Devarajan.K.E	Member	1
Smt. Agnes Roselind Joseph	Member	-

9. REMUNERATION TO DIRECTORS

During the financial year 2016-17, the company had not paid any remuneration to the Directors of the company.

10. NON-EXECUTIVE DIRECTOR'S COMPENSATION

The Company has not paid any sitting fees to its Independent Directors and Non-Executive Director during the financial year 2016-17.

11. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is functioning to look into Redressal of Investor/ Shareholders complaints expeditiously. The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and Redressal of shareholders/investors/security holders' complaints.

The Stakeholders' Relationship Committee's composition and the terms of reference meet with the requirements of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

The Stakeholder's Relationship Committee comprises of Shri. Swaminathan Ganesh as Chairman, Smt. Agnes Roselind Joseph and Shri.Devarajan.K.E as Member.

During the year, the Company received one Complaint mostly pertaining to non-receipt of annual reports etc., all of these complaints have been dealt with satisfactorily and there were no complaints pending as on 31st March, 2017.

12. RISK MANAGEMENT COMMITTEE

In compliance with the Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted Risk Management Committee.

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The Risk Management Committee was comprises of Shri. Swaminathan Ganesh as Chairman, Smt. Agnes Roselind Joseph and Shri. Devarajan K.E, as members.

13. CORPORATE SOCIAL RESPONSIBILITY & GOVERNANCE COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013 the board has constituted a Corporate Social Responsibility & Governance (CSR&G) Committee to review the existing CSR policy. The Board also empowered the Committee to look into matters related to sustainability and overall governance.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social

responsibility policy', observe best practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Corporate Social Responsibility & Governance Committee was comprised of Shri. Swaminathan Ganesh as Chairman, Smt. Agnes Roselind Joseph and Shri. Devarajan K.E, as members.

14. SHARE TRANSFER AND TRANSMISSION COMMITTEE

The Share Transfer and Transmission Committee oversees and reviews all matters connected with transfers, transmissions, transpositions, splitting, consolidation of shares, Demat and Remat requests.

The Share Transfer and Transmission Committee was comprised of Shri. Devarajan.K.E as Chairman and Smt. Agnes Roselind Joseph as Member the Company Secretary acts as the Secretary of the Committee.

15. INDEPENDENT DIRECTORS' MEETING

During the year, the Independent Directors met on February 18, 2017 inter alia, to discuss:

- a) Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- c) 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.

16. BOARD FAMILIARISATION AND INDUCTION PROGRAMME

The Familiarization Programme ("the Programme") for Independent Directors of the Company familiarizes their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. The Company circulates news and articles related to the industry on a regular basis and may provide specific regulatory updates and provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, service, markets, organisation structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The Company further follows a system of 'Orientation Programme' for any new Director who joins the Company's Board. The concerned Director is taken through an orientation process, which includes detailed presentation of the process and business of the Company, meeting with unit level and Senior Management team. The information / details about the Company from its date of incorporation, its growth, corporate actions, corporate acquisitions etc to understand better the operational activities are presented to the newly inducted Board members.

17. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration.

17.1 CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

17.2 REMUNERATION

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings as detailed hereunder:

- i. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits as prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. A Non Executive Director will also be entitled to receive commission if any on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;
- iii. The N&R Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- iv. The N&R Committee may recommend a higher commission for the Chairman of the Board of Directors, taking into consideration his overall responsibility;
- v. In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- vi. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

17.3 PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and regulations of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board has

carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees.

Performance evaluation is done after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance specific duties, obligations and governance. Directors including the Chairman of the Board are evaluated on parameters such as level of engagement and contribution, independence of judgment safeguarding the interest of the Company and its minority shareholders etc. The Directors expressed their satisfaction with the evaluation process.

18. MEETINGS

18.1 TENTATIVE CALENDAR FOR FY 2016-17

Quarter	Quarter Ending	Date of Board Meeting
Q1	June 30, 2017	August 12, 2017
Q2	September 30, 2017	November 14, 2017
Q3	December 31, 2017	February 12, 2017.
Q4	March 31, 2018	May 28, 2018.

18.2 DETAILS OF THE LOCATION, DATE AND TIME OF THE LAST 3 ANNUAL GENERAL MEETINGS (AGM) AND THE DETAILS ARE GIVEN BELOW:

Year	Meeting	Location	Day/Date	Time
2015-16	25 th AGM	No 30, GNT Road, Madhavaram, Chennai – 600 110.	28.09.2016 Wednesday	10.00 AM
2014-15	24 th AGM	No 30, GNT Road, Madhavaram, Chennai – 600 110.	22.09.2015 Tuesday	11.00 AM
2013 -14	23 rd AGM	The Music Academy, Old No. 306, New No. 168, T T K Road, Royapettah, Chennai- 600 086.	26.09.2014 Friday	03.00 PM

18.3 SPECIAL RESOLUTION PASSED IN THE PREVIOUS THREE ANNUAL GENERAL MEETINGS

- At the 25th AGM held on September 28, 2016, no special resolution was passed.
- At the 24th AGM held on September 22, 2015 the following special resolution was passed:
 - a) The approval of the shareholders were obtained for Re-appointment and fixing of Remuneration to Shri Vijayraj Surana as a Managing Director of the Company pursuant to the provisions of section 196, 197, and 203 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in

force) read with Schedule V of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company.

- b) The approval of the shareholders were obtained for giving of Loans/Guarantees, Providing Securities making of Investments in Securities beyond the prescribed limits under Section 186 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with The Companies (Meetings of Board and its powers) Rules, 2014 and Articles of Association of the Company approval of the shareholders of the company be and is hereby given to the Board of Directors of the Company for giving any loan to any person or other body corporate, giving guarantee or providing any security in connection with the loan given to any person or body corporate and/or acquiring by way of subscription, purchase or otherwise the securities of any other body corporate up to an amount, the aggregate outstanding of which should not exceed at any given time, an amount of Rs.2500 crores over and above the limits specified in Section 186(2) of the Companies Act, 2013.
- At the 23rd AGM held on July 18, 2014 the following special resolution was passed:
- a) The approval of the shareholders were obtained for exercising the borrowing powers of the company pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 for an aggregate limit of up to Rs. 2,000/- Crores.

18.4 DETAILS OF PREVIOUS EXTRAORDINARY GENERAL MEETINGS (LAST 3 YEARS)

There was no Extra Ordinary General Meeting during the last three year.

18.5 POSTAL BALLOT

During the financial year, the Company has not passed any resolution by postal ballot.

19. DISCLOSURES

- I. There were no materially significant related party transactions during the year having conflict with the interests of the Company.
- II. There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty / strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
- III. As stipulated under the provisions of Listing Regulations a Policy for determining material subsidiaries has been framed and the policy is available on our website (<http://www.suranacorp.com>)
- IV. As stipulated under the provisions of Listing Regulations a Policy on dealing with related party transactions has been framed and the policy is available on our website (<http://www.suranacorp.com>) Pursuant to Para A of Schedule V of SEBI (LODR) Regulations 2015, disclosures pertaining to related party transactions are reported under the notes to financial statements which form part of this Annual Report.
- V. The company has laid down procedures to inform the Board Members about the risk assessment and its mitigation, which is periodically reviewed to ensure that risk control, is exercised by the Management effectively. Employee level and Board level committees have been formed to analyze the issues relating to risk management and the action points arising out of the deliberations of the Committees are reviewed by the Company.

- VI. As required under Regulation 17 of SEBI (LODR) Regulations, 2015, CEO/CFO Certification by Shri. Devarajan.K.E, Director was placed before the Board at its meeting held on May 18, 2017 which also forms part of this Annual Report.
- VII. As required by Schedule V of Listing Regulations, the Auditor's certificate on corporate governance is annexed to the Corporate Governance report.
- VIII. In compliance with Regulation 26(3) of Listing Regulations and Companies Act, 2013, the company has framed and adopted a Code of Conduct and Ethics ('the Code'). The code is applicable to the members of the Board, the executive officers and all the employees of the company and its subsidiaries. The code is available on our website. All the members of the Board, executive officers and senior financial officers have affirmed compliance of the code as on 31st March 2017. A declaration to this effect signed by Director is annexed to the Corporate Governance report.
- IX. A Management Discussion and Analysis Report has been presented as part of the Directors' Report.
- X. The Company has complied with all the mandatory requirements stipulated under the Listing Regulations to the extent applicable/possible.
- XI. All the requirements of Corporate Governance report specified in Sub-paras (2) to (10) of Para C of Schedule V to the Regulations have been complied with.
- XII. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of the Regulations.

19.1 DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

The Company mainly sources its materials domestically and the exports are not substantial, there has been no major commodity price risks faced. Accordingly, there have been no commodity hedging activities undertaken by the Company.

19.2 DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT.

There are no such details pertaining to demat suspense account/unclaimed suspense account.

19.3 COMPLIANCE WITH DISCRETIONARY REQUIREMENTS

As stipulated under Regulation 27 read with Part E of Schedule II of Listing Regulations, the following discretionary requirements have been adopted / complied with by the Company

- a) The posts of Chairman and Managing Director are held by two separate individuals.
- b) There are no qualifications by the Auditors on the Stand Alone Financial Statements for the year 2016-17 except those mentioned in the Auditor's Report.

The Company has appointed CA. R. Gopinath, Proprietor, Chartered Accountants, Chennai as the Internal Auditor who carried out the audit and the report is presented to the Audit Committee for review and further directions.

20 DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF REGULATION 27(2) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015)

The details are provided in the Explanatory Statement to the Notice of 26th AGM of the Company.

21 CEO/CFO CERTIFICATION

As required under Regulations 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a certificate duly signed by Shri. Devarajan.K.E, Director of the Company was placed at the meeting of the Board of Directors held on September 02, 2017.

22 MEANS OF COMMUNICATION

The quarterly, half yearly unaudited financial results and the annual audited financial results of the company are sent to the stock exchanges immediately after they are approved by the Board of Directors. The results are normally published in one English daily and one Tamil daily newspaper. The official announcements are posted at BSE and NSE websites. The financial results and communications to investors are posted on the Company's website www.suranacorp.com.

23 MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Management Discussion and Analysis report is annexed.

24 NON MANDATORY REQUIREMENTS

24.1 SHAREHOLDERS RIGHTS

The quarterly/annual results, after the Board of Directors takes them on record, are forthwith sent to the Stock Exchanges with whom the company has listed. The results, in the prescribed format, are published in One English daily and One Tamil daily newspaper.

24.2 AUDIT QUALIFICATION

The Auditors qualifications and the management's response to such qualifications and observations are covered in the Director Report.

24.3 WHISTLE BLOWER POLICY

The company has a Whistle Blower/Vigil Mechanism and framed a policy for the same to deal with the instance of fraud and mismanagement. The policy is stated elsewhere in the report. The Audit Committee has not received any complaints from its employees during the fiscal year 2017.

25 GENERAL SHAREHOLDERS INFORMATION

• **REGISTERED OFFICE OF THE COMPANY**

No. 30, G N T Road, Madhavaram,
Chennai, Tamil Nadu – 600 110.
E-mail: secretarial@surancorp.com

• **FORTHCOMING ANNUAL GENERAL MEETING**

Wednesday, 27th September, 2017
New Door No.1, Ambedkar Nagar, GNT Road,
Madhavaram, Chennai - 600060

- **CORPORATE HEAD OFFICE**

New No.161, (Old No.79), NSC Bose Road,
Sowcarpet, Chennai – 600 001
Phone: +91-44-2535 5072, Fax: +91-44-2535 5069

- **FINANCIAL YEAR**

1st April 2016 to 31st March 2017.

- **BOOK CLOSURE DATES**

From September 21, 2017 to September 27, 2017 (both days inclusive)

- **DIVIDEND**

Due to the continuing losses incurred by the Company, the Board of Directors has not recommended any dividend for the financial year 2016-17.

- **UNCLAIMED DIVIDEND**

Under the Transfer of Unclaimed Dividend Rules, it would not be possible to claim the dividend amount once deposited in Investors' Education and Protection Fund (IEPF). Shareholders are, therefore, again requested to claim their unpaid dividend, if not already claimed.

Unclaimed and unpaid dividends are transferred to the Investor Education & Protection Fund of the Central Government. The Unpaid and unclaimed dividend balances for the year 2009 10 were duly transferred to the IEPF within the due dates. The details of Unpaid and unclaimed dividend balances are provided hereunder:

Financial Year	Date of declaration of Dividend	Date for transfer to Unpaid dividend Account	Last date for claiming unpaid dividend	Due date for transfer to the IEPF	Amount of Unclaimed Dividend Rs.
2009-2010	14.06.2010	19.07.2010	18.07.2017	18.08.2017	774,201.00
2010-2011	28.06.2011	03.08.2011	02.08.2018	02.09.2018	469,182.60
2011-2012 (Interim Dividend)	22.11.2011	05.01.2012	04.01.2019	04.02.2019	417,696.00
2011-2012 (Final Dividend)	26.07.2012	31.08.2012	30.08.2019	30.09.2019	3,14,224.00
2012-2013	27.6.2013	01.08.2013	31.07.2020	31.08.2020	993996.40

Members may view the shareholder wise details which are available on the Company's website www.suranacorp.com.

INSTRUCTION TO SHAREHOLDERS

- **SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM**

Please notify the change in your address if any, to the Company's registrar M/s. Cameo Corporate Services Limited, immediately and not later than September 20, 2017 to enable them to forward the annual report(s) and notice(s) to your present address.

- **SHAREHOLDERS HOLDING SHARES IN DEMAT FORM**

If there is any change in your address kindly advice your DPs immediately about the change.

- **LISTING ON STOCK EXCHANGES AND STOCK CODE**

Name of the stock exchange	Symbol/Scrip ID/Scrip Code
1) National Stock Exchange Limited (NSE) Exchange Plaza, Plot C 1 G Block Bandra-Kurla Complex Bandra (E) Mumbai – 400 051	SURANACORP
2) Bombay Stock Exchange Limited (BSE) P J Towers, Dalal Street, MUMBAI – 400 001	SURANACORP 531102

ISIN NO-DEMAT FORM: INE 357D01010

- **LISTING FEES**

Annual Listing Fees for the year 2016-17 have been duly paid to all the stock exchanges where the company's shares are listed. The listing fees for the financial year 2017-18 have also been paid to all the stock exchanges.

- **DEPOSITORIES CONNECTIVITY**

Annual Custodial Fee for the financial year 2016-17 have been duly paid by the Company with both the depositories viz., NSDL and CDSL within the due date.

National Securities Depository Ltd. (NSDL)

Central Depository Services (India) Ltd. (CDSL)

ISIN: INE357D01010

- **SHARE TRANSFER PROCESS**

1. Cameo Corporate Services Ltd processes the physical transfers and other requests from the Shareholders.
2. The Board delegated the power to approve the transfers to the Share Transfer & Transmission Committee and the transfers are approved as and when necessary.
3. A Practising Company Secretary carries out the Reconciliation of Share Capital Audit, pertaining to the share transfers every six months and necessary certificate to that effect are issued and the same are filed with the Stock Exchanges on a quarterly basis.
4. As per SEBI's instructions, the Company's Shares can be sold through stock exchange only in dematerialized form.

The Contact details of Registrar and Share Transfer Agent:

M/s. Cameo Corporate Services Limited

No.1, Club House Road, 5th Floor,
Subramaniam Building, Chennai – 600 002
Tel: +91-44-28460390, Fax: +91-44-28460129

• **DEMATERIALIZATION OF SHARES AS ON 31ST MARCH 2017**

1. The Company entered into agreements with National Securities Depository Limited (NSDL), Mumbai and Central Depository Services (India) Limited (CDSL), Mumbai facilitating the Electronic Transfer through dematerialization of Company's Shares and holding shares in dematerialized form.
2. A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
3. As on 31st March 2017 2,01,02,068 Equity Shares constituting 82.53% of the total paid up capital of the company have been dematerialized. All the equity shares except the locked in shares if any are freely tradable.

• **MARKET PRICE DATA & PERFORMANCE IN COMPARISON WITH BSE AND NSE INDICES**

MARKET PRICE DATA

Month	B.S.E			N.S.E		
	High	Low	Traded Volume (No. of shares)	High	Low	Traded Volume (No. of shares)
Apr-16	1.51	1.23	91914	1.45	1.30	62956
May-16	1.30	0.98	295537	1.30	1.05	76084
Jun-16	2.17	1.10	665487	1.85	1.20	98904
Jul-16	1.87	1.45	130188	1.75	1.60	37463
Aug-16	1.79	1.42	190761	1.90	1.50	95343
Sep-16	1.70	1.23	145159	1.65	1.35	37602
Oct-16	1.64	1.29	129834	1.45	1.20	46225
Nov-16	1.56	1.26	183843	1.50	1.25	79363
Dec-16	1.45	1.20	117797	1.45	1.20	84214
Jan-17	1.44	1.25	23202	1.20	1.15	1385
Feb-17	1.72	1.17	56416	1.40	1.20	29104
Mar-17	1.60	1.21	41092	1.40	1.20	8990

SHAREHOLDING PATTERN/ DISTRIBUTION• **SHAREHOLDING PATTERN AS ON 31.03.2017**

CATEGORY	NO.OF SHARES	SHARES IN DEMAT	% HOLDING
I. Promoters and Promoter Group	12247426	12247426	50.28
II. Public Shareholding			
1. Foreign Institutional Investors	-	-	-
2. Bodies Corporate	3013518	489118	12.37
III. Individual Shareholders	6126139	5642323	25.15
IV. Foreign Corporate Bodies	1100000	-	4.52
V. Non Resident Indians	1589867	1441417	60.53
VI. HUF's	275940	275940	1.13
VIII. Clearing Members	5844	5844	0.02
TOTAL	24358734	20102068	100

• **DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2017**

Category	No. of Holders	% to total	No. of Total Shares	% to total
Between 1 and 1000	1759	42.77	815420	0.33
between 1001 and 5000	1002	24.36	2922430	1.20
between 5001 and 10000	383	9.31	3255330	1.34
between 10001 and 20000	378	9.79	5558340	2.28
between 20001 and 30000	153	3.72	3937530	1.62
between 30001 and 40000	60	1.46	2129370	0.87
between 40001 and 50000	78	1.90	3779700	1.55
between 50001 and 100000	147	3.57	11600060	4.79
> 100000	153	3.72	209589160	86.04
TOTAL	4113	100	243587340	100

SUMMARY OF SHAREHOLDING

Mode of Holding	No of Shares	% of No of Shares
Physical Form	4256666	17.47
NSDL	17100352	70.20
CDSL	3001716	12.32
TOTAL	24358734	100

• **OUTSTANDING GDRS/ADRS etc.**

The Company has not issued any GDR, ADR or any convertible instruments pending conversion or any other instrument likely to impact equity share capital of the company.

- **LOCATION OF FACTORY & SHOW ROOMS**

- a) **FACTORY:**

- No. 30, G N T Road, Madhavaram, Chennai, Tamilnadu – 600 110.

- b) **SHOWROOMS:**

- Old No. 79, New No 161, NSC Bose Road, Sowcarpet, Chennai – 600 001.

- c) **SPECIAL ECONOMIC ZONE**

- Plot A-4, Phase II, MEPZ-SEZ, N H- 45, Tambaram, Chennai – 600 045.

- **COMPLIANCE OFFICER**

- Shri.Devarajan.K.E,**

- No. 30, G N T Road, Madhavaram,

- Chennai, Tamilnadu – 600 110

- E-Mail: secretarial@suranacorp.com

- **REGISTRARS AND SHARE TRANSFER AGENTS**

- M/s Cameo Corporate Services Limited**

- No.1, Club House Road, 5th Floor,

- Subramanian Building, Chennai – 600 002

- Tel: +91-44-28460390, Fax: +91-44-28460129.

On behalf of the Board

Date : 02nd September, 2017

Place: Chennai

Devarajan.K.E

Director

(DIN: 07228715)

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Confirmation on Code of Conduct

To

The Members of Surana Corporation Limited

This is to inform that the Board has laid down a code of conduct for all Board members and senior management of the Company.

It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company as at 31st March 2017, as envisaged in Regulation 26(3) of SEBI (LODR) Regulations, 2015.

On behalf of the Board

Date : 02nd September, 2017

Place : Chennai

Devarajan.K.E
Director
(DIN: 07228715)

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CEO/CFO CERTIFICATION

We the undersigned, in our respective capacities as Director of Surana Corporation (“the Company”) to the best of our knowledge and belief certify that:

- (i) we have reviewed the Balance Sheet as at March 31, 2017 and statement of Profit and Loss for the year ending on same date, Cash Flow statement as on the same, notes thereto (together known as financial statements).
- (ii) these financial statements do not contain any materially untrue statement or omit any material fact or they contain statements that might be misleading.
- (iii) these financial statements and other financial information included in this report present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (iv) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.
- (v) we accept responsibility for establishing and maintaining internal controls for financial reporting.
- (vi) we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.
- (vii) there are no deficiencies in the design or operation of internal controls which are to be disclosed to the auditors and/or to the Audit Committee.
- (viii) we have indicated to the auditors of the Company and the Audit Committee that there were
 - a) no significant changes in internal control over financial reporting during the year covered by this report;
 - b) no significant changes in accounting policy has been made during the year covered by this report;
 - c) no significant instances of fraud detected during the year ending March 31, 2017

On behalf of the Board

Date: 02nd September, 2017

Place: Chennai

Devarajan.K.E
Director
(DIN: 07228715)

Auditors' Report on Corporate Governance

To

**The Members,
Surana Corporation Limited
No 30, GNT Road,
Madhavaram, Chennai-600 110.**

We have examined the compliance of Regulations of Corporate Governance by Surana Corporation Limited for the year ended 31st March 2017, as stipulated in Regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has partially complied with the Regulations of

Corporate Governance as stipulated in the above-mentioned Listing Regulations, and our detailed observation are covered in the secretarial audit report for the financial year 2016-17.

We further 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.

Place: Chennai

For Lakshmmi Subramanian & Associates

Date : 02nd September, 2017

**P S SRINIVASAN
ACS NO:1090
CP NO : 3122**

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SURANA CORPORATION LIMITED
REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Surana Corporation Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the generally accepted Accounting principles accepted in India, including the Indian accounting standards (Ind AS) specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these 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 there under.

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 financial statements are free from material misstatement.

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

Basis for Qualified Opinion:

- a. The Consortium of Lenders has exited from the CDR package during the year and as a result, repayment of loan should be as per the original agreements entered with such lender banks. However, in the absence of the relevant details and information with respect to calculation of interest including penal interest, we are unable to comment upon the impact of such exit on the carrying amount of interest expense and loan liability for the financial year ended March 31, 2017 and the consequential impact on the financial results. The Company has not provided for the interest and the penal interest on certain borrowings for the year ended March 31, 2017 which is estimated at Rs. 4,697.57 lakhs.
- b. The Company has considered trade receivables outstanding for more than 6 months of Rs. 24,936.11 lakhs and long term trade receivables of Rs. 35,892.94lakhs, as good and recoverable. However, we were unable to confirm or verify, by alternative means, balances of such trade receivables and we are unable to comment on the adjustments that may be required as at March 31, 2017.
- c. Had provision been made with respect to the above interest and receivables in the books of accounts, the net loss would have been increased by 65,525.64 lakhs and consequently net-worth would have been reduced by Rs. 65,525.64lakhs.
- d. The Company has not complied with the requirements of Ind AS-109 “Financial Instruments” in terms of measurement of carrying values of the financial instruments as at March 31, 2017 and the corresponding figures as at March 31, 2016 and the disclosure requirements of its financial instruments as specified by Ind AS-107 “Financial Instruments: Disclosures”. In the absence of these information, we are unable to comment on the adjustments that may be required to the carrying values of the financial instruments.

Opinion:

In our opinion and to the best of our information and according to the explanation given to us, except for the effects of matters as described in the Basis for Qualified Opinion paragraph as above, the aforesaid 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 state of affairs of the Company as at March 31, 2017, their loss, cash flows and statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note no 39, the Company has incurred net loss of Rs. 31,926.64 lakhs during year ended March 31, 2017 and as on that date, the Company’s current liabilities exceeded its current assets by Rs. 1,19,317.03 lakhs. These conditions along with other matters as set forth in the aforesaid note indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. However, the financial statements have been prepared under the assumption of going concern, considering the outcome of the consortium meeting dated December 14, 2016 and May 08, 2017, whereby the company has offered One Time Settlement of its liabilities with the consortium members, which has been considered by them for further approval. The ability of the company to continue as a going concern is significantly dependent on the further approval by consortium of lenders on the one time settlement offered by the company.

Our opinion is not qualified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors report) Order, 2016 (“The Order”) issued by the central government of India in terms of subsection 11 of section 143 of the Act, We give in the “Annexure A” a statement on the matter specified in paragraphs 3 & 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and except for the effects / possible effects of the matter described in the Basis for Qualified Opinion paragraph above 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 Ind AS financial statements;
 - b. Except for the effects / possible effects of the matter described in the Basis for Qualified Opinion paragraph above in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Ind AS financial statements.
 - d. Except for the effects / possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the accounting standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - e. The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the written representations received from the directors of the Company as on 31 March 2017 taken on record by the Board of Directors of the Company, none of the Directors of the Company incorporated in India are disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of Section 164(2) of the Act.
 - g. with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in “Annexure A”,
 - h. With respect to the other matters included in the auditor’s report and to best of our information and according to the explanation given to us.
 - 1) Except for the effects / possible effects of the matter described in the Basis for Adverse Opinion paragraph above, the Ind AS financial statements disclose the impact of pending litigations on the financial position of the Company.
 - 2) Except for the effects / possible effects of the matter described in the Basis for Adverse Opinion paragraph above provision has been made in the financial statement, as required under the applicable law or accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

- 3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the Company.
- 4) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 11.

**For V D S R & Co,
Chartered Accountants
F.R. No 001626S**

**Venkatesh Kamath .S.V
PartnerMembership No : 202626**

**Place : Chennai.
Date : May 18, 2017**

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Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification during the year.
- (iii) According to information and explanations given to us, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- (iv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not granted any loans or made any investments or given any guarantees and securities in terms of section 185 and section 186 of the Companies Act 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not accepted any deposits during the year.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act'2013.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, duty of customs, value added tax, cess and any other statutory dues with the appropriate authorities though there have been delays in some instances. According to the information and explanations given to us there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues in arrears as at March 31,2016 for period of more than six months from the date they became payable except as follows :

Name of the statute	Nature of the dues	Amount Rs	Due date	Date of payment
Tamil Nadu Value Added Act, 2006	VAT	10,92,552/-	12th October 2015	Yet to be remitted
Commissionerate of excise	Excise duty	70,20,103/-		Yet to be remitted

(b) According to the information and explanations given to us, the dues outstanding of income tax or sales tax or wealth tax or service tax or duty of custom or duty of excise or value added tax or cess, that have not been deposited, on account of dispute are as follows:

Name of the statute	Nature of the dues	Amount Rs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	13,81,64,030/-	AY 2008-09	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax	53,03,249/-	AY 2009-10	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax	2,59,08,660/-	AY 2011-12	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax	52,53,94,240/-	AY 2013-14	Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax	18,87,28,549/-	AY 2014-15	Commissioner of Income tax (Appeals)
Tamil Nadu Value Added Act, 2006	VAT	11,45,952/-	FY 2010-11	Honorable High Court, Madras
Tamil Nadu Value Added Act, 2006	VAT	24,50,094/-	FY 2011-12	Honorable High Court, Madras
Tamil Nadu Value Added Act, 2006	VAT	1,63,50,186/-	FY 2001-02	Honorable High Court, Madras
Tamil Nadu Value Added Act, 2006	VAT	92,45,083/-	FY 2002-03	Honorable High Court, Madras
Customs Act, 1962	Customs Duty	20,57,41,363/-	FY 2011-12	Commissioner of Customs, Chennai
Customs Act, 1962	Customs Duty	1,35,39,725/-	FY 2005-06	CESTAT, Goa

(viii) According to the information and explanations given to us, the Company has defaulted in the repayment of certain dues to banks as at the balance sheet date, which are as follows:

Name of the Bank	Loan type	Default in Principal Amount	Period of default	Default in Interest thereof	Period of default
State Bank of India	Term Loan	33,74,56,198	More than 1 year	14,09,31,198/-	More than 1 year
Punjab National Bank	Term Loan	19,51,21,718/-	More than 1 year	3,21,28,373/-	More than 1 year
State Bank of India	Cash Credit	1,48,42,79,345/-	More than 1 year	12,81,28,044/-	More than 1 year
Punjab National Bank	Cash Credit	1,65,80,82,364	More than 1 year	36,53,33,341/-	More than 1 year
Central Bank of India	Cash Credit	69,13,72,359/-	More than 1 year	16,92,75,952/-	More than 1 year
IDBI Bank	Cash Credit	1,95,92,44,651/-	More than 1 year	57,59,035/-	More than 1 year
Bank of India	Cash Credit	70,96,99,751/-	More than 1 year	8,71,71,216/-	More than 1 year
Standard Chartered Bank	Cash Credit	96,22,87,114/-	More than 1 year	18,71,70,788/-	More than 1 year
Standard Chartered Bank	PCFC Loan	90,58,00,000/-	More than 1 year	7,79,13,329/-	More than 1 year
Standard Chartered Bank	Secured Loan	28,55,00,000/-	More than 1 year	4,56,80,000/-	More than 1 year
Punjab National Bank	Funded interest Term Loan and Working Capital Term Loan	2,11,79,01,421/-	More than 1 year	12,63,56,639	More than 1 year
State Bank of India	Funded interest Term Loan and Working Capital Term Loan	2,01,40,97,500/-	More than 1 year	64,61,93,547	More than 1 year
Central Bank of India	Funded interest Term Loan and Working Capital Term Loan	1,01,35,83,352	More than 1 year	16,90,05,025	More than 1 year

- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised money by way of initial public offer or further public offer or term loans. Accordingly, clause 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The managerial remuneration has not been paid or provided 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, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (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, paragraph 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.

**For V D S R & Co,
Chartered Accountants
F.R. No 001626S**

**Sathish Kumar R.K
Partner
Membership No : 220263**

**Place : Chennai.
Date : May 18, 2017**

Annexure B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Surana Corporation Limited (“the Company”) as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2017:

- a. The Company's internal financial controls over customer acceptance, credit evaluation and establishing customer credit limits for sales, were not operating effectively which could potentially result in the Company recognizing revenue without establishing reasonable certainty of ultimate collection.
- b. The Company's internal financial controls over issue of purchase orders and recording of goods inwards and outwards, were not operating effectively which could potentially result in the Company understating or overstating the inventories, the trade payables and the trade receivables.
- c. The Company's internal financial control over the financial reporting with respect to supervisory and review controls on trade receivables and advance paid to suppliers needs improvement in documentation which could potentially have an impact of the earning of the Company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 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, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2017.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

**For V D S R & Co,
Chartered Accountants
F.R. No 001626S**

**Sathish Kumar R.K
Partner
Membership No : 220263**

Place : Chennai.

Date : May 18, 2017

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Standalone Balance Sheet as at March 31, 2017

Amount in Rs. lakhs

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3	793.88	5,447.21	7,883.90
(b) Other Intangible assets	4	-	-	7.11
(c) Financial Assets				
(i) Trade receivables	5	35,892.94	46,026.37	56,169.14
(ii) Investments	6	-	-	17.40
(iii) Other financial assets	7	1.71	49.71	1.56
(d) Other non-current assets	8	640.88	640.98	1,562.18
Current assets				
(a) Inventories	9	19,442.36	16,308.92	50,292.94
(b) Financial Assets				
(i) Trade receivables	10	39,051.21	45,491.69	12,223.30
(ii) Cash and cash equivalents	11	21.03	222.65	22.23
(iii) Other balances with banks	11	24.17	24.17	24.17
(c) Other current assets	12	590.70	847.68	1,001.69
Asset held for Sale	13	2,975.00	-	-
Total Assets		99,433.88	115,059.37	129,205.63
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	14	2,435.87	2,435.87	2,435.87
(b) Other Equity	15	(86,299.90)	(54,373.26)	(20,882.50)
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	1,468.87	72,242.87	86,854.64
(b) Provisions	17	7.97	7.62	30.28
(c) Deferred Tax liabilities	18	-	-	2,425.60
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	74,649.66	58,759.69	50,178.00
(ii) Trade payables	20	27.71	45.54	72.84
(iii) Other financial liabilities	21	97,556.15	30,900.68	4,545.87
(b) Other current liabilities	22	3,176.54	2,005.49	506.58
(c) Provisions	23	3,036.45	3,034.86	3,038.46
Liabilities representing assets held for Sale	13	3,374.56	-	-
Total Equity and Liabilities		99,433.88	115,059.37	129,205.63
Significant Accounting Policies	1			
Notes forming part of financial statements	2-40			
In terms of our report attached for V D S R & Co., Chartered Accountants (F.R.No. 001626S) SATHISH KUMAR R.K. Partner Membership No : 220263 Place : Chennai Date : May 18, 2017		for and on behalf of the Board of Directors		
		AGNES ROSLIND JOSEPH Director DIN: 07601460	DEVARAJAN K.E. Director DIN : 07228715	

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Standalone Statement of Profit and loss for the year ended March 31, 2017

Amount in Rs. lakhs

Particulars	Note	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Revenue			
Revenue from operations	24	23,465.58	119,631.72
Other income	25	621.26	72.78
Total income [I + II]		24,086.84	119,704.50
Expenses			
Purchases of Stock-in-Trade	26	29,424.03	90,967.82
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	(3,133.44)	33,984.02
Employee benefits expense	28	52.09	113.63
Finance costs	29	17,568.59	19,326.01
Depreciation and amortization expenses	3 & 4	68.16	2,365.97
Other expenses	30	12,034.06	5,187.97
Total expenses [IV]		56,013.48	151,945.42
Loss before exceptional items and tax (I-IV)		(31,926.64)	(32,240.92)
Exceptional Items		-	220.66
Loss after exceptions items and tax(V-VI)		(31,926.64)	(32,020.26)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	2,057.24
Loss after tax from continuing operations (VII-VIII)		(31,926.64)	(29,963.02)
Loss after tax from discontinued operations		-	-
Loss for the period (IX+X)		(31,926.64)	(29,963.02)
Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
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		-	-
Total Other Comprehensive Income for the period		-	-
Earnings per equity share (for continuing operation):			
(1) Basic (in Rs)		(131.07)	(123.01)
(2) Diluted (in Rs)		(131.07)	(123.01)
Earnings per equity share (for discontinued operation):			
(1) Basic (in Rs)		-	-
(2) Diluted (in Rs)		-	-
Earning per equity share (for discontinued & continuing operation)			
(1) Basic (in Rs)		(131.07)	(123.01)
(2) Diluted (in Rs)		(131.07)	(123.01)
Significant Accounting Policies	1		
Notes forming part of financial statements	2-40		
In terms of our report attached for V D S R & Co., Chartered Accountants (F.R.No. 001626S) SATHISH KUMAR R.K. Partner Membership No : 220263 Place : Chennai Date : May 18, 2017		AGNES ROSLIND JOSEPH Director DIN: 07601460	DEVARAJAN K.E. Director DIN : 07228715

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Standalone Cash Flow Statement for the year ended 31 March, 2017

Amount in Rs. lakhs

Particulars	For the Year Ended 31 st March 2017	For the Year Ended 31 st March 2016
	Rs.	Rs.
A. Cash flow from operating activities	(31,926.64)	(32,020.26)
Net Loss before Tax as per Statement of Profit and Loss		
Adjustments for:		
Depreciation and Amortisation	68.16	2,365.97
Finance cost	17,568.59	19,326.01
Interest Income	(1.22)	(1.46)
Provision for Diminution in the value of Investments	-	17.40
Unrealised loss on foreign exchange fluctuations (Net)	-	1,348.05
Provision for Doubtful receivables, Loans & advances	10,121.28	3,538.24
Provision for employee benefits	1.93	(26.25)
Provision for Impairment of Asset - Windmill	1,610.17	-
Trade receivable written off	-	94.17
(Profit)/ Loss on sale of Assets	(2.44)	(40.42)
Operating Profit/(Loss) before Working Capital Changes	(2,560.17)	(5,398.54)
Adjusted for:		
Inventories	(3,133.44)	33,984.02
Trade receivables	6,463.90	(27,590.33)
Other Current Assets	22.48	153.87
Other Non-Current assets	36.82	(15.11)
Trade payables	(17.82)	(27.30)
Other Non-Current/Current liabilities	1,171.05	(559.95)
Cash Generated from Operations	1,982.82	546.66
Taxes Paid	(0.41)	5.51
Net Cash flow from /(used in) Operating activities	1,982.42	552.17
B. CASHFLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	-	-
Proceeds from Sale of Fixed Assets	2.44	118.25
Bank guarantee deposit	-	-
Interest received from banks	236.12	0.15
Net Cash flow from /(Used in) Investing activities	238.56	118.40

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Standalone Cash Flow Statement for the year ended 31 March, 2017

Amount in Rs. lakhs

Particulars	For the Year Ended 31 st March 2017	For the Year Ended 31 st March 2016
	Rs.	Rs.
C. CASHFLOW FROM FINANCING ACTIVITIES:		
Net Increase in Long term borrowings (including FITL)	(11,206.99)	1,344.71
Finance Cost	(7,105.57)	(10,396.55)
Net increase in working capital borrowings	15,889.96	8,581.69
Net Cash from /(Used in) Financing Activities	(2,422.60)	(470.15)
Net Increase in Cash & Bank Balances (A+B+C)	(201.62)	200.42
Cash and cash equivalents at the beginning of the year	222.65	22.23
Cash and cash equivalents at the end of the year	21.03	222.65

Notes :

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statement, specified under section 133 of the Companies Act, 2013.
- Previous Year figures have been regrouped and reclassified to conform to those of the current year.

**In terms of our report attached
for V D S R & Co.,
Chartered Accountants
(F.R.No. 001626S)**

for and on behalf of the Board of Directors

SATHISH KUMAR R.K.
Partner
Membership No : 220263

AGNES ROSLIND JOSEPH
Director
DIN: 07601460

DEVARAJAN K.E.
Director
DIN : 07228715

Place : Chennai
Date : May 18, 2017

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Standalone Statement of Changes in Equity for the year ended 31/03/2017**(a) Equity Share Capital****Amount in Rs. Lakhs**

Particulars	Other Equity					
	Reserves and Surplus					
	Equity Share Capital	Share application money pending allotment	Securities premium	General reserve	Retained Earnings	Total Other Equity
Balance as of April 1, 2015	2,435.87	3,527.73	12,399.96	2,897.14	(39,707.33)	(20,882.50)
Changes in equity for the year ended March 31, 2016	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Securities premium credited on Shares issued	-	-	-	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-	-	-
Converted into Unsecured Loans	-	(3,527.73)	-	-	-	(3,527.73)
Loss for the period	-	-	-	-	(29,963.02)	(29,963.02)
Balance as of March 31, 2016	2,435.87	-	12,399.96	2,897.14	(69,670.35)	(54,373.26)
Changes in equity for the year ended March 31, 2017	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Securities premium credited on Shares issued	-	-	-	-	-	-
Dividends (including corporate dividend tax)	-	-	-	-	-	-
Loss for the period	-	-	-	-	(31,926.64)	(31,926.64)
Balance as of March 31, 2017	2,435.87	-	12,399.96	2,897.14	(101,596.99)	(86,299.90)

In terms of our report attached
for V D S R & Co.,
Chartered Accountants
(F.R.No. 001626S)

for and on behalf of the Board of Directors

SATHISH KUMAR R.K.
Partner
Membership No : 220263

AGNES ROSLIND JOSEPH
Director
DIN: 07601460

DEVARAJAN K.E.
Director
DIN : 07228715

Place : Chennai
Date : May 18, 2017

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Note 1: Corporate Information and Significant Accounting Policies

1.01 Corporate Information

Surana Corporation Limited ('the company') was incorporated in the year 1991 and having registered office at : No.30, GNT road, Madhavaram, Chennai 110. SCL is a public limited company listed in both Bombay Stock Exchange and National Stock Exchange. SCL is dealing in gold trade, Gem & Jewellery, Manufacture, Wholesaling, retailing and of medallion Jewellery and Gold and Silver and it also has a own set up of wind farm with 20 MW in district of Tirunelveli.

1.02 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. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). 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.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition 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. Reconciliations and descriptions of the effect of the transition has been summarized in note 2.1.

Unless otherwise specified these financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded off to the nearest lakhs.

1.03 Use of Estimates

The preparation of financial statements in conformity with Ind AS which requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Any revision to accounting estimates is recognised prospectively in the current and future periods

1.04 Revenue Recognition

Revenue from operations includes sale of goods, Sale of Energy from Windmills.

- a) Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.
- b) Sale of energy is accounted for based on the approved tariff rates in accordance with the Power Purchase Agreement and includes unbilled revenues accrued upto the end of the accounting year. It is recognised on the basis of electrical units generated.

- c) Renewable Energy Certificate (REC) Income arising from REC is initially recognised in respect of the number of units of power exported at the minimum expected realisable value, determined based on the rates specified under the relevant regulations duly considering the entitlements as per the policy, Industry specific developments, Management assessment etc. and when there is no uncertainty in realising the same. The difference between the amount recognised initially and the amount realised on sale of such RECs at the Power Exchange are accounted for as and when such sale happens.
- d) Interest received on fixed deposits made for margin purposes towards supply of raw materials by suppliers is netted off against the cost of purchases. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

1.05 Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Direct costs are capitalized until such assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Depreciation on tangible assets except Windmill is provided on the straight-line method over the useful lives of the assets estimated by the management as per Schedule II of the Companies Act, 2013. Depreciation on Windmill is provided on WDV Method. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective Individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

1.06 Intangible Assets

Expenditure incurred on acquisition of goodwill, technical know-how, software, patents, research and development and such other intangibles are recognized as Intangible Asset, if they meets the definition of Intangible asset and recognition criteria as stipulated under Ind AS-38 “Intangible Assets”.

An Intangible asset with finite useful life is amortised and one with indefinite useful life is not.

1.07 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this the assets must be available for immediate sale and the sale is considered highly probable. Ind AS 105 requires to measure them at lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or a disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale of non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of disposal group) are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of the disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

1.08 Financial Instruments

I. Initial recognition

Under Ind AS 109: Financial Instruments, all financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

II. Subsequent measurement

Non-derivative financial instruments

Financial Assets

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized 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 at fair value through other comprehensive income (FVTOCI)

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. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. 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.

(iv) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

III. Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.09 Impairment of Assets

a) Financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the

inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

b) Non-financial assets - Intangible assets and property, plant and equipment

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

1.10 Inventories

Inventories are valued as follows:

Raw material: Lower of cost and net realisable value

Work-in-progress: At cost determined on FIFO basis up to estimated stage of completion

Finished goods: Lower of cost and net realisable value

Cost is determined on FIFO basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion to make the sale.

1.11 Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments / deposits with an original maturity of three months or less.

1.12 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

1.13 Employee Benefits

Short Term benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

Long Term Benefits:

a. Defined contribution Plan:

All the employees of the Company and its Indian subsidiaries are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employees and the employer make

monthly contribution to the plan at a predetermined rate (presently 12%) of the employees' basic salary. The contributions are made to the fund administered and managed by the Government of India. In addition, the Company contributes towards the employees Group Insurance Scheme, the fund administered by Life Insurance Corporation ("LIC"). The contributions to both the funds are expensed in the profit and loss account."

b. Defined Benefit Plan:

Leave Encashment :The Company has provided for the liability at the year end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

The Company has provided for gratuity obligation through defined benefit plan ("The Gratuity Plan") covering all the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on respective employee salary and years of employment with the Company. The Company has provided for The Gratuity Plan based on the actuarial valuations in accordance with Ind AS-19, "Employee Benefits". Actuarial Gains and losses are recognised in Profit and Loss account as and when incurred.

1.14 Borrowing Cost

- a) Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- b) All the fixed assets of the Company excluding the fixed and current assets of Wind Mills Division are charged to Banks who are providing working capital of the Company.

1.15 Taxes on income

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

SURANA CORPORATION LIMITED
Notes forming part of the financial statements

1.16 Foreign Currency Transactions

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction if any. All monetary assets and monetary liabilities in foreign currencies are translated at the relevant rates of exchange prevailing at the year end.
- b) Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.
- c) In respect of forward contracts, the forward premium or discount is recognized as income or expenses over the life of contract in the statement of profit and loss and the exchange different between the exchange rate prevailing at the year end and the date of the inception of the forward exchange contract is recognized as income or expenses in the statement of profit and loss.

1.17 Provisions

A provision is recognized when the Company has a present obligation as a result of past event; 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. Provisions are not discounted to its present value and are determined on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Provision / Write off of doubtful and unrecoverable book debts and advances have been made, wherever found necessary by the management.

1.18 Contingent liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability in the financial statements, but are disclosed in the notes.

1.19 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable by the weighted average of number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

1.20 Cash Flow Statement

Cash flows are reported using the Indirect method as specified in Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

SURANA CORPORATION LIMITED
Notes forming part of the financial statements

1.21 Segmental Reporting

- a) The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in Individual segments.
- b) Expenses that are directly identifiable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and are not allocable to segments are included under unallocated corporate expenses.
- c) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Note 2: First Time Adoption Of Indian Accounting Standards.

These are the Company's first financial statement prepared in Accordance as per Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A) Ind AS Optional Exemptions

Ind AS 101 allows first-time adopters certain exemption from the retrospective application of certain requirements of under Ind AS. The company has accordingly applied the following Exemptions.

2.01 Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

2.02 Investment in Subsidiary, Joint Venture and Associate

When an entity prepares separate financials statements, Ind AS 27 requires it to account for its investments in Subsidiaries, Joint Venture or Associate either;

- a) At cost; or
- b) In accordance with Ind AS 109.

If a first time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amounts in the separate opening Ind AS Balance Sheet:

- (a) Cost determined in accordance with Ind AS 27
- (b) Deemed Cost of such investment which shall be its;
 - (i) Fair Value at the entity's Date of transition to Ind AS in its separate financial Statements
 - (ii) Previous GAAP Carrying amount at that date.

Accordingly the Company has elected to measure all their investment in subsidiaries at their previous GAAP carrying value.

SURANA CORPORATION LIMITED
Notes forming part of the financial statements

Amount in Rs. lakhs

2.03 Non-Current Asset held For Sale and discontinued Operations

Ind AS 105 - requires Non-Current Asset held for Sale or discontinued operations, that meet the criteria to be classified as held for Sale and carried at lower of its carrying amount and fair value less the cost to sell on the initial date of such identification. A first time adopter can:

- (a) Measure such asset or Operations at lower of the carrying value and fair value less cost to sell at the date of transition to Ind AS in accordance with Ind AS 105;
- (b) Recognise directly in retained Earnings any difference between that amount and the carrying amount of those assets at the date of transition to Ind AS determined under the entity's previous GAAP.

Accordingly the Company has elected to measure such asset at lower of the carrying value and the fair Value less cost to sell, and has provided for the loss arising to this valuation.

2.04 Fair Value Measurement of Financial Asset and Financial Liabilities at initial recognition.

Despite the requirement of paragraph 7 & 9, entity may apply for the requirement of Ind AS 109 prospectively to the transaction entered into on or after the date of transition to Ind AS

B) Ind AS Mandatory Exception.

2.05 Estimate

An Entity's estimates in accordance with the Ind AS at the date of Transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

2.06 Classification and measurement of Financial Assets

The classification and measurement of financial asset will be made considering whether the conditions as per Ind AS 109 are met based on the facts and circumstances existing at the date of the transaction. The financial Asset should be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flow and
- (b) the contractual term of the financial asset give rise on specified dates on cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.07 Derecognition of Financial Assets and Financial Liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

C) Reconciliation notes

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101 :

1. Equity as at April 1, 2015 and March 31, 2016
2. Net profit for the year ended March 31, 2016

Reconciliation of Equity as previously reported under IGAAP and Ind As (In Rs.lakhs)							
PARTICULARS	Notes	Opening balance sheet as at April 1 st 2015			Balance sheet as at 31 March 2016		
		IGAAP	Effects of transition to Ind - AS	IND AS	IGAAP	Effects of transition to Ind - AS	IND AS
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	3	7,883.90	-	7,883.90	5,447.21	-	5,447.21
(b) Other Intangible assets	4	7.11	-	7.11	-	-	-
(c) Financial Assets							
(i) Trade receivables	5	56,169.14	-	56,169.14	46,026.37	-	46,026.37
(ii) Investments	6	17.40	-	17.40	-	-	-
(iii) Other financial assets	7	1.56	-	1.56	49.71	-	49.71
(d) Other non-current assets	8	1,562.18	-	1,562.18	640.98	-	640.98
Current assets							
(a) Inventories	9	50,292.94	-	50,292.94	16,308.92	-	16,308.92
(b) Financial Assets							
(i) Trade receivables	10	12,223.30	-	12,223.30	45,491.69	-	45,491.69
(ii) Cash and cash equivalents	11	22.23	-	22.23	222.65	-	222.65
(iii) Other balances with banks	11	24.17	-	24.17	24.17	-	24.17
(c) Other current assets	12	1,001.69	-	1,001.69	847.68	-	847.68
Total Assets		129,205.63	-	129,205.63	115,059.37	-	115,059.37
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	14	2,435.87	-	2,435.87	2,435.87	-	2,435.87
(b) Other Equity	15	(20,882.50)	-	(20,882.50)	(54,373.26)	-	(54,373.26)
LIABILITIES							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	16	86,854.64	-	86,854.64	72,242.87	-	72,242.87
(b) Provisions	17	30.28	-	30.28	7.62	-	7.62
(c) Deferred Tax Liabilities	18	2,425.60	-	2,425.60	-	-	-
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings	19	50,178.00	-	50,178.00	58,759.69	-	58,759.69
(ii) Trade payables	20	72.84	-	72.84	45.54	-	45.54
(iii) Other financial liabilities	21	4,545.87	-	4,545.87	30,900.68	-	30,900.68
(b) Other current liabilities	22	506.58	-	506.58	2,005.49	-	2,005.49
(c) Provisions	23	3,038.46	-	3,038.46	3,034.86	-	3,034.86
Total Equity and Liabilities		129,205.63	-	129,205.63	115,059.37	-	115,059.37

Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS					
(In Rs.Lakhs)					
PARTICULARS		Notes	Year ended 31 March 2016		
			IGAAP	Effects of transition to Ind - AS	IND AS
I	(a) Revenue from operations	21	119,631.72	-	119,631.72
II	(b) Other income	22	72.78	-	72.78
III	Total Income (I+II)		119,704.50	-	119,704.50
IV	Expenses				-
	Cost of materials consumed		-	-	-
	Purchases of Stock-in-Trade	23	90,967.82	-	90,967.82
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	33,984.02	-	33,984.02
	Employee benefits expense	25	113.63	-	113.63
	Finance costs	26	19,326.01	-	19,326.01
	Depreciation and amortization expenses	3	2,365.97	-	2,365.97
	Other expenses	27	5,187.97	-	5,187.97
	Total expenses (IV)		151,945.42	-	151,945.42
V	Loss before exceptional items and tax (III-IV)		(32,240.92)	-	(32,240.92)
VI	Exceptional Items		220.66	-	220.66
VII	Loss before exceptions items and tax(V-VI)		(32,020.26)	-	(32,020.26)
VIII	Tax expense:				
	(1) Current tax		-	-	-
	(2) Deferred tax		2,057.24	-	2,057.24
IX	Loss after tax from continuing operations (VII-VIII)		(29,963.02)	-	(29,963.02)
X	Loss after tax from discontinued operations		-	-	-
XI	Loss for the period (IX+X)		-	-	-
XII	Other Comprehensive Income				-
	A. (i) Items that will not be reclassified to profit or loss		-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
	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		-	-	-
	Total Other Comprehensive Income for the period		-	-	-
	Earnings per equity share (for continuing operation):				
	(1) Basic		(123.01)	-	(123.01)
	(2) Diluted		-	-	-
	Earnings per equity share (for discontinued operation):				
	(1) Basic		-	-	-
	(2) Diluted		-	-	-
	Earning per equity share (for discontinued & continuing operation)				
	(1)Basic		(123.01)	-	(123.01)
	(2) Diluted		-	-	-

SURANA CORPORATION LIMITED

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 3 - Property, Plant & Equipment

Particulars	Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:										Rs. In lakhs
	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Other - Computers	Others - Wind Mills*	Grand Total		
Gross carrying value as at April 1, 2016	378.65	661.67	180.19	28.63	63.64	71.83	2.31	12,887.81	14,274.72		
Additions	-	-	-	-	-	-	-	-	-	-	
Deletion	-	-	-	-	(6.59)	-	(0.69)	-	(7.28)		
Re-classified as held for sale	-	-	-	-	-	-	-	(12,887.81)	(12,887.81)		
Gross carrying value as at March 31, 2017	378.65	661.67	180.19	28.63	57.05	71.83	1.62	-	-		
Accumulated Depreciation as at March 31, 2016	-	290.57	118.54	21.72	37.81	54.13	2.10	8,302.64	8,827.51		
Depreciation	-	8.73	31.18	2.20	9.52	16.32	0.21	-	68.16		
Accumulated Depreciation on Deletion	-	-	-	-	6.59	-	0.69	-	7.28		
Impairment	-	-	-	-	-	-	-	1,610.17	1,610.17		
Re-classified as held for sale	-	-	-	-	-	-	-	(9,912.81)	(9,912.81)		
Accumulated Depreciation as at March 31, 2017	-	299.30	149.72	23.92	40.75	70.45	1.62	-	585.75		
Net Carrying value as at March 31, 2017	378.65	362.37	30.46	4.71	16.30	1.38	0.00	-	793.88		
Net Carrying value as at March 31, 2016	378.65	371.10	61.65	6.91	25.83	17.70	0.21	4,585.17	5,447.21		

SURANA CORPORATION LIMITED

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NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	B) Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2016 :										Rs. In lakhs	
	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Other - Computers	Others - Wind Mills*	Grand Total			
Gross carrying value as at April 1, 2015	381.65	661.67	180.19	28.63	93.70	72.90	2.31	13,048.80	14,469.85			
Additions	-	-	-	-	-	-	-	-	-			
Deletion	3.00	-	-	-	30.06	1.07	-	161.00	195.13			
Gross carrying value as at March 31, 2016	378.65	661.67	180.19	28.63	63.64	71.83	2.31	12,887.81	14,274.72			
Accumulated Depreciation as at March 31, 2015	-	37.48	82.54	18.19	41.11	32.73	1.23	6,372.67	6,585.94			
Depreciation	-	253.09	36.00	3.53	13.41	21.99	0.87	2,029.97	2,358.87			
Accumulated Depreciation on Deletion	-	-	-	-	16.71	0.59	-	100.00	117.30			
Accumulated Depreciation as at March 31, 2016	-	290.57	118.54	21.72	37.81	54.13	2.10	8,302.64	8,827.51			
Net Carrying value as at March 31, 2016	378.65	371.10	61.65	6.91	25.83	17.70	0.21	4,585.17	5,447.21			
Net Carrying value as at March 31, 2015	381.65	624.19	97.64	10.44	52.59	40.17	1.08	6,676.14	7,883.90			

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Note 4 - Other Intangible Asset**(Amount in Rs. lakhs)****A) Following are the changes in the carrying value of Other Intangible Asset for the year ended March 31, 2017:**

Particulars	Computer Software	Total
Gross carrying value as at April 1, 2016	32.66	32.66
Additions	-	-
Deletion	-	-
Gross carrying value as at March 31, 2017	32.66	32.66
Accumulated Depreciation as at March 31, 2016	32.66	32.66
Amortization expense	-	-
Accumulated Depreciation on Deletion	-	-
Accumulated Depreciation as at March 31, 2017	32.66	32.66
Net Carrying value as at March 31, 2017	-	-
Net Carrying value as at March 31, 2016	-	-

B) Following are the changes in the carrying value of Other Intangible Asset for the year ended March 31, 2016 :

Particulars	Computer Software	Total
Gross carrying value as at April 1, 2015	32.66	32.66
Additions	-	-
Deletion	-	-
Gross carrying value as at March 31, 2016	32.66	32.66
Accumulated Depreciation as at March 31, 2015	25.55	25.55
Amortization expense	7.11	7.11
Accumulated Depreciation on Deletion	-	-
Accumulated Depreciation as at March 31, 2016	32.66	32.66
Net Carrying value as at March 31, 2016	-	-
Net Carrying value as at March 31, 2015	7.11	7.11

Note 3.1 Fixed Assets (Continued)

- a) Land: These Lands are spread over to three villages of Achamputhur, Puliangudi and Kodikuruchi in the district of Tamilnadu where the Company's Windmills are located. The land parcel also includes the portion of the pathway giving access to the Windmills.

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

- b) Building: It includes the property at Ambattur which has been acquired by the Company on 29.12.2010. Even though the sale consideration was paid for both land and building, as the buildings are totally dilapidated, the value has not been apportioned to the building in the earlier years and accordingly depreciation has also not been provided for in the earlier years. Later it was regrouped into two separate head of Land , Building and the value of Building has been impaired fully on account of decrease of its fair value due to obsolescence.
- c) The other building relates to building located at NSC Bose road in which the showroom of the Company is functioning and is located in MEPZ.
- d) Refer to Note 16 for security and charge on fixed assets

(Amount in Rs. lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Note 5: Non Current Assets - Trade Receivable			
Unsecured, considered good	35,892.94	46,026.37	56,169.14
Unsecured, considered doubtful	26,734.42	16,624.42	13,601.92
	62,627.36	62,650.78	69,771.07
Provision for bad and doubtful trade receivables	(26,734.42)	(16,624.42)	(13,601.92)
	35,892.94	46,026.37	56,169.14

Refer Note 10 for Ageing of trade receivables and credit risk arising there from.

(i) Movement in Provision for bad and doubtful trade receivables is as below:

	As at 31st March, 2017	As at 31st March, 2016
Balance at the beginning of the year	16,624.42	13,601.92
Charge in statement of profit and loss	10,110.00	3,022.50
Balance at the end of the year	26,734.42	16,624.42

(ii) The Company's Debtors of Rs.58,291.08 lakhs aged more than one year (referred as sticky) are covered under the Memorandum of understanding entered in June 2015 confirming the schedule of repayment. Further the Memorandum also indicates coverage of these debts belonging to the some of the debtors by properties. These properties of the debtors have been mortgaged in favour of the consortium lenders of the Company as part of CDR. Also the Company reserves the rights to sell the said properties in case of non receipt of scheduled payments. During this financial year the company has provided for an amount of Rs.10,110 lakhs which was not recovered as per the MOU terms.

(iii) The Company has provided Rs.13,600 lakhs during the FY 2013-14 under circular no No.88 /RBI/2012-13/435 dt. 12/03/2013 the "Write-off" of unrealized export bills and Master Circular on Export of Goods and Services on export of goods and services. No specific approval from RBI is required under the said circular as the Company was star trading house during the relevant year as against the unrealised export receivables. This provision has been made by the Company as an abundant caution keeping in line with its policy of conservative and prudent accounting of foreign debtors.

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

(Amount in Rs. lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Note 6 : Non Current Investments			
Gurudev Wind Energy P Ltd (Unquoted 73,999 equity shares of Rs 10 each)	7.40	7.40	7.40
Surana Wind Energy P Ltd (Unquoted 99,999 equity shares of Rs 10 each)	10.00	10.00	10.00
Surana Projects P Ltd (Unquoted 9,999 equity shares of Rs 10 each)	-	-	1.00
Surana Overseas DMCC-Shares (Unquoted 1000 equity shares of AED 100 each)	-	-	14.72
	17.40	17.40	33.12
Written off		-	(15.72)
Provision for diminution in the value of investment	(17.40)	(17.40)	-
Total	-	-	17.40

Notes :

- i) Surana Projects P Ltd being a defunct Company investment on the same had been written off in the Financial year 2014-15
- ii) Surana Overseas DMCC operations were closed in Dec'2014 and consequently the investment in the same had been written off in 2014-15. RBI has been informed about the closure of said subsidiary company.
- iii) Gurudev Wind Energy P Ltd and Surana Wind Energy P Ltd were involved in the generation of wind power till financial year 2014-15 . The windmills owned by these two companies were sold in financial year 2014 15 for repaying the loans given by syndicate bank to the holding Company under the terms of CDR. As no other activity is envisaged in these two companies in the near future, these investments have been impaired.
- (iv) Investment in subsidiaries were measured at deemed cost which is the carrying amounts as per previous GAAP.

Note 7: Other financial assets

Deposits - pledged for bank guarantees and margin money	1.71	49.71	1.56
	1.71	49.71	1.56

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Note 8: Other Non Current Assets **(Amount in Rs. lakhs)**

Advances other than capital advances			
Security Deposits	6.59	6.69	6.69
Advances to related parties	527.03	515.74	548.78
Provision for doubtful advances	(527.03)	(515.74)	-
	-	-	548.78
Others: MAT Credit Entitlement	634.29	634.29	1,006.70
	640.88	640.98	1,562.18

Note 9: Inventories **(Amount in Rs. lakhs)**

Stock in Trade	19,442.02	16,308.53	50,292.94
REC Certificates	0.34	0.39	-
	19,442.36	16,308.92	50,292.94
The above Inventory includes			
Gold	19,150.76	11,666.31	50,022.96
Non coking Coal	291.26	2,563.12	-
MS Steel	-	1,809.07	-

- i) The above Gold stock includes Gold stock of 400.47 Kgs of Gold bullion and jewellery seized by CBI & 2.34 Kgs of Gold bullion and jewellery seized by DRI.
- ii) The stock in trade includes the stock of Coal taken over from sticky Debtors as against the outstanding due.
- iii) REC Certificates represents the cost of approved REC certificates available as on March 31,2017 for Trade.

Note 10: Current Financial Assets - Trade Receivables **(Amount in Rs. lakhs)**

Unsecured, considered good	39,051.21	45,491.69	12,223.30
	39,051.21	45,491.69	12,223.30

Ageing of trade receivables and credit risk arising there from is as below :

	Carrying amount		
	(Amount in Rs.lakhs)		
	31 March 2017	31 March 2017	1 April 2015
Neither past due nor impaired	-	-	-
Past due not impaired	-	-	-
Past due 1-30 days	1,485.21	23,442.98	7,783.15
Past due 31-90 days	2,934.89	19,128.29	134.17
Past due 91-180 days	9,730.25	2,920.42	4,305.98
Past due 181-365 days	11,067.29	-	-
More than 365 days*	49,726.51	46,026.37	56,169.14
*Refer Note 5	74,944.15	91,518.06	68,392.44

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Note 11: Cash and cash equivalents**Amount in Rs. lakhs**

	31 March 2017	31 March 2017	1 April 2015
Cash and Cash equivalents :			
Balances with banks in current accounts	0.09	138.64	19.56
Cash on hand	20.94	84.00	2.66
	21.03	222.65	22.23
Other balances with banks:			
Balances- Unclaimed Dividend	24.17	24.17	24.17
	24.17	24.17	24.17
	45.20	246.82	46.40

- (i) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017, details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, are given below:

Amount in Rs.

Particulars	SBNs*	ODNs**	Total
Closing cash in hand as on 08.11.2016	1,000,000	397	1,000,397
(+) Unpermitted receipts			
(+) Permitted receipts	-	-	-
(-) Unpermitted payments	-	263,886	263,886
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
	1,000,000	-	1,000,000
Closing cash in hand as on 30.12.2016	-	264,283	264,283

*SBNs-Specified Bank Notes
**Other Denomination Notes

Note 12: Other Current Assets**Amount in Rs.**

	31 March 2017	31 March 2017	1 April 2015
Advances other than capital advances			
Advances recoverable in cash or in kind or for value to be received	3.05	5.34	11.53
Income Tax refund receivable	587.52	587.11	588.57
Balances with Government Authority	-	-	149.20
Others			
Prepaid Expenses	-	20.19	18.67
Accrued Interest on Fixed deposits	0.14	1.31	-
Cash with CBI	233.72	233.72	233.72
Less: Provision for doubtful recoveries	(233.72)	-	-
	590.70	847.68	1,001.69

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Note 13: Asset and Liabilities held for Sale**(Amount in Rs. lakhs)**

The major classes of assets and liabilities held for sale as on the respective reporting dates is as below

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Assets classified as held for sale :			
Property Plant & Equipment			
Others - Windmill*	2,975.00	-	-
Liabilities representing assets held for Sale			
Current			
Other Financial liabilities**	3,374.56	-	-

*The net block of Windmill as on 31/03/2016 was Rs.4,585.17 Lakhs while the buyer Bell Tower had agreed for purchasing the Windmill asset at Rs.2,975 the balance amount of Rs.1,610.17 Lakhs was recognized as Impairment loss. The asset amounting to Rs.2,975 Lakhs was classified as “Asset held for sale” on the face of the balance sheet as per Ind AS 105.

**SBI-TERM LOAN-31695262806 with respect to Asset held for sale separately disclosed in accordance to Ind AS 105 “Non-current assets held for sale and discontinued operations” (Refer Note 16)

Note 14: Share Capital**(Amount in Rs. lakhs)**

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
a) Authorised						
Equity Shares of Rupees 10 each	55,000,000	5,500	55,000,000	5,500	55,000,000	5,500
b) Issued Subscribed & Paid Up*						
Equity Shares of Rupees 10 each	24,358,734	2,435.87	24,358,734	2,435.87	24,358,734	2,435.87
	24,358,734	2,435.87	24,358,734	2,435.87	24,358,734	2,435.87

*(Refer Notes (i) to (iii) below)

- i) There is no movement in equity share capital during the current and previous year.
- ii) Rights preference and restrictions attached to the shares

The Company has only one class of equity shares having a par value of Rs.10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

iii) Shareholders holding more than five percent shares in the Company:

Amount in Rs. lakhs

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Dineshchand Surana	12,216,713	50.15%	12,216,713	50.15%	3,054,179	12.54%
G.R.Surana	-	-	-	-	3,023,465	12.41%
Shantilal Surana	-	-	-	-	3,054,178	12.54%
Vijayraj Surana	-	-	-	-	3,054,178	12.54%
BLS Power Solutions Limited	-	-	897,856	3.69%	3,347,856	15.32%

Note 15: Other Equity

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Share application money pending allotment	-	-	3,527.73
Reserves and Surplus			
Securities Premium Account			
Opening Balance	12,399.96	12,399.96	12,399.96
Add : Securities premium credited on Shares issued	-	-	-
Closing Balance	12,399.96	12,399.96	12,399.96
General Reserve			
Opening Balance	2,897.14	2,897.14	2,897.14
Add: Current Year Transfer	-	-	-
Closing Balance	2,897.14	2,897.14	2,897.14
Retained Earnings			
Opening balance	(69,670.35)	(39,707.33)	(10,742.66)
Add: Net Profit/(Net Loss) For the current year	(31,926.64)	(29,963.02)	(28,706.82)
Less: Depreciation adjustment*	-	-	(257.85)
Closing Balance	(101,596.99)	(69,670.35)	(39,707.33)
	(86,299.90)	(54,373.26)	(20,882.50)

*Depreciation adjustment based on the transitional provisions as per Schedule II of the Companies Act 2013.

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Note 16: Non-current Financial Liabilities - Borrowings**(Amount in Rs. lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured Borrowings			
Term loans - From banks	5,360.29	7,671.78	8,096.06
Transfer to Current Maturities of Long Term Debt - (Refer Note 21)	(1,985.73)	(736.78)	(533.06)
Transfer to Liabilities representing assets held for Sale (Refer Note 13)	(3,374.56)	-	-
	-	6,935.00	7,563.00
Other loans - From banks	72,165.13	81,060.63	79,291.64
Transfer to Current Maturities of Long Term Debt - (Refer Note 21)	(72,165.13)	(17,221.63)	-
	-	63,839.00	79,291.64
	-	70,774.00	86,854.64
Unsecured Borrowings			
Other loans*	1,468.87	1,468.87	-
	1,468.87	72,242.87	86,854.64

*Interest free loan from a promoter towards priority debt and lender's sacrifice as per CDR package (Refer V)

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SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Notes:

- i) The Company has defaulted in repayment of Interest as listed below
As on March 31, 2017, Interest aggregating to Rs. 23,381.12 lakhs were overdue for more than 365 days.
- ii) CDR Exit: The consortium of lenders vide JLM dated 20.04.2016 had recommended exit from CDR to CDR-EG. CDR-EG vide its communication dated 24.05.2016 has approved exit of Consortium from CDR. Consortium of lenders has also issued notice of filing a suit in Debt Recovery Tribunal, Chennai for recovery of their dues. The same is being contested by the company. Meanwhile, the company has offered One-Time Settlement to the consortium lenders and the JLM's held on December 14, 2016 and May 08, 2017 respectively, have accorded acceptance, subject to approval from the respective authorities.
- iii) The entity had submitted its proposal of OTS of Rs.24,200 lakhs to the Consortium of lenders with its the letter dated 05/05/2017 and approval for the same was received on 08/05/2017. Thus all the Long term loans were transferred to current maturities of long term debt under Other Current Liabilities.
- iv) WCTL, FITL and Working Capital limits from banks are secured by way of :
 - a) First charge on all movable and immovable fixed assets of the Company (excluding Windmill assets and vehicles) on pari passu basis.
 - b) First charge on entire current assets of the Company including raw materials, stock in progress, finished goods and other current assets on pari-passu basis.
 - c) Second Charge over the Windmill Properties
 - d) First Charge on pari passu basis by way of Equitable Mortgage on Lands situated in various areas (as per schedule in earlier CDR) of Promoters
 - e) Pledge of 100% of promoter holdings in the Company in favour of lending institutions.
 - f) Personal Guarantee of the promoters
 - g) Some of the sticky debtors are also covered by collateral securities which are pledged with the banks as part of CDR package.
 - h) Corporate Guarantee of some of the sticky Debtors .

V) Unsecured Borrowings

As per the Special Conditions to the earlier CDR (Clause 12.1 of Article XII) Rupees 3,527.73 lakhs brought in by the promoters as their contribution for the sacrifice amount towards CDR implementation was treated as share application money at the year ended 31st March,2015, the same was reclassified as unsecured loan to the extent not repaid amounting to Rs. 1,468.87 lakhs due to the fact that the shares could not be allotted within the period of sixty days as stipulated under the provisions of the companies Act 2013.

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Note 17: Long Term provisions**(Amount in Rs. lakhs)**

Provision for Employee Benefits (Refer Note 32)			
i) Provision for Gratuity	7.97	6.94	30.28
ii) Provision for Leave encashment	-	0.68	-
	7.97	7.62	30.28

Note 18: Deferred Tax Liabilities

Tax effect of items constituting deferred tax liabilities Depreciation	-	-	2,425.60
	-	-	2,425.60

Note 19: Current Financial Liabilities - Borrowings

Secured Borrowings			
Working Capital Loan from banks*	74,649.66	58,759.69	50,178.00
	74,649.66	58,759.69	50,178.00

*On first pari passu basis to secure the term Loans sanctioned by the State Bank of India & Punjab National Bank on

- a) Pari passu first charge over the Wind Mill Properties (Land & Wind Mill) mortgaged.
- b) First Charge on the assets acquired out of the term Loan including mortgage of the project land and the buildings/other superstructures constructed on thereon.
- c) First charge on all bank accounts of the project.

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SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Note 20: Trade Payables

(Amount in Rs. lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Dues to micro and small enterprises	-	-	-
Dues to other than micro and small enterprises			
Creditors for Expenses	27.71	45.54	56.69
Other payables*	-	-	16.15
	27.71	45.54	72.84

*Refer Note 23 (i)

Note 21: Other Financial Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current maturities of long-term debt*	74,150.85	17,958.41	533.06
Interest accrued but not paid	23,381.12	12,918.10	3,988.64
Unclaimed Dividend	24.17	24.17	24.17
	97,556.15	30,900.68	4,545.87

*Refer Note 16

Note 22: Other Current Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Statutory dues	29.17	14.75	5.20
Advances from Customers*	501.38	501.38	501.38
Advances for Capital goods	2,646.00	1,489.37	-
	3,176.54	2,005.49	506.58

*Subject matter of legal proceedings pending before the court.

Note 23: Short Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for Gratuity	1.47	0.44	-
Provision for Leave encashment	0.85	0.30	4.34
Others (Refer i to iii)	3,034.12	3,034.12	3,034.12
	3,036.45	3,034.86	3,038.46

SURANA CORPORATION LIMITED**Notes forming part of the Standalone financial statements**

The other provisions include provision made towards pending litigation cases against the Company:

- i) MMTC was litigating and claiming old un-reconciled dues amounting to Rs.1,843.00 lakhs and interest thereon in various legal forums and departments. It was also instrumental in foisting a complaint with CBI (ACB), Chennai, which conducted searches and have seized accounted hypothecated stock in trade worth Rs.12,500.00 lakhs on 20.06.2012. Company in terms of significant accounting policy had prudently provided an amount of Rs.1,386.00 lakhs towards this ascertained liability based on the CBI (ACB) Chennai has claim amount as per the final charge sheet filed by the CBI(ACB) and the same has been continued since FY 2015-16. Consequently the Company had written back the excess provision of Rs.16.15 lakhs in FY 2015-16.

As per Para 59 of Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets”, the provision was reviewed at the end of reporting period and adjusted to reflect the current best estimate. The outflow of resources embodying future economic benefit is still probable and doesn’t require any reversal.

- ii) The Company during the financial year 2014-15, received Show cause notice from Directorate of Revenue Intelligence under customs Act.1962 claiming the differential duty amounting to Rs.1,581.93 lakhs towards the import of Jewellery from Thailand. This provision has been prudently made also in the same year as per erstwhile accounting Standard -29. As the Delhi High Court has quashed a circular issued by the Central Board of Excise and Customs in October 2015 and further on a petition by the Bullion and Jewellers Association vide ref.W.P.(C) 10538/2015 & CM APPL 26588/2015 dt. 26th, April,2016, no additional liability has been provided as against the penalty charges.

As per Para 59 of Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets”, the provision was reviewed at the end of reporting period and adjusted to reflect the current best estimate. The outflow of resources embodying future economic benefit is still probable and doesn’t require any reversal.

- iii) The DRI during the Financial year 2014-15 seized Jewellery weighing 2.34 Kgs Gold of Rs 66.19 lakhs and the Company has provided for the same. The authority issued showcase notice which has been contested by the Company at appropriate legal forum.

Note 24: Revenue from Operations**(Amount in Rs. lakhs)**

Particulars	31st March, 2017	31st March, 2016
Sale of products	23,155.65	119,263.76
Income from Wind power Generation	309.92	367.97
	23,465.58	119,631.72

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Note 25: Other Income (Amount in Rs. lakhs)

Particulars	31st March, 2017	31st March, 2016
Interest Income	1.22	1.46
Other non-operating income*	620.04	71.32
	621.26	72.78
*Other Non-Operating Income includes:		
Liabilities no longer required written back	589.37	25.08
Provision for employee benefits written back	-	5.65
Profit on sale of asset	2.44	40.42
Miscellaneous Income	-	0.16
Income from Sale of REC certificates	28.23	-
	620.04	71.32

Note 26: Purchase of stock in trade

Particulars	31st March, 2017	31st March, 2016
Gold	29,424.03	86,595.63
MS Steels	-	1,809.07
Non Coking Steam Coal	-	2,563.12
	29,424.03	90,967.82

Note 27: Changes in Inventories of Finished Goods and Stock in Trade

A. GOLD		
Opening Stock	11,936.34	50,292.94
Closing Stock	19,150.76	11,936.34
Changes in Inventory - A	(7,214.42)	38,356.60
B. MS Steel		
Opening Stock	1,809.07	-
Closing Stock	-	1,809.07
Changes in Inventory - B	1,809.07	(1,809.07)
C. Coal		
Opening Stock	2,563.12	-
Closing Stock	291.26	2,563.12
Changes in Inventory - C	2,271.85	-2,563.12
D. REC Certificates		
Opening Stock	0.39	-
Closing Stock	0.34	0.39
Changes in Inventory - D	0.05	(0.39)
Total (A+B+C+D)	(3,133.44)	33,984.02

SURANA CORPORATION LIMITED

Notes forming part of the Standalone financial statements

Note 28: Employee Benefits Expense**(Amount in Rs. lakhs)**

Particulars	31st March, 2017	31st March, 2016
Salaries and incentives	44.95	103.76
Contributions to Provident fund & Other Funds	6.23	6.55
Staff welfare expenses	0.91	3.32
	52.09	113.63

Note 29: Finance Costs

Particulars	31st March, 2017	31st March, 2016
Interest expense on Bank Borrowings	17,536.52	19,266.95
Other borrowing costs	32.07	59.06
	17,568.59	19,326.01

Note 30: Other Expenses

Particulars	31st March, 2017	31st March, 2016
Power and fuel	3.18	8.88
Rent	13.48	21.65
Repairs and maintenance	6.71	25.65
Insurance	8.21	3.42
Rates and taxes	9.07	8.39
Professional fees	20.45	60.77
Loss on foreign exchange fluctuations	-	1,348.05
Provision for doubtful receivables	10,121.28	3,538.24
Bad Debts Write Off	-	94.17
Provision for diminution in the value of Investments	-	17.40
Provision for Cash with CBI	233.72	-
Provision for Impairment of Asset - Windmill	1,610.17	-
Other miscellaneous expenses	7.78	61.36
	12,034.06	5,187.97

Note 31: Earnings Per Share - [EPS]

Particulars	31st March, 2017	31st March, 2016
Net Profit as per Statement of Profit and Loss	(31,926.64)	(29,963.02)
Weighted average number of shares outstanding during the year	24,358,734	24,358,734
Face value of the Shares (Rs)	10	10
Basic and Diluted Earnings per share (Rs)	(131.07)	(123.01)

Note 32: Employee Benefits

The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Defined contribution plans

The Company makes payment to Provident Fund, a defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.2.20 lakhs for Provident Fund contributions in the Statement of Profit and Loss. The contribution payable by the Company are at rates specified in the rules of the scheme.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

Gratuity (Unfunded)**Amount in Rs. lakhs**

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Change in Defined Benefit Obligations (DBO) during the year		
Present Value of Obligation (PVO) at beginning of period	7.38	30.28
Interest Cost	0.55	2.07
Current service cost	3.63	1.12
Benefits Paid	-	(5.08)
Actuarial losses/(gains) on obligation	(2.12)	(21.00)
	9.44	7.38
Present Value of Obligation (PVO) at end of the period		
Current liability	1.47	0.44
Non current liability	7.97	6.94
Change in fair value of assets during the year		
Actual Company contributions	-	5.08
Benefits paid	-	(5.08)
Actuarial assumptions		
Discount rate	7.29%	7.46%
Expected return on plan assets	0.00%	0.00%
Salary escalation	8.00%	5.00%
Attrition	3.00%	0-3%
Experience Adjustments (Disclosed to the extent data is available)		
Experience (Gains) / Losses on Obligations	(2.12)	(21.00)

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Leave encashment (Unfunded): **Amount in Rs. lakhs**

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Change in Defined Benefit Obligations (DBO) during the year		
Present Value of Obligation (PVO) at beginning of period	0.79	4.34
Interest Cost	0.06	0.15
Current service cost	0.62	0.17
Benefits Paid	-	(4.71)
Actuarial losses/(gains) on obligation	(0.61)	0.84
Present Value of Obligation (PVO) at end of the period	1.35	0.79
Current liability	0.85	0.30
Non current liability	-	0.68
Change in fair value of assets during the year		
Actual Company contributions	-	4.71
Benefits paid	-	(4.71)
	-	-
Actuarial assumptions		
Discount rate	7.29%	7.46%
Expected return on plan assets	0.00%	-
Salary escalation	8.00%	5.00%
Attrition	0-3%	0-3%
Experience Adjustments (Disclosed to the extent data is available)		
Experience (Gains) / Losses on Obligations	-	(4.71)

- i) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
- ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note 33: Segment Reporting

The Company's activities during the year revolve around Manufacturing and Trading in Bullion and Jewellery and power generation from Windmill. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) as they fall below the quantitative threshold limit in accordance with the requirements of Ind AS - 108 'Operating Segments'.

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Note 34: Provisions for contingencies**Amount in Rs. Lakhs**

- i) The Company has made provision for various disputed liabilities based on its assessment of the amount it estimates to incur to meet such liabilities, as follows :

Contingent liabilities provided for -	As at 31st March, 2017	As at 31st March, 2016	Remarks
a) Suppliers Demand	1,386.00	1,386.00	Ref Note.23(i)
b) Customs demand :	1,581.93	1,581.93	Ref Note.23(ii)
c) Claim by customers	3,147.38	1,990.74	

- ii) The Company has not recognised of recompense amount payable as the recompense amount payable to banks in lieu of sacrifice is subject to the surplus cash flow in the company.

Note 35: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31st March, 2017	As at 31st March, 2016	Remarks
a) Claims against the Company not acknowledged as debt			
i) Income Tax :			
AY 2008-09 (Reopened)*	1,381.64	1,381.64	Refer Note below
AY 2009-10	15.60	15.60	Appeal Filed against the demand
AY 2011-12	259.10	259.10	Appeal Filed against the demand
AY 2013-14	5,781.26	5,781.26	Appeal Filed against the demand
AY 2014-15	1,887.29	-	Refer Note below
ii) Sales tax :	-	-	
AY 2001-02	163.50	163.50	
AY 2002-03	92.45	92.45	
AY 2010-11	11.46	11.46	Appeal WP.No.20379 of 2014
AY 2011-12	24.50	24.50	Appeal WP No.23797 of 2014
iii) Customs duty	475.48	475.48	Ref Note.23(ii)
iv) Customs duty (2005-06)	135.40	135.40	
Total	10,227.68	8,340.39	

*Claims against the Company not acknowledged as debts include demand from the Income tax authorities for payment of tax of Rs.1,381.64 lakhs including interest upon completion of their tax assessment for Asst. year 2008-09 and Rs 5,781.26 lakhs for asst. Year 2013-14

It also includes disallowance of portion of profit earned outside India from the EOU/SEZ units and disallowance of profits earned from SEZ units under section 10B/10AA of the Income Tax Act.

The Company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

In view of above demand being legally unjustifiable, the Company does not expect any liability in above matter.

Note 36: Other additional information - Balance Sheet

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the balance sheet.

(Amount in Rs. lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Due to Micro, Small and Medium Enterprises			
i) Principal and interest amount remaining unpaid to any suppliers as at the end of the accounting year*	-	-	-
	-	-	-

* There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the proprietor owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium enterprises has been identified on the basis of information available with the Company.

Note 37: Other disclosures - Statement of Profit and Loss

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Payment to Auditors as :		
Statutory Audit Fees	5.25	5.25
Internal Audit Fees	1.00	1.00
	6.25	6.25

The year end foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

Receivable on Export of Goods		
Indian Rupees	26,291.91	26,291.91
US Dollars	481.42	481.42
Advance from customers		
Indian Rupees	300.00	1,489.37
US Dollars	0	0

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

Note 38: Related Party Disclosure**A. Details of Related Parties***

Description of relationship	Names of related parties
i) Subsidiaries	i) M/s Surana Wind Energy Private Limited ii) M/s Gurudev Wind Energy Private Limited iii) M/s Surana Projects Private Limited
ii) Directors	Mr. Devarajan Elayavilli Kaniyambakkam Ms. Agnes Roslind Joseph
ii) Others Person having significant influence over the entity	Mr. Dineshchand Surana

*Related parties are as identified by the management and relied upon by the auditors

B. Details of related party transactions during the year

(Amount in Rs. lakhs)

Particulars	For the year ended		
	31st March, 2017	31st March, 2016	1st April, 2015
(i) Subsidiaries			
M/s Surana Wind Energy Private Limited			
Provision for bad and doubtful debts	12.63	281.44	-
Provision for diminution in the value of investments	10.00	10.00	-
Others	-	-	280.21
M/s Gurudev Wind Energy Private Limited			
Provision for bad and doubtful debts	1.46	233.74	-
Provision for diminution in the value of investments	7.40	7.40	-
Others	-	-	267.96
M/s Surana Projects Private Limited			
Provision for bad and doubtful debts	0.11	0.57	0.61
Investment written off	-	-	1.00
(ii) Others			
Lease Rent to Mr Dineshchand Surana	12.00	18.00	-

SURANA CORPORATION LIMITED
Notes forming part of the Standalone financial statements

C. Balances outstanding at the end of the year**Amount in Rs. Lakhs**

Particulars	For the year ended		
	At at 31st March, 2017	At at 31st March, 2016	At at 1st April, 2015
i) M/s Surana Wind Energy Private Limited	294.06	-	281.43551
ii) M/s Gurudev Wind Energy Private Limited	232.28	-	233.73594
iii) M/s Surana Projects Private Limited	0.69	-	0.5724

Note 39: Going Concern assumption

The company has prepared the financial statements on going concern basis by considering the outcome of the consortium meeting dated December 14, 2016 and May 08, 2017, whereby the company has offered One Time Settlement of its liabilities with the consortium members, which has been considered by them for further approval.

Note 40: Comparative Figures

Previous year's figures have been regrouped/reclassified wherever necessary, to conform current year's classification.

**In terms of our report attached
for V D S R & Co.,
Chartered Accountants
(F.R.No. 001626S)**

for and on behalf of the Board of Directors

SATHISH KUMAR R.K.
Partner
Membership No : 220263

AGNES ROSLIND JOSEPH
Director
DIN: 07601460

DEVARAJAN.K.E.
Director
DIN: 07228715

Place : Chennai
Date : May 18, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SURANA CORPORATION LIMITED

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of SURANA CORPORATION LIMITED (“Holding Company”) and its subsidiaries (the holding company and its Subsidiaries together referred to as “the Group”) which comprise 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 and the Consolidated 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 ‘the consolidated Ind AS financial statements’).

Management’s Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company’s Board of Directors are responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

Auditors’ Responsibility

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

The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated Ind 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 consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion:

- a. The Consortium of Lenders has exited from the CDR package during the year and as a result, repayment of loan should be as per the original agreements entered with such lender banks. However, in the absence of the relevant details and information with respect to calculation of interest including penal interest, we are unable to comment upon the impact of such exit on the carrying amount of interest expense and loan liability for the financial year ended March 31, 2017 and the consequential impact on the financial results. The Holding Company has not provided for the interest and the penal interest on certain borrowings for the year ended March 31, 2017 which is estimated at Rs. 4,697.57 lakhs.
- b. The Holding Company has considered trade receivables outstanding for more than 6 months of Rs. 24,936.11 Lakhs and long term trade receivables of Rs. 35,892.94 Lakhs, as good and recoverable. However, we were unable to confirm or verify, by alternative means, balances of such trade receivables and we are unable to comment on the adjustments that may be required as at March 31, 2017.
- c. Had provision been made with respect to the above interest and receivables in the books of accounts, the net loss would have been increased by 65,525.64 Lakhs and consequently net worth would have been reduced by Rs. 65,525.64 Lakhs.
- d. The Holding Company has not complied with the requirements of Ind AS-109 "Financial Instruments" in terms of measurement of carrying values of the financial instruments as at March 31, 2017 and the corresponding figures as at March 31, 2016 and the disclosure requirements of its financial instruments as specified by Ind AS-107 "Financial Instruments: Disclosures". In the absence of these information, we are unable to comment on the adjustments that may be required to the carrying values of the financial instruments.

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Consolidated 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 and its subsidiaries as at March 31, 2017 and their consolidated loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matters

1. We draw attention to Note no 39,
 - a. The Holding Company has incurred net loss of Rs. 31,926.64 lakhs during year ended March 31, 2017 and as on that date, the Holding Company's current liabilities exceeded its

current assets by Rs. 1,19,317.03 lakhs. These conditions along with other matters as set forth in the aforesaid note indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the consolidated financial statements have been prepared under the assumption of going concern, considering the outcome of the consortium meeting dated December 14, 2016 and May 08, 2017, whereby the company has offered One Time Settlement of its liabilities with the consortium members, which has been considered by them for further approval. The ability of the company to continue as a going concern is significantly dependent on the further approval by consortium of lenders on the one time settlement offered by the company.

- b. With respect to a subsidiary, Gurudev Wind Energy Private Limited, whereby the auditors of the Company have reported that, the company has accumulated losses and its net worth has fully/substantially eroded, the company has incurred Net Loss/Net Cash Loss during the previous year, and the company sold out all the fixed assets which are the main source of revenues. These conditions indicate the existence of the material uncertainty that may cast significant doubt about the company's ability to continue as going concern. However, the financial statements of the company has been prepared on going concern basis for the reasons stated in the said note.
- c. With respect to a subsidiary, Surana Projects Private Limited, whereby the auditors of the Company have reported that the company has accumulated losses and its net worth has been fully/substantially eroded, the company has incurred Net Loss/Net Cash Loss during the current and previous year(s) and, the company's current liability exceeded its current assets as at the balance sheet date. These conditions indicate the existence of the material uncertainty that may cast significant doubt about the company's ability to continue as going concern. However, the financial statements of the company has been prepared on going concern basis for the reasons stated in the said note.
- d. With respect to a subsidiary, Surana Wind Energy Private Limited, whereby the auditors of the Company have reported that the company has accumulated losses and its net worth has been fully/substantially eroded, the company has incurred Net Loss/Net Cash Loss during the current and previous year(s) and, the company sold out its fixed assets which were the main source of revenue. These conditions indicate the existence of the material uncertainty that may cast significant doubt about the company's ability to continue as going concern. However, the financial statements are prepared on going concern basis for the reasons stated in the said note.

Our opinion is not qualified in respect of the above matters.

Other Matters

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 10.34 lakhs as at March 31, 2017, total revenues of Rs. 24.22 lakhs and net cash outflows amounting to Rs. 0.17 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include subsidiaries' share of net profit of Rs.24.05 lakhs for the year ended March 31, 2017. These financial statements have been audited by other auditors whose reports have 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 these subsidiaries, joint ventures and 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 subsidiaries, joint ventures and associate is based solely on the reports of the other auditors.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors report) Order, 2016 (“The Order”) issued by the central government of India in terms of subsection 11 of section 143 of the Act, We give in the “Annexure A” a statement on the matter specified in paragraphs 3 & 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and except for the effects / possible effects of the matter described in the Basis for Qualified Opinion paragraph above 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. Except for the effects / possible effects of the matter described in the Basis for Qualified Opinion paragraph above in our opinion proper books of account as required by law have been kept by the Holding Company so far as it appears from our examination of those books;
 - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d. Except for the effects / possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the accounting standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - e. The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - 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 Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India are disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of Section 164(2) of the Act.
 - g. with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”,
 - h. With respect to the other matters included in the auditor’s report and to best of our information and according to the explanation given to us.
 - 1) Except for the effects / possible effects of the matter described in the Basis for Adverse Opinion paragraph above, the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - 2) Except for the effects / possible effects of the matter described in the Basis for Adverse Opinion paragraph above provision has been made in the consolidated financial statement, as required under the applicable law or accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

- 3) There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the Parent company.
- 4) The Company has provided requisite disclosures in the consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 10.

**For V D S R & Co,
Chartered Accountants
F.R. No 001626S**

**Sathish Kumar R.K.
Partner
Membership No : 220623**

**Place : Chennai.
Date : May 18, 2017**

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Annexure B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of SURANA CORPORATION LIMITED (“Holding Company”) and its subsidiaries (the holding company and its Subsidiaries together referred to as “the Group”) as of 31 March 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the consolidated 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.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2017:

- a. The Holding Company's internal financial controls over customer acceptance, credit evaluation and establishing customer credit limits for sales, were not operating effectively which could potentially result in the Company recognizing revenue without establishing reasonable certainty of ultimate collection.
- b. The Holding Company's internal financial controls over issue of purchase orders and recording of goods inwards and outwards, were not operating effectively which could potentially result in the Company understating or overstating the inventories, the trade payables and the trade receivables.
- c. The Holding Company's internal financial control over the financial reporting with respect to supervisory and review controls on trade receivables and advance paid to suppliers needs improvement in documentation which could potentially have an impact of the earning of the Company.

Qualified 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 the other auditors referred to in the Other Matters paragraph below, except for the effects of matters as described in the Basis for Qualified Opinion paragraph as above, the Holding Company and its Subsidiary Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 financial statements of the Company, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Company.

Other Matters

Our aforesaid report 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 three subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

**For V D S R & Co,
Chartered Accountants
F.R. No 001626S**

**Sathish Kumar R.K
Partner
Membership No : 220263**

**Place : Chennai.
Date : May 18, 2017**

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SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Consolidated Balance Sheet as at March 31, 2017

(Amount in Rs. lakhs)

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3	793.88	5,447.21	7,883.90
(b) Other Intangible assets	4	-	-	7.11
(c) Financial Assets				
(i) Trade receivables	5	35,892.94	46,026.37	56,169.14
(ii) Other financial assets	6	1.71	49.71	1.56
(d) Other non-current assets	7	640.88	640.98	1,013.40
Current assets				
(a) Inventories	8	19,442.36	16,308.92	50,292.94
(b) Financial Assets				
(i) Trade receivables	9	39,056.44	45,491.90	12,288.08
(ii) Cash and cash equivalents	10	21.14	232.77	22.87
(iii) Other balances with banks	10	24.17	24.17	24.17
(c) Other current assets	11	595.70	847.68	1,001.69
Asset held for Sale	12	2,975.00	-	-
Total Assets		99,444.23	115,069.71	128,704.87
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share capital	13	2,435.87	2,435.87	2,435.87
(b) Other Equity	14	(86,129.28)	(54,231.72)	(21,232.29)
(c) Non Controlling Interest		(161.44)	(167.69)	(153.20)
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	1,468.87	72,242.87	86,854.64
(b) Provisions	16	7.97	7.62	30.28
(c) Deferred Tax liabilities	17	-	-	2,425.60
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	74,649.66	58,759.69	50,178.00
(ii) Trade payables	19	27.90	82.03	75.08
(iii) Other financial liabilities	20	97,556.15	30,900.68	4,545.87
(b) Other current liabilities	21	3,177.52	2,005.49	506.58
(c) Provisions	22	3,036.45	3,034.86	3,038.46
Liabilities representing assets held for Sale	13	3,374.56	-	-
Total Equity and Liabilities		99,444.23	115,069.71	128,704.87
Significant Accounting Policies	1			
Notes forming part of financial statements	2-40			

In terms of our report attached
for V D S R & Co.,

for and on behalf of the Board of Directors

Chartered Accountants
(F.R.No. 001626S)

SATHISH KUMAR R.K.
Partner

AGNES ROSLIND JOSEPH
Director
DIN: 07601460

DEVARAJAN K.E.
Director
DIN : 07228715

Membership No : 220263

Place : Chennai

Date : May 18, 2017

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Consolidated Profit and loss for the year ended March 31, 2017

(Amount in Rs. lakhs)

Particulars	Note	For the Year ended March 31, 2017	For the Year ended March 31, 2016
Revenue			
I. Revenue from operations	23	23,489.80	119,609.72
II. Other income	24	621.26	72.78
III. Total income [I + II]		24,111.06	119,682.50
IV. Expenses			
Purchases of Stock-in-Trade	25	29,424.03	90,967.82
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	26	(3,133.44)	33,984.02
Employee benefits expense	27	52.09	113.63
Finance costs	28	17,568.61	19,326.03
Depreciation and amortization expenses	3 & 4	68.16	2,365.97
Other expenses	29	12,022.92	4,706.51
Total expenses		56,002.37	151,463.98
V. Loss before exceptional items and tax (I-IV)		(31,891.31)	(31,781.48)
VI. Exceptional Items		-	220.66
VII. Loss after exceptions items and tax(V-VI)		(31,891.31)	(31,560.82)
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	2,057.24
IX. Loss after tax from continuing operations (VII-VIII)		(31,891.31)	(29,503.58)
X. Loss after tax from discontinued operations		-	-
XI. Loss for the period (IX+X)		(31,891.31)	(29,503.58)
XII. Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
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		-	-
Total Other Comprehensive Income for the period		-	-
XIII. Loss for the period attributable to			
Owners of the Parent		(31,897.56)	(29,489.09)
Non-Controlling Interest		6.25	(14.49)
XIV. Earnings per equity share (for continuing operation):			
(1) Basic (in Rs)		(130.92)	(121.12)
(2) Diluted (in Rs)		(130.92)	(121.12)
XV. Earnings per equity share (for discontinued operation):			
(1) Basic (in Rs)		-	-
(2) Diluted (in Rs)		-	-
XVI. Earning per equity share (for discontinued & continuing operation)			
(1) Basic (in Rs)		(130.92)	(121.12)
(2) Diluted (in Rs)		(130.92)	(121.12)
Significant Accounting Policies	1		
Notes forming part of financial statements	2-40		

In terms of our report attached
for V D S R & Co.,

Chartered Accountants

(F.R.No. 001626S)

SATHISH KUMAR R.K.

Partner

Membership No : 220263

Place : Chennai

Date : May 18, 2017

for and on behalf of the Board of Directors

AGNES ROSLIND JOSEPH

Director

DIN: 07601460

DEVARAJAN K.E.

Director

DIN : 07228715

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Consolidated Statement of Cash flows for the year ended 31 March, 2017

(Amount in Rs. lakhs)

Particulars	For the Year Ended 31 st March 2017	For the Year Ended 31 st March 2016
	Rs.	Rs.
A. Cash flow from operating activities	(31,891.31)	(31,560.82)
Net Loss before Tax as per Statement of Profit and Loss		
Adjustments for:		
Depreciation and Amortisation	68.16	2,365.97
Finance cost	17,568.61	19,326.03
Interest Income	(1.22)	(1.46)
Provision for Diminution in the value of Investments	-	17.40
Unrealised loss on foreign exchange fluctuations (Net)	-	1,348.05
Provision for Doubtful receivables, Loans & advances	10,110.00	3,023.07
Provision for employee benefits	1.93	(26.25)
Provision for Impairment of Asset - Windmill	1,610.17	-
Trade receivable written off	-	94.17
(Profit)/ Loss on sale of Assets	(2.44)	(40.42)
Operating Profit/(Loss) before Working Capital Changes	(2,536.10)	(5,454.25)
Adjusted for:		
Inventories	(3,133.44)	33,984.02
Trade receivables	6,458.88	(27,525.76)
Other Current Assets	17.48	153.87
Other Non-Current assets	48.10	(48.72)
Trade payables	(54.13)	6.95
Other Non-Current/Current liabilities	1,172.03	(559.95)
Cash Generated from Operations	1,972.82	556.17
Taxes Paid	(0.41)	5.51
Net Cash flow from /(used in) Operating activities	1,972.42	561.68
B. CASHFLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	-	-
Proceeds from Sale of Fixed Assets	2.44	118.25
Bank guarantee deposit	-	-
Interest received from banks	236.12	0.15
Net Cash flow from /(Used in) Investing activities	238.56	118.40

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Consolidated Statement of Cash flows for the year ended 31 March, 2017**(Amount in Rs. lakhs)**

Particulars	For the Year Ended 31 st March 2017	For the Year Ended 31 st March 2016
	Rs.	Rs.
C. CASHFLOW FROM FINANCING ACTIVITIES:		
Net Increase in Long term borrowings (including FITL)	(11,206.99)	1,344.71
Finance Cost	(7,105.58)	(10,396.57)
Net increase in working capital borrowings	15,889.96	8,581.69
Net Cash from /(Used in) Financing Activities	(2,422.61)	(470.17)
Net Increase in Cash & Bank Balances (A+B+C)	(211.63)	209.90
Cash and cash equivalents at the beginning of the year	232.77	22.87
Cash and cash equivalents at the end of the year	21.14	232.77

Notes :

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statement, specified under section 133 of the Companies Act, 2013.
- Previous Year figures have been regrouped and reclassified to conform to those of the current year.

**In terms of our report attached
for V D S R & Co.,
Chartered Accountants
(F.R.No. 001626S)**

for and on behalf of the Board of Directors

SATHISH KUMAR R.K.
Partner
Membership No : 220263

AGNES ROSLIND JOSEPH
Director
DIN: 07601460

DEVARAJAN K.E.
Director
DIN : 07228715

**Place : Chennai
Date : May 18, 2017**

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Consolidated Statement of Changes in Equity for the year ended 31/03/2017

(Amount in Rs. lakhs)

Particulars	Other Equity								Total
	Reserves and Surplus								
	Equity Share Capital	Share application money pending allotment	Securities premium	General reserve	Retained Earnings	Owners of the Parent	Non-controlling interest		
Balance as of April 1, 2015	2,435.87	3,527.73	12,399.96	2,897.14	(40,212.93)	(21,232.29)	(155.81)	(21,388.10)	
Changes in equity for the year ended March 31, 2016	-	-	-	-	-	-	-	-	
Transfer to general reserve	-	-	-	-	-	-	-	-	
Securities premium credited on Shares issued	-	-	-	-	-	-	-	-	
Dividends (including corporate dividend tax)	-	-	-	-	-	-	-	-	
Converted into Unsecured Loans	-	(3,527.73)	-	-	-	(3,527.73)	-	(3,527.73)	
Loss for the period	-	-	-	-	(29,503.58)	(29,489.09)	(14.49)	(29,503.58)	
Add: Provision for diminution in value for investment	-	-	-	-	17.40	17.40	-	-	
Balance as of March 31, 2016	2,435.87	-	12,399.96	2,897.14	(69,699.11)	(54,231.72)	(170.29)	(54,402.01)	
Changes in equity for the year ended March 31, 2017	-	-	-	-	-	-	-	-	
Transfer to general reserve	-	-	-	-	-	-	-	-	
Securities premium credited on Shares issued	-	-	-	-	-	-	-	-	
Dividends (including corporate dividend tax)	-	-	-	-	-	-	-	-	
Loss for the period	-	-	-	-	(31,891.31)	(31,897.56)	6.25	(31,891.31)	
Balance as of March 31, 2017	2,435.87	-	12,399.96	2,897.14	(101,590.41)	(86,129.28)	(164.04)	(86,293.32)	

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Note 1: Corporate Information and Significant Accounting Policies**1.01 Corporate Information**

Surana Corporation Limited ('the Company') was incorporated in the year 1991 and having registered office at: No.30, GNT road, Madhavaram, Chennai 110. SCL is a public limited company listed in both Bombay Stock Exchange and National Stock Exchange. SCL is dealing in gold trade, Gem & Jewellery, Manufacture, Wholesaling, retailing and of medallion Jewellery and Gold and Silver and it also has a own set up of wind farm with 20 MW in district of Tirunelveli.

The Company together with its subsidiaries is hereinafter referred to as 'the Group'.

1.02 Basis of preparation 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. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). 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.

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition 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. Reconciliations and descriptions of the effect of the transition has been summarized in note 2.1.

Unless otherwise specified these financial statements are presented in Indian rupees, which is the functional currency of the Group. All financial information presented in Indian rupees has been rounded off to the nearest lakhs.

1.03 Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries have been prepared on the following basis:

- (i) The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the Minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

- (iv) Refer Note 38, Subsidiary companies considered in the preparation of the consolidated financial statements.

1.04 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes different from the estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

1.05 Revenue Recognition

Revenue from operations includes sale of goods, Sale of Energy from Windmills.

- a) Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.
- b) Sale of energy is accounted for based on the approved tariff rates in accordance with the Power Purchase Agreement and includes unbilled revenues accrued up to the end of the accounting year. It is recognised on the basis of electrical units generated.
- c) Renewable Energy Certificate (REC) Income arising from REC is initially recognised in respect of the number of units of power exported at the minimum expected realisable value, determined based on the rates specified under the relevant regulations duly considering the entitlements as per the policy, Industry specific developments, Management assessment etc. and when there is no uncertainty in realising the same. The difference between the amount recognised initially and the amount realised on sale of such RECs at the Power Exchange are accounted for as and when such sale happens
- d) Interest received on fixed deposits made for margin purposes towards supply of raw materials by suppliers is netted off against the cost of purchases. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

1.06 Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Direct costs are capitalized until such assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Depreciation on tangible assets except Windmill is provided on the straight-line method over the useful lives of the assets estimated by the management as per Schedule II of the Companies Act, 2013. Depreciation on Windmill is provided on WDV Method. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective Individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Group for its use.

1.07 Intangible Assets

Expenditure incurred on acquisition of goodwill, technical know-how, software, patents, research and development and such other intangibles are recognized as Intangible Asset, if they meets the definition of Intangible asset and recognition criteria as stipulated under Ind AS-38 "Intangible Assets".

An Intangible asset with finite useful life is amortised and one with indefinite useful life is not.

1.08 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this the assets must be available for immediate sale and the sale is considered highly probable. Ind AS 105 requires to measure them at lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or a disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale of non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of disposal group) are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of the disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

1.09 Financial Instruments

I. Initial recognition

Under Ind AS 109: Financial Instruments, all financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

II. Subsequent measurement

Non-derivative financial instruments

Financial Assets

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized 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 at fair value through other comprehensive income (FVTOCI)

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. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. 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.

III. Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.10 Impairment of Assets

a) Financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

b) Non-financial assets - Intangible assets and property, plant and equipment

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

1.11 Inventories

Inventories are valued as follows:

Raw material: Lower of cost and net realisable value

Work-in-progress: At cost determined on FIFO basis up to estimated stage of completion

Finished goods: Lower of cost and net realisable value

Cost is determined on FIFO basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads based on the normal capacity for manufactured goods.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion to make the sale.

1.12 Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, demand deposits with banks and other short-term highly liquid investments / deposits with an original maturity of three months or less.

1.13 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income’ includes re-measurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

1.14 Employee Benefits

Short Term benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

Long Term Benefits:

a. Defined contribution Plan:

All the employees of the Group and its Indian subsidiaries are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employees and the employer make monthly contribution to the plan at a predetermined rate (presently 12%) of the employees’ basic salary. The contributions are made to the fund administered and managed by the Government of India. In addition, the Group contributes towards the employees Group Insurance Scheme, the fund administered by Life Insurance Corporation (“LIC”). The contributions to both the funds are expensed in the profit and loss account.

b. Defined Benefit Plan:

Leave Encashment : The Group has provided for the liability at the year end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

The Group has provided for gratuity obligation through defined benefit plan (“The Gratuity Plan”) covering all the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on respective employee salary and years of employment with the Group. The Group has provided for The Gratuity Plan based on the actuarial valuations in accordance with Ind AS-19, “Employee Benefits”. Actuarial Gains and losses are recognised in Profit and Loss account as and when incurred.

1.15 Borrowing Cost

- a) Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

- b) All the fixed assets of the Group excluding the fixed and current assets of Wind Mills Division are charged to Banks who are providing working capital of the Group.

1.16 Taxes on income

Tax expense comprises of current and deferred tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Group writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

1.17 Foreign Currency Transactions

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transaction if any. All monetary assets and monetary liabilities in foreign currencies are translated at the relevant rates of exchange prevailing at the year end.
- b) Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.
- c) In respect of forward contracts, the forward premium or discount is recognized as income or expenses over the life of contract in the statement of profit and loss and the exchange different between the exchange rate prevailing at the year end and the date of the inception of the forward exchange contract is recognized as income or expenses in the statement of profit and loss.

1.18 Provisions

A provision is recognized when the Group has a present obligation as a result of past event; 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. Provisions are not discounted to its present value and are determined on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Provision / Write off of doubtful and unrecoverable book debts and advances have been made, wherever found necessary by the management.

1.19 Contingent liabilities

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability in the financial statements, but are disclosed in the notes.

1.20 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable by the weighted average of number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

1.21 Cash Flow Statement

Cash flows are reported using the Indirect method as specified in Ind AS 7, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

1.22 Segmental Reporting

- a) The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in Individual segments.
- b) Expenses that are directly identifiable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and are not allocable to segments are included under unallocated corporate expenses.
- c) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

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SURANA CORPORATION LIMITED
Notes forming part of the Consolidated financial statements

Note 2: First Time Adoption Of Indian Accounting Standards.

These are the Group's first Consolidated financial statement prepared in Accordance as per Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the Consolidated financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Group's date of transition).

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A) Ind AS Optional Exemptions

Ind AS 101 allows first-time adopters certain exemption from the retrospective application of certain requirements of under Ind AS. The Group has accordingly applied the following Exemptions.

2.01 Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

2.02 Non-Current Asset held For Sale and discontinued Operations

Ind AS 105 - requires Non-Current Asset held for Sale or discontinued operations, that meet the criteria to be classified as held for Sale and carried at lower of its carrying amount and fair value less the cost to sell on the initial date of such identification. A first time adopter can:

- (a) Measure such asset or Operations at lower of the carrying value and fair value less cost to sell at the date of transition to Ind AS in accordance with Ind AS 105;
- (b) Recognise directly in retained Earnings any difference between that amount and the carrying amount of those assets at the date of transition to Ind AS determined under the entity's previous GAAP.

Accordingly the Group has elected to measure such asset at lower of the carrying value and the fair Value less cost to sell, and has provided for the loss arising to this valuation.

2.03 Fair Value Measurement of Financial Asset and Financial Liabilities at initial recognition.

Despite the requirement of paragraph 7 & 9, entity may apply for the requirement of Ind AS 109 prospectively to the transaction entered into on or after the date of transition to Ind AS

B) Ind AS Mandatory Exception.

2.04 Estimate

An Entity's estimates in accordance with the Ind AS at the date of Transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

SURANA CORPORATION LIMITED**Notes forming part of the Consolidated financial statements****2.05 Classification and measurement of Financial Assets**

The classification and measurement of financial asset will be made considering whether the conditions as per Ind AS 109 are met based on the facts and circumstances existing at the date of the transaction. The financial Asset should be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flow and
- (b) the contractual term of the financial asset give rise on specified dates on cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.06 Derecognition of Financial Assets and Financial Liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

C) Reconciliation notes

The following reconciliations provide the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101 :

- (a) Equity as at April 1, 2015 and March 31, 2016
- (b) Net profit for the year ended March 31, 2016

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Reconciliation of Equity as previously reported under IGAAP and Ind As (in Rs.lakhs)							
PARTICULARS	Notes	Opening Balance Sheet as at April 1 st 2015			Balance Sheet as at 31 st March 2016		
		IGAAP	Effects of transition to Ind - AS	IND AS	IGAAP	Effects of transition to Ind - AS	IND AS
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	3	7,883.90	-	7,883.90	5,447.21	-	5,447.21
(b) Other Intangible assets	4	7.11	-	7.11	-	-	-
(c) Financial Assets							
(i) Trade receivables	5	56,169.14	-	56,169.14	46,026.37	-	46,026.37
(ii) Other financial assets	6	1.56	-	1.56	49.71	-	49.71
(d) Other non-current assets	7	1,013.40	-	1,013.40	640.98	-	640.98
Current assets							
(a) Inventories	8	50,292.94	-	50,292.94	16,308.92	-	16,308.92
(b) Financial Assets							
(i) Trade receivables	9	12,288.08	-	12,288.08	45,491.90	-	45,491.90
(ii) Cash and cash equivalents	10	22.87	-	22.87	232.77	-	232.77
(iii) Other balances with banks	10	24.17	-	24.17	24.17	-	24.17
(c) Other current assets	11	1,001.69	-	1,001.69	847.68	-	847.68
Total Assets		128,704.87	-	128,704.87	115,069.71	-	115,069.71
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	13	2,435.87	-	2,435.87	2,435.87	-	2,435.87
(b) Other Equity	14	(21,232.29)	-	(21,232.29)	(54,231.72)	-	(54,231.72)
Non Controlling Interest		(153.20)	-	(153.20)	(167.69)	-	(167.69)
LIABILITIES							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	15	86,854.64	-	86,854.64	72,242.87	-	72,242.87
(b) Provisions	16	30.28	-	30.28	7.62	-	7.62
(c) Deferred Tax liabilities	17	2,425.60	-	2,425.60	-	-	-
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings	18	50,178.00	-	50,178.00	58,759.69	-	58,759.69
(ii) Trade payables	19	75.08	-	75.08	82.03	-	82.03
(iii) Other financial liabilities	20	4,545.87	-	4,545.87	30,900.68	-	30,900.68
(b) Other current liabilities	21	506.58	-	506.58	2,005.49	-	2,005.49
(c) Provisions	22	3,038.46	-	3,038.46	3,034.86	-	3,034.86
Total Equity and Liabilities		128,704.87	-	128,704.87	115,069.71	-	115,069.71

Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS					
(in Rs.lakhs)					
PARTICULARS		Notes	Year ended 31 March 2016		
			IGAAP	Effects of transition to Ind - AS	IND AS
I	Revenue From operations	23	119,609.72	-	119,609.72
II	Other Income	24	72.78	-	72.78
III	Total Income (I+II)		119,682.50	-	119,682.50
IV	Expenses				-
	Purchases of Stock-in-Trade	25	90,967.82	-	90,967.82
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	26	33,984.02	-	33,984.02
	Employee benefits expense	27	113.63	-	113.63
	Finance costs	28	19,326.03	-	19,326.03
	Depreciation and amortization expenses	3 & 4	2,365.97	-	2,365.97
	Other expenses	29	4,706.51	-	4,706.51
	Total expenses	27	151,463.98	-	151,463.98
V	Profit/(loss) before exceptional items and tax (III-IV)		(31,781.48)	-	(31,781.48)
VI	Exceptional Items		220.66	-	220.66
VII	Profit/ (loss) before exceptions items and tax(V-VI)		(31,560.82)	-	(31,560.82)
VIII	Tax expense:				
	(1) Current tax		-	-	-
	(2) Deferred tax		2,057.24	-	2,057.24
IX	Profit/(Loss) after tax from continuing operations (VII-VIII)		(29,503.58)	-	(29,503.58)
X	Profit/(Loss) after tax from discontinued operations		-	-	-
XI	Profit/(loss) for the period (IX+X)		-	-	-
XII	Other Comprehensive Income				
	A. (i) Items that will not be reclassified to profit or loss		-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
	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		-	-	-
	Total Other Comprehensive Income for the period		-	-	-
XIII	Profit/(Loss) for the period attributable to				
	Owners of Company		(29,489.09)	-	(29,489.09)
	Non-Controlling Interest		(14.49)	-	(14.49)
XIV	Earnings per equity share (for continuing operation):				
	(1) Basic		(121.12)	-	(121.12)
	(2) Diluted		-	-	-
XV	Earnings per equity share (for discontinued operation):				
	(1) Basic		-	-	-
	(2) Diluted		-	-	-
XVI	Earning per equity share (for discontinued & continuing operation)				
	(1)Basic		(121.12)	-	(121.12)
	(2) Diluted		-	-	-

SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 3 - Property, Plant & Equipment

A) Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017: (Amount in Rs. lakhs)									
Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Other - Computers	Others - Wind Mills*	Grand Total
Gross carrying value as at April 1, 2016	378.65	661.67	180.19	28.63	63.64	71.83	2.31	12,887.81	14,274.72
Additions	-	-	-	-	-	-	-	-	-
Deletion	-	-	-	-	(6.59)	-	(0.69)	-	(7.28)
Re-classified as held for sale	-	-	-	-	-	-	-	(12,887.81)	(12,887.81)
Gross carrying value as at March 31, 2017	378.65	661.67	180.19	28.63	57.05	71.83	1.62	-	1,379.63
Accumulated Depreciation as at March 31, 2016	-	290.57	118.54	21.72	37.81	54.13	2.10	8,302.64	8,827.51
Depreciation	-	8.73	31.18	2.20	9.52	16.32	0.21	-	68.16
Accumulated Depreciation on Deletion	-	-	-	-	6.59	-	0.69	-	7.28
Impairment	-	-	-	-	-	-	-	1,610.17	1,610.17
Re-classified as held for sale	-	-	-	-	-	-	-	(9,912.81)	(9,912.81)
Accumulated Depreciation as at March 31, 2017	-	299.30	149.72	23.92	40.75	70.45	1.62	-	585.75
Carrying value as at March 31, 2017	378.65	362.37	30.46	4.71	16.30	1.38	0.00	-	793.88
Carrying value as at March 31, 2016	378.65	371.10	61.65	6.91	25.83	17.70	0.21	4,585.17	5,447.21

*Asset reclassified as held for sale (Refer Note 12)

SURANA CORPORATION LIMITED

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

B) Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2016: (Amount in Rs. lakhs)										
Particulars	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Other - Computers	Others - Wind Mills*	Grand Total	
Gross carrying value as at April 1, 2015	381.65	661.67	180.19	28.63	93.70	72.90	2.31	13,048.80	14,469.85	
Additions	-	-	-	-	-	-	-	-	-	
Deletion	3.00	-	-	-	30.06	1.07	-	161.00	195.13	
Gross carrying value as at March 31, 2016	378.65	661.67	180.19	28.63	63.64	71.83	2.31	12,887.81	14,274.72	
Accumulated Depreciation as at March 31, 2015	-	37.48	82.54	18.19	41.11	32.73	1.23	6,372.67	6,585.94	
Depreciation	-	253.09	36.00	3.53	13.41	21.99	0.87	2,029.97	2,358.87	
Accumulated Depreciation on Deletion	-	-	-	-	16.71	0.59	-	100.00	117.30	
Accumulated Depreciation as at March 31, 2016	-	290.57	118.54	21.72	37.81	54.13	2.10	8,302.64	8,827.51	
Carrying value as at March 31, 2016	378.65	371.10	61.65	6.91	25.83	17.70	0.21	4,585.17	5,447.21	
Carrying value as at March 31, 2015	381.65	624.19	97.64	10.44	52.59	40.17	1.08	6,676.14	7,883.90	

SURANA CORPORATION LIMITED
Notes forming part of the Consolidated financial statements

Note 4 - Other Intangible Asset

(Rs. In lakhs)

A) Following are the changes in the carrying value of Other Intangible Asset for the year ended March 31, 2017:

Particulars	Computer Software	Total
Gross carrying value as at April 1, 2016	32.66	32.66
Additions	-	-
Deletion	-	-
Gross carrying value as at March 31, 2017	32.66	32.66
Accumulated Depreciation as at March 31, 2016	32.66	32.66
Amortization expense	-	-
Accumulated Depreciation on Deletion	-	-
Accumulated Depreciation as at March 31, 2017	32.66	32.66
Carrying value as at March 31, 2017	-	-
Carrying value as at March 31, 2016	-	-

B) Following are the changes in the carrying value of Other Intangible Asset for the year ended March 31, 2016 :

Particulars	Computer Software	Total
Gross carrying value as at April 1, 2015	32.66	32.66
Additions	-	-
Deletion	-	-
Gross carrying value as at March 31, 2016	32.66	32.66
Accumulated Depreciation as at March 31, 2015	25.55	25.55
Amortization expense	7.11	7.11
Accumulated Depreciation on Deletion	-	-
Accumulated Depreciation as at March 31, 2016	32.66	32.66
Carrying value as at March 31, 2016	-	-
Carrying value as at March 31, 2015	7.11	7.11

Note 3.1 Fixed Assets (Continued)

- a) **Land:** These Lands are spread over to three villages of Achamputhur, Puliangudi and Kodikuruchi in the district of Tamilnadu where the Company's Windmills are located. The land parcel also includes the portion of the pathway giving access to the Windmills.

SURANA CORPORATION LIMITED**Notes forming part of the Consolidated financial statements**

- b) **Building:** It includes the property at Ambattur which has been acquired by the Company on 29.12.2010 . Even though the sale consideration was paid for both land and building, as the buildings are totally dilapidated, the value has not been apportioned to the building in the earlier years and accordingly depreciation has also not been provided for in the earlier years. Later it was regrouped into two separate head of Land, Building and the value of Building has been impaired fully on account of decrease of its fair value due to obsolescence.

The other building relates to building located at NSC Bose road in which the showroom of the Company is functioning and is located in MEPZ.

- c) Refer to Note 16 for security and charge on fixed assets

Amount in Rs. lakhs

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Note 5: Non Current Assets - Trade Receivable			
Unsecured, considered good	35,892.94	46,026.37	56,169.14
Unsecured, considered doubtful	26,734.42	16,624.42	13,601.92
	62,627.36	62,650.78	69,771.07
Provision for bad and doubtful trade receivables	(26,734.42)	(16,624.42)	(13,601.92)
	35,892.94	46,026.37	56,169.14

Refer Note 10 for Ageing of trade receivables and credit risk arising there from.

(i) **Movement in Provision for bad and doubtful trade receivables is as below:**

	As at 31st March, 2017	As at 31st March, 2016
Balance at the beginning of the year	16,624.42	13,601.92
Charge in statement of profit and loss	10,110.00	3,022.50
Balance at the end of the year	26,734.42	16,624.42

(ii) The Company's Debtors of Rs.58,291.08 lakhs aged more than one year (referred as sticky) are covered under the Memorandum of understanding entered in June 2015 confirming the schedule of repayment. Further the Memorandum also indicates coverage of these debts belonging to the some of the debtors by properties. These properties of the debtors have been mortgaged in favour of the consortium lenders of the Company as part of CDR. Also the Company reserves the rights to sell the said properties in case of non receipt of scheduled payments. During this financial year the company has provided for an amount of Rs.10,110 lakhs which was not recovered as per the MOU terms.

(iii) The Company has provided Rs.13,600 lakhs during the FY 2013-14 under circular no No.88 /RBI/2012-13/435 dt. 12/03/2013 the "Write-off" of unrealized export bills and Master Circular on Export of Goods and Services on export of goods and services. No specific approval from RBI is required under the said circular as the Company was star trading house during the relevant year as against the unrealised export receivables. This provision has been made by the Company as an abundant caution keeping in line with its policy of conservative and prudent accounting of foreign debtors.

SURANA CORPORATION LIMITED
Notes forming part of the Consolidated financial statements

(Amount in Rs. lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Note 6 : Other Financial Assets			
Deposits - pledged for bank guarantees	1.56	1.56	1.56
Earmarked balances with bank	0.15	48.15	-
	1.71	49.71	1.56

Note 7: Other Non Current Assets

Advances other than capital advances			
Security Deposits	6.59	6.69	6.69
Others: MAT Credit Entitlement	634.29	634.29	1,006.70
	640.88	640.98	1,013.40

Note 8 : Inventories

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Stock in Trade	19,442.02	16,308.53	50,292.94
REC Certificates	0.34	0.39	-
	19,442.36	16,308.92	50,292.94
The above Inventory includes			
Gold	19,150.76	11,666.31	50,022.96
Non coking Coal	291.26	2,563.12	-
MS Steel	-	1,809.07	-

i) The above Gold stock of the Company includes Gold stock of 400.47 Kgs of Gold bullion and jewellery seized by CBI & 2.34 Kgs of Gold bullion and jewellery seized by DRI.

ii) The stock in trade of the Company includes the stock of Coal taken over from sticky Debtors as against the outstanding due.

iii) REC Certificates of the Company represents the cost of approved REC certificates available as on March 31, 2017 for Trade.

Note 9: Current Financial Assets - Trade Receivables

Unsecured, considered good	39,056.44	45,491.90	12,288.08
	39,056.44	45,491.90	12,288.08

SURANA CORPORATION LIMITED**Notes forming part of the Consolidated financial statements**

Ageing of trade receivables and credit risk arising there from is as below :

(Amount in Rs. lakhs)

	Carrying amount		
	31 March 2017	31 March 2016	1 April 2015
Neither past due nor impaired	-	-	-
Past due not impaired	-	-	-
Past due 1-30 days	1,485.21	23,442.98	7,783.15
Past due 31-90 days	2,934.89	19,128.29	134.17
Past due 91-180 days	9,730.25	2,920.42	4,305.98
Past due 181-365 days	11,072.52	0.21	64.78
More than 365 days*	49,726.51	46,026.37	56,169.14
*Refer Note 5	74,949.38	91,518.27	68,457.22

Note 10: Cash and cash equivalents

Cash and Cash equivalents:			
Balances with banks in current accounts	0.20	148.77	20.20
Cash on hand	20.94	84.00	2.66
	21.14	232.77	22.87
Other balances with banks:			
Balances- Unclaimed Dividend	24.17	24.17	24.17
	24.17	24.17	24.17
	45.31	256.94	47.04

(i) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017, details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, are given below:

Particulars	SBNs*	ODNs**	(Amount in Rs)
Closing cash in hand as on 08.11.2016	1,000,000	397	1,000,397.00
(+) Unpermitted receipts	-	-	-
(+) Permitted receipts	-	263,886	263,886.00
(-) Unpermitted payments	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	1,000,000	-	1,000,000.00
Closing cash in hand as on 30.12.2016	-	264,283.00	264,283.00

*SBNs-Specified Bank Notes

**Other Denomination Notes

SURANA CORPORATION LIMITED
Notes forming part of the Consolidated financial statements

Note 11: Other Current Assets

(Amount in Rs. lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances other than capital advances			
Advances recoverable in cash or in kind or for value to be received	8.05	5.34	11.53
Income Tax refund receivable	587.52	587.11	588.57
Balances with Government Authority	-	-	149.20
Others			
Prepaid Expenses	-	20.19	18.67
Accrued Interest on Fixed deposits	0.14	1.31	-
Cash with CBI	233.72	233.72	233.72
Less : Provision for doubtful recoveries	(233.72)	-	-
	595.70	847.68	1,001.69

Note 12: Asset and Liabilities held for Sale

The major classes of assets and liabilities held for sale as on the respective reporting dates is as below

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Assets classified as held for sale:			
Property Plant & Equipment			
Others - Windmill*	2,975.00	-	-
Liabilities representing assets held for Sale			
Current			
Other Financial liabilities**	3,374.56	-	-

*The Company's net block of Windmill as on 31/03/2016 was Rs.4,585.17 Lakhs while the buyer Bell Tower had agreed for purchasing the Windmill asset at Rs.2,975 the balance amount of Rs.1,610.17 Lakhs was recognized as Impairment loss. The asset amounting to Rs.2,975 Lakhs was classified as "Asset held for sale" on the face of the balance sheet as per Ind AS 105.

**SBI-TERM LOAN-31695262806 with respect to Asset held for sale by the Company is separately disclosed in accordance to Ind AS 105 "Non-current assets held for sale and discontinued operations" (Refer Note 15)

SURANA CORPORATION LIMITED
Notes forming part of the Consolidated financial statements

Note 13: Share Capital

(Amount in Rs. lakhs)

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Number	Rupees	Number	Rupees	Number	Rupees
a) Authorised						
Equity Shares of Rupees 10 each	55,000,000	5,500	55,000,000	5,500	55,000,000	5,500
b) Issued Subscribed & Paid Up*						
Equity Shares of Rupees 10 each	24,358,734	2,435.87	24,358,734	2,435.87	24,358,734	2,435.87
	24,358,734	2,435.87	24,358,734	2,435.87	24,358,734	2,435.87

*(Refer Notes (i) to (iii) below)

- i) There is no movement in equity share capital during the current and previous year.
- ii) Rights preference and restrictions attached to the shares

The Company has only one class of equity shares having a par value of Rs.10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

iii) Shareholders holding more than five percent shares in the Company:

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Dineshchand Surana	12,216,713	50.15%	12,216,713	50.15%	3,054,179	12.54%
G.R.Surana	-	-	-	-	3,023,465	12.41%
Shantilal Surana	-	-	-	-	3,054,178	12.54%
Vijayraj Surana	-	-	-	-	3,054,178	12.54%
BLS Power Solutions Limited	-	-	897,856	3.69%	3,347,856	15.32%

SURANA CORPORATION LIMITED

Notes forming part of the Consolidated financial statements

Note 14: Other Equity

(Amount in Rs. lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Share application money pending allotment	-	-	3,527.73
Reserves and Surplus			
Securities Premium Account			
Opening Balance	12,399.96	12,399.96	12,399.96
Add : Securities premium credited on Shares issued	-	-	-
Closing Balance	12,399.96	12,399.96	12,399.96
General Reserve			
Opening Balance	2,897.14	2,897.14	2,897.14
Add: Current Year Transfer	-	-	-
Closing Balance	2,897.14	2,897.14	2,897.14
Retained Earnings			
Opening balance	(69,699.11)	(40,212.93)	(11,093.45)
Add: Net Profit/(Net Loss) For the current year	(31,891.31)	(29,503.58)	(28,862.63)
Less: Depreciation adjustment*	-	-	(257.85)
Add: Provision for diminution in value of Investment	-	17.40	-
Add: Investment written off	-	-	1.00
Closing Balance	(101,590.41)	(69,699.11)	(40,212.93)
	(86,293.32)	(54,402.01)	(21,388.10)

*Depreciation adjustment based on the transitional provisions as per Schedule II of the Companies Act 2013.

Note 15: Non-current Financial Liabilities - Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured Borrowings			
Term loans - From banks	5,360.29	7,671.78	8,096.06
Transfer to Current Maturities of Long Term Debt - (Refer Note 20)	(1,985.73)	(736.78)	(533.06)
Transfer to Liabilities representing assets held for Sale (Refer Note 12)	(3,374.56)	-	-
	-	6,935.00	7,563.00
Other loans - From banks	72,165.13	81,060.63	79,291.64
Transfer to Current Maturities of Long Term Debt - (Refer Note 20)	(72,165.13)	(17,221.63)	-
	-	63,839.00	79,291.64
	-	70,774.00	86,854.64
Unsecured Borrowings			
Other loans*	1,468.87	1,468.87	-
	1,468.87	72,242.87	86,854.64

*Interest free loan from a promoter of the Company towards priority debt and lender's sacrifice as per CDR package (Refer V)

SURANA CORPORATION LIMITED**Notes forming part of the Consolidated financial statements****Notes:**

- i) The Company has defaulted in repayment of Interest as listed below
As on March 31, 2017, Interest aggregating to Rs. 23,381.12 lakhs were overdue for more than 365 days.
- ii) CDR Exit: The consortium of lenders vide JLM dated 20.04.2016 had recommended exit from CDR to CDR-EG. CDR-EG vide its communication dated 24.05.2016 has approved exit of Consortium from CDR. Consortium of lenders has also issued notice of filing a suit in Debt Recovery Tribunal, Chennai for recovery of their dues. The same is being contested by the company. Meanwhile, the company has offered One-Time Settlement to the consortium lenders and the JLM's held on December 14, 2016 and May 08, 2017 respectively, have accorded acceptance, subject to approval from the respective authorities.
- iii) The Company had submitted its proposal of OTS of Rs.24,200 lakhs to the Consortium of lenders with its the letter dated 05/05/2017 and approval for the same was received on 08/05/2017. Thus all the Long term loans were transferred to current maturities of long term debt under Other Current Liabilities.
- iv) WCTL, FITL and Working Capital limits from banks are secured by way of :
- First charge on all movable and immovable fixed assets of the Company (excluding Windmill assets and vehicles) on pari-passu basis.
 - First charge on entire current assets of the Company including raw materials, stock in progress, finished goods and other current assets on pari-passu basis.
 - Second Charge over the Windmill Properties
 - First Charge on pari passu basis by way of Equitable Mortgage on Lands situated in various areas (as per schedule in earlier CDR) of Promoters
 - Pledge of 100% of promoter holdings in the Company in favour of lending institutions.
 - Personal Guarantee of the promoters
 - Some of the sticky debtors are also covered by collateral securities which are pledged with the banks as part of CDR package.
 - Corporate Guarantee of some of the sticky Debtors.

V) Unsecured Borrowings

As per the Special Conditions to the earlier CDR (Clause 12.1 of Article XII) Rupees 3,527.73 lakhs brought in by the promoters of the Company as their contribution for the sacrifice amount towards CDR implementation was treated as share application money at the year ended 31st March,2015, the same was reclassified as unsecured loan to the extend not repaid amounting to Rs. 1,468.87 lakhs due to the fact that the shares could not be allotted within the period of sixty days as stipulated under the provisions of the companies Act 2013.

Note 16: Long Term provisions**(Amount in Rs. lakhs)**

Provision for Employee Benefits (Refer Note 31)			
i) Provision for Gratuity	7.97	6.94	30.28
ii) Provision for Leave encashment	-	0.68	-
	7.97	7.62	30.28

SURANA CORPORATION LIMITED

Notes forming part of the Consolidated financial statements

Note 17: Deferred Tax Liabilities

(Amount in Rs. lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Tax effect of items constituting deferred tax liabilities Depreciation	-	-	2,425.60
	-	-	2,425.60

Note 18: Current Financial Liabilities - Borrowings

Secured Borrowings			
Working Capital Loan from banks*	74,649.66	58,759.69	50,178.00
	74,649.66	58,759.69	50,178.00

*On first pari passu basis to secure the term Loans sanctioned to the Company by the State Bank of India & Punjab National Bank on

- Pari passu first charge over the Wind Mill Properties (Land & Wind Mill) mortgaged.
- First Charge on the assets acquired out of the term Loan including mortgage of the project land and the buildings/other superstructures constructed on thereon.
- First charge on all bank accounts of the project.

Note 19: Trade Payables

Dues to micro and small enterprises	-	-	-
Dues to other than micro and small enterprises			
Creditors for Expenses	27.90	82.03	58.92
Other payables*	-	-	16.15
	27.90	82.03	75.08

*Refer Note 22 (i)

Note 20: Other Financial Liabilities

Current maturities of long-term debt*	74,150.85	17,958.41	533.06
Interest accrued but not paid	23,381.12	12,918.10	3,988.64
Unclaimed Dividend	24.17	24.17	24.17
	97,556.15	30,900.68	4,545.87

*Refer Note 15

Note 21: Other Current Liabilities

Statutory dues	29.17	14.75	5.20
Advances from Customers*	502.35	501.38	501.38
Advances for Capital goods	2,646.00	1,489.37	-
	3,177.52	2,005.49	506.58

*Subject matter of legal proceedings pending before the court.

SURANA CORPORATION LIMITED**Notes forming part of the Consolidated financial statements****Note 22: Short Term Provisions****(Amount in Rs. lakhs)**

Provision for Gratuity	1.47	0.44	-
Provision for Leave encashment	0.85	0.30	4.34
Others (Refer i to iii)	3,034.12	3,034.12	3,034.12
	3,036.45	3,034.86	3,038.46

The other provisions include provision made towards pending litigation cases against the Company:

- i) MMTC was litigating and claiming from the Company old un-reconciled dues amounting to Rs.1,843.00 lakhs and interest thereon in various legal forums and departments. It was also instrumental in foisting a complaint with CBI (ACB), Chennai, which conducted searches and have seized accounted hypothecated stock in trade worth Rs.12,500.00 lakhs on 20.06.2012. Company in terms of significant accounting policy had prudently provided an amount of Rs.1,386.00 lakhs towards this ascertained liability based on the CBI (ACB) Chennai has claim amount as per the final charge sheet filed by the CBI(ACB) and the same has been continued since FY 2015-16. Consequently the Company had written back the excess provision of Rs.16.15 lakhs in FY 2015-16.

As per Para 59 of Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets”, the provision was reviewed at the end of reporting period and adjusted to reflect the current best estimate. The outflow of resources embodying future economic benefit is still probable and doesn’t require any reversal.

- ii) The Company during the financial year 2014-15, received Show cause notice from Directorate of Revenue Intelligence under customs Act.1962 claiming the differential duty amounting to Rs.1,581.93 lakhs towards the import of Jewellery from Thailand. This provision has been prudently made also in the same year as per erstwhile accounting Standard -29. As the Delhi High Court has quashed a circular issued by the Central Board of Excise and Customs in October 2015 and further on a petition by the Bullion and Jewellers Association vide ref.W.P.(C) 10538/2015 & CM APPL 26588/2015 dt. 26th, April,2016, no additional liability has been provided as against the penalty charges.

As per Para 59 of Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets” , the provision was reviewed at the end of reporting period and adjusted to reflect the current best estimate. The outflow of resources embodying future economic benefit is still probable and doesn’t require any reversal.

- iii) The DRI during the Financial year 2014-15 seized Jewellery weighing 2.34 Kgs Gold of Rs 66.19 lakhs and the Company has provided for the same. The authority issued showcase notice which has been contested by the Company at appropriate legal forum.

Note 23: Revenue from Operations**(Amount in Rs. lakhs)**

Particulars	31st March, 2017	31st March, 2016
Sale of products	23,155.65	119,251.88
Income from Wind power Generation	334.14	357.85
	23,489.80	119,609.72

SURANA CORPORATION LIMITED

Notes forming part of the Consolidated financial statements

Note 24: Other Income

(Amount in Rs. lakhs)

Particulars	31st March, 2017	31st March, 2016
Interest Income	1.22	1.46
Other non-operating income*	620.04	71.32
	621.26	72.78
*Other Non-Operating Income includes:		
Liabilities no longer required written back	589.37	25.08
Provision for employee benefits written back	-	5.65
Profit on sale of asset	2.44	40.42
Miscellaneous Income	-	0.16
Income from Sale of REC certificates	28.23	-
	620.04	71.32

Note 25: Purchase of stock in trade

Particulars	31st March, 2017	31st March, 2016
Gold	29,424.03	86,595.63
MS Steels	-	1,809.07
Non Coking Steam Coal	-	2,563.12
	29,424.03	90,967.82

Note 26: Changes in Inventories of Finished Goods and Stock in Trade

A. GOLD		
Opening Stock	11,936.34	50,292.94
Closing Stock	19,150.76	11,936.34
Changes in Inventory - A	(7,214.42)	38,356.60
B. MS Steel		
Opening Stock	1,809.07	-
Closing Stock	-	1,809.07
Changes in Inventory - B	1,809.07	(1,809.07)
C. Coal		
Opening Stock	2,563.12	-
Closing Stock	291.26	2,563.12
Changes in Inventory - C	2,271.85	(2,563.12)
D. REC Certificates		
Opening Stock	0.39	-
Closing Stock	0.34	0.39
Changes in Inventory - D	0.05	(0.39)
Total (A+B+C+D)	(3,133.44)	33,984.02

SURANA CORPORATION LIMITED

Notes forming part of the Consolidated financial statements

Note 27: Employee Benefits Expense**(Amount in Rs. lakhs)**

Particulars	31st March, 2017	31st March, 2016
Salaries and incentives	44.95	103.76
Contributions to Provident fund & Other Funds	6.23	6.55
Staff welfare expenses	0.91	3.32
	52.09	113.63

Note 28: Finance Costs

Particulars	31st March, 2017	31st March, 2016
Interest expense on Bank Borrowings	17,536.52	19,266.95
Other borrowing costs	32.09	59.09
	17,568.61	19,326.03

Note 29: Other Expenses

Particulars	31st March, 2017	31st March, 2016
Power and fuel	3.18	8.88
Rent	13.48	21.65
Repairs and maintenance	6.71	25.70
Insurance	8.21	3.42
Rates and taxes	9.07	8.39
Professional fees	20.60	61.27
Loss on foreign exchange fluctuations	-	1,348.05
Provision for doubtful receivables	10,110.00	3,023.07
Bad Debts Write Off	-	94.17
Provision for diminution in the value of Investments	-	17.40
Provision for Cash with CBI	233.72	-
Provision for Impairment of Asset - Windmill	1,610.17	-
Other miscellaneous expenses	7.78	94.51
	12,022.92	4,706.51

Note 30: Earnings Per Share - [EPS]

Particulars	31st March, 2017	31st March, 2016
Net Loss as per Statement of Profit and Loss	(31,891.31)	(29,503.58)
Weighted average number of equity shares for EPS computation	24,358,734	24,358,734
Face value of the Shares (Rs)	10	10
Basic and Diluted Earnings per share (Rs)	(130.92)	(121.12)

Note 31: Employee Benefits

The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

SURANA CORPORATION LIMITED

Notes forming part of the Consolidated financial statements

Defined contribution plans

The Group makes payment to Provident Fund, a defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs.2.2 lakhs for Provident Fund contributions in the Statement of Profit and Loss. The contribution payable by the Company are at rates specified in the rules of the scheme.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

Gratuity (Unfunded)

(Amount in Rs. lakhs)

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Change in Defined Benefit Obligations (DBO) during the year		
Present Value of Obligation (PVO) at beginning of period	7.38	30.28
Interest Cost	0.55	2.07
Current service cost	3.63	1.12
Benefits Paid	-	(5.08)
Actuarial losses/(gains) on obligation	(2.12)	(21.00)
	9.44	7.38
Present Value of Obligation (PVO) at end of the period		
Current liability	1.47	0.44
Non current liability	7.97	6.94
Change in fair value of assets during the year		
Actual Company contributions	-	5.08
Benefits paid	-	(5.08)
Actuarial assumptions		
Discount rate	7.29%	7.46%
Expected return on plan assets	0.00%	0.00%
Salary escalation	8.00%	5.00%
Attrition	3.00%	0-3%
Experience Adjustments (Disclosed to the extent data is available)		
Experience (Gains) / Losses on Obligations	(2.12)	(21.00)

SURANA CORPORATION LIMITED
Notes forming part of the Consolidated financial statements

Leave encashment (Unfunded): **(Amount in Rs. lakhs)**

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Change in Defined Benefit Obligations (DBO) during the year		
Present Value of Obligation (PVO) at beginning of period	0.79	4.34
Interest Cost	0.06	0.15
Current service cost	0.62	0.17
Benefits Paid	-	(4.71)
Actuarial losses/(gains) on obligation	(0.61)	0.84
Present Value of Obligation (PVO) at end of the period	1.35	0.79
Current liability	0.85	0.30
Non current liability	-	0.68
Change in fair value of assets during the year		
Actual Company contributions	-	4.71
Benefits paid	-	(4.71)
	-	-
Actuarial assumptions		
Discount rate	7.29%	7.46%
Expected return on plan assets	0.00%	-
Salary escalation	8.00%	5.00%
Attrition	0-3%	0-3%
Experience Adjustments (Disclosed to the extent data is available)		
Experience (Gains) / Losses on Obligations	-	(4.71)

- i) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
- ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note 32: Segment Reporting

The Group's activities during the year revolve around Manufacturing and Trading in Bullion and Jewellery and power generation from Windmill. Considering the nature of Group's business and operations, there are no separate reportable segments (business and/or geographical) as they fall below the quantitative threshold limit in accordance with the requirements of Ind AS - 108 'Operating Segments'.

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Notes forming part of the Consolidated financial statements

Note 33: Provisions for contingencies**(Amount in Rs. Lakhs)**

- i) The Group has made provision for various disputed liabilities based on its assessment of the amount it estimates to incur to meet such liabilities, as follows :

Contingent liabilities provided for -	As at 31st March, 2017	As at 31st March, 2016	Remarks
a) Suppliers Demand	1,386.00	1,386.00	Ref Note.22(i)
b) Customs demand :	1,581.93	1,581.93	Ref Note.22(ii)
c) Claim by customers	3,148.35	1,990.74	

- ii) The Company has not recognised of recompense amount payable as the recompense amount payable to banks in lieu of sacrifice is subject to the surplus cash flow in the company.

Note 34: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31st March, 2017	As at 31st March, 2016	Remarks
a) Claims against the Group not acknowledged as debt			
i) Income Tax :			
AY 2008-09 (Reopened)*	1,381.64	1,381.64	Refer Note below
AY 2009-10	15.60	15.60	Appeal Filed against the demand
AY 2011-12	259.10	259.10	Appeal Filed against the demand
AY 2013-14	5,781.26	5,781.26	Appeal Filed against the demand
AY 2014-15	1,887.29	-	Refer Note below
ii) Sales tax :	-	-	
AY 2001-02	163.50	163.50	
AY 2002-03	92.45	92.45	
AY 2010-11	11.46	11.46	Appeal WP.No.20379 of 2014
AY 2011-12	24.50	24.50	Appeal WP No.23797 of 2014
iii) Customs duty	475.48	475.48	Ref Note.22(ii)
iv) Customs duty (2005-06)	135.40	135.40	
Total	10,227.68	8,340.39	

*Claims of the Group not acknowledged as debts include demand from the Income tax authorities for payment of tax of Rs.1,381.64 lakhs including interest upon completion of their tax assessment for Asst. year 2008-09 and Rs 5,781.26 lakhs for asst. Year 2013-14

It also includes disallowance of portion of profit earned outside India from the EOU/SEZ units and disallowance of profits earned from SEZ units under section 10B/10AA of the Income Tax Act.

The Company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of

SURANA CORPORATION LIMITED
Notes forming part of the Consolidated financial statements

these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

In view of above demand being legally unjustifiable, the Company does not expect any liability in above matter.

Note 35: Other additional information - Balance Sheet

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the balance sheet..

(Amount in Rs. lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Due to Micro, Small and Medium Enterprises			
i) Principal and interest amount remaining unpaid to any suppliers as at the end of the accounting year*	-	-	-
	-	-	-

* There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the proprietor owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium enterprises has been identified on the basis of information available with the Group.

Note 36: Other disclosures - Statement of Profit and Loss

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Payment to Auditors as :		
Statutory Audit Fees	5.40	5.40
Internal Audit Fees	1.00	1.00
	6.40	6.40

The year end foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

Receivable on Export of Goods		
Indian Rupees	26,291.91	26,291.91
US Dollars	481.42	481.42
Advance from customers		
Indian Rupees	300.00	1,489.37
US Dollars	0	0

SURANA CORPORATION LIMITED
Notes forming part of the Consolidated financial statements

Note 37: Related Party Disclosure**A. Details of Related Parties***

Description of relationship	Names of related parties
i) Directors	Mr. Devarajan Elayavilli Kaniyambakkam Ms. Agnes Roslind Joseph
ii) Others Person having significant influence over the entity	Mr. Dineshchand Surana

*Related parties are as identified by the management and relied upon by the auditors

B. Details of related party transactions during the year (Amount in Rs. Lakhs)

Particulars	For the year ended		
	31st March, 2017	31st March, 2016	1st April, 2015
Others			
Lease Rent to Mr Dineshchand Surana	12.00	18.00	-

C. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

Name of Entity in the Group	Net Assets		Share in profit or Loss	
	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount
Parent Company	99.38%	(83,337.00)	100.08%	(31,915.36)
Surana Corporation Limited*				
Indian Subsidiaries				
Gurudev Wind Energy Private Limited	0.26%	(222.00)	-0.04%	11.71
Surana Wind Energy Private Limited	0.35%	(295.11)	-0.04%	12.40
Surana Projects Private Limited	0.00%	(0.74)	0.00%	(0.05)

*Provision for diminution in the value of investment in Subsidiaries of Rs. 18.40 lakhs and Provision for bad and doubtful debts receivable of Rs.11.28 lakhs made in the standalone balance sheet of the Parent Company has been adjusted for.

SURANA CORPORATION LIMITED**Notes forming part of the Consolidated financial statements****Note 38: Subsidiary companies considered in the preparation of the consolidated financial statements**

Name of Entity	% of Holding and voting power either directly or indirectly			
	Country of Incorporation	31st March, 2017	31st March, 2016	1st April, 2015
i) Gurudev Wind Energy Private Limited	India	100%	100%	100%
ii) Surana Wind Energy Private Limited	India	74%	74%	74%
iii) Surana Projects Private Limited	India	100%	100%	100%

Note 39: Going Concern assumption

- The Group has prepared the consolidated financial statements on going concern basis by considering the outcome of the consortium meeting dated December 14, 2016 and May 08, 2017, whereby the Company has offered One Time Settlement of its liabilities with the consortium members, which has been considered by them for further approval.
- The net worth of Gurudev Wind Energy Private Limited (Subsidiary of the Company) stands Rs.(222.00) lakhs at the year ended 31st March 2017. However the promoters have agreed to infuse necessary funds as and when required for day to day operations of the company. Based on the same, the accounts of the company has been prepared on “Going concern” basis for the year ended 31st March 2017.
- The net worth of Surana Wind Energy Private Limited (Subsidiary of the Company) stands Rs.(295.11) lakhs at the year ended 31st March 2017. However the promoters have agreed to infuse necessary funds as and when required for day to day operations of the company. Based on the same, the accounts of the company has been prepared on “Going concern” basis for the year ended 31st March 2017.
- The net worth of Surana Projects Private Limited (Subsidiary of the Company) stands Rs.(0.74) lakhs at the year ended 31st March 2017. However the promoters have agreed to infuse necessary funds as and when required for day to day operations of the company. Based on the same, the accounts of the company has been prepared on “Going concern” basis for the year ended 31st March 2017.

Note 40: Comparative Figures

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm current year's classification.

**In terms of our report attached
for V D S R & Co.,
Chartered Accountants
(F.R.No. 001626S)**

for and on behalf of the Board of Directors

SATHISH KUMAR R.K.
Partner
Membership No : 220263

AGNES ROSLIND JOSEPH
Director
DIN: 07601460

DEVARAJAN K.E.
Director
DIN : 07228715

Place : Chennai
Date : May 18, 2017

GURUDEV

**SURANA CORPORATION LIMITED**

CIN: L65991TN1991PLC020783

Registered Office: No. 30, G N T Road, Madhavaram, Chennai – 600 110

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE
ENTRANCE OF THE MEETING HALL**

Joint shareholders may obtain additional Slip at the venue of the meeting

DP ID*		Folio No.	
Client ID*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER:

I hereby record my presence at the 26th ANNUAL GENERAL MEETING of the Company at New Door No. 1, Ambedkar Nagar, GNT Road, Madhavaram, Chennai – 600 060 on Wednesday, September 27, 2017 at 10.00 A.M.

*Applicable for investors holding shares in electronic form

Signature of Shareholder / Proxy

GURUDEV



SURANA CORPORATION LIMITED

CIN: L65991TN1991PLC020783

Registered Office: No. 30, G N T Road, Madhavaram, Chennai – 600 110

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No/ Client ID	
DP ID	

I/We, being the member(s) of _____ shares of Surana Corporation Limited, hereby appoint:

1. _____ of _____ having e-mail id _____ or failing him;
2. _____ of _____ having e-mail id _____ or failing him;
3. _____ of _____ having e-mail id _____ ;

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **26th Annual General Meeting** of the Company, to be held on **Wednesday, September 27, 2017 at 10.00 A.M** at **New No. 1, Ambedkar Nagar, GNT Road, Madhavaram, Chennai – 600 060** and at any adjournment thereof in respect of such resolutions as are indicated below:

Tear here

RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESSES		
Consider and adopt the Audited Financial Statements for the year ended 31st March, 2017 , together with the Report of the Board of Directors and Auditors thereon.		
To Appoint a Director in place of Shri.Devarajan.K.E (DIN:07228715) who retires by rotation and being eligible, offers himself for re-appointment.		
Ratification of Appointment of M/s. V.D.S.R & Co. , Chartered Accountants as Statutory Auditors and fixing their remuneration.		

Signed this..... day of.....2017

Affix a 15 paise Revenue Stamp

.....
 Signature of shareholder

.....
 Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder