



# SURYA ROSHNI LIMITED

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SRL/22-23/25  
August 25, 2022

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

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

Dear Sirs,

## Report and Accounts for the financial year ended 31<sup>st</sup> March, 2022

We enclose, in terms of Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Report and Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2022 together with the Notice dated 13<sup>th</sup> August, 2022 convening the 49<sup>th</sup> Annual General Meeting (AGM) of the Company on 21<sup>st</sup> September, 2022.

The aforesaid Report and Accounts and 49<sup>th</sup> AGM Notice are also uploaded on the Company's website [www.surya.co.in](http://www.surya.co.in)

Kindly take the same in your records. Assuring our best services always.

Thanking you,

Yours faithfully,  
for Surya Roshni Limited

  
**B B SINGAL**  
**CFO & COMPANY SECRETARY**



Encl.: as above.

# SURYA

*Driving Efficiencies.  
Accelerating Momentum.*



ANNUAL REPORT  
**2021-22**

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SURYA ROSHNI LIMITED

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## Investor information

Market capitalisation as on 31 <sup>st</sup> March, 2022	₹ 2,250 crore
BSE Code	500336
NSE Symbol	SURYAROSNI
Bloomberg Code	SYR:IN
Dividend for 2021-22	₹ 4 per share

### Forward looking statement:

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



Or simply scan:



For online version of this annual report, visit:

<https://surya.co.in/wp-content/uploads/2022/08/Annual-Report-2021-22.pdf>



## Financial KPIs of 2021-22

### REVENUES

₹ **7,731** crore  
**+39%**

### EBITDA

₹ **449** crore  
**+17%**

### PAT

₹ **205** crore  
**+29%**

### ROCE

**16.2%**  
**+350** bps

### ROE


**14.1%**  
**+200** bps

### DEBT EQUITY

**0.37x**

### CREDIT RATINGS

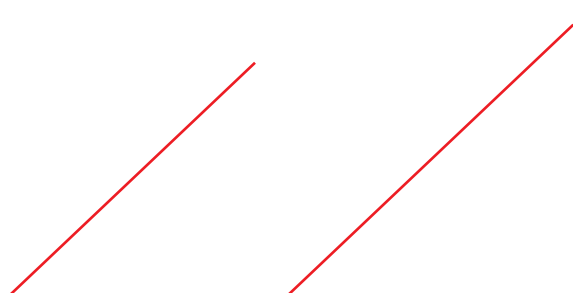
Long Term '**AA-**'  
Short Term '**A1+**' (top notch)  
CP '**A1+**' (top notch)



We have consistently evolved over the past few years and emerged as a **USD 1 billion** enterprise in FY2021-22.

Our profits have crossed **₹ 200 crore** mark, thereby becoming few elite companies in India who cracked this milestone.

This was largely achieved, thanks to the strategic direction of the business that Surya Roshni has pursued over the years. It has not only led to driving efficiency across the business but also set tone for accelerating and unlocking future value potential.



## HERE'S THE STORY OF OUR VALUE-ACCRETIVE BUSINESS APPROACH, MAKING US READY FOR THE NEXT LEVEL OF GROWTH

Delivered strong and successful execution of value-added product lines over the past few years

1



Established strong rural presence through extensive distribution network

2



Maintained leadership in traditional channel of distributors, building new kind of value-accretive businesses for strong revenues and profitability

5



6

Strengthened overall health of the business through lean and thin balance sheet, with constantly reducing debt and improving working capital and strong ROCE and ROEs



Evolved as the largest exporter of ERW pipes

3



Achieved business de-risking through a consistent balance between B2B and B2C businesses

4



7

Invested in next generation technology – DFT in Steel Pipes, PLI investments, Smart Lighting Solutions and SAP systems



## A QUICK READ ON SURYA ROSHNI LIMITED



### IDENTITY

A renowned name in the business of **Steel Pipes & Strips and Lighting & Consumer Durables Segment**



### PARENTAGE

Incorporated in 1973 with making Steel Tubes, and gradually diversifying into lightings in 1984. Since then, it has grown by leaps and bounds to become one of the largest Steel Pipes and Lighting companies in India. It further ventured into PVC pipes in 2010, and into Consumer Durables like fans and home appliances in 2014-15.



### PRODUCTS AND LEADERSHIP

The Steel Pipes and Strips business manufactures a wide range of products and is India's largest manufacturer of GI pipes and the largest exporter of ERW Pipes. The Lighting business manufactures an array of conventional to modern LED lightings and enjoys the leadership of being the 2<sup>nd</sup> largest Lighting manufacturer company in India. The Consumer Durable business offers a variety of fans and home appliances and is gradually evolving in its space.





## BRAND EQUITY

The Steel Pipes and Strips products are sold under the brand 'Prakash Surya', while the lighting products are sold under the brand 'Surya'. Both the brands stand for quality, innovation and the latest technology.

**SURYA**  
*Energising Lifestyles*

**PRAKASH**  
**SURYA**  
STEEL TUBES & PIPES



## PRESENCE

Pan India, with strong presence in rural and semi-urban areas through the extensive dealer network across both its businesses. The Company also enjoys a strong global presence with exports over 50 countries.



## EDGE

Renowned name in Steel Tubes and Pipes and LED, professional & conventional lighting with strong market reputation and best-in-class quality offerings. Accreditation with Government organisations, institutions, PSUs, international buyers and reputed projects.







## MANUFACTURING PROWESS

Six state-of-the-art across India in the states of Haryana, Madhya Pradesh, Andhra Pradesh, Gujarat and Uttarakhand, with an advanced lighting research and development centre (R&D), Surya Technology & Innovation Centre (STIC) at Noida (NCR).

PRAKASH

# SURYA

STEEL TUBES & PIPES

### Steel Pipes & Strips Segment



Anjar, Gujarat



Bahadurgarh, NCR-Delhi



Hindupur, Andhra Pradesh



Gwalior, Madhya Pradesh

# SURYA

*Energising Lifestyles*

### Lighting Segment



Kashipur, Uttarakhand



Gwalior, Madhya Pradesh



## ROBUST FINANCIAL MANAGEMENT

Lower leverage, healthy financial ratios, upgraded credit ratings, strong working capital management and lower finance cost are some of the encouraging indicators of robust financial management.



## PRIDE

1. The Company's Promoter & Executive Chairman Mr Jai Prakash Agarwal was conferred with **Padma Shri Award** for his distinguished services in the field of Trade and Industry, by Government of India
2. Bagged the **Economic Times Champions of Rural Markets-2018 Award** for the Brand presence and successful work done in the rural markets of India
3. 'Brand Excellence Award in Lighting Category' in **North India Best Brand Awards, 2018**
4. Certificate of Appreciation on 26<sup>th</sup> September, 2021 by **the Confederation of Indian Industry (CII)**, Madhya Pradesh in the fight against global pandemic COVID-19 and helping society of Gwalior region; awarded by Mr Narendra Singh Tomar, Honourable Cabinet Minister, Ministry of Agriculture & Farmer Welfare, Government of India
5. Surya Roshni Annual Report 2020-21 was recognised for overall excellence in the art and method of annual report communications at the **League of Communication Professionals (LACP)**, USA. It ranked **#82 among the Top 100 reports worldwide** and also received '**Gold**' for excellence within the industry



## BUSINESS MODEL

### INPUTS



#### FINANCIAL CAPITAL

We aim to deliver valuable outcomes for providers of our financial capital. We endeavour to maximise productivity, cost discipline and working capital management for both the businesses to drive sustainable positive cash flows and optimum monetisation of assets and investments.

**₹ 1,548 crore**

Equity

**₹ 580 crore**

Debt



#### MANUFACTURING CAPITAL

Our investments in capacity enhancements allow us to respond to the evolving demand of our customers, ensuring efficiency in our operations.

##### Steel Pipes & Strips

**9.25,000 MT**

ERW Pipes

(including GI capacities of 3,60,000 mt)

**2,00,000 MT**

Spiral Pipes

(including offline capacities of 1,40,000 mt)

3 LPE Coating Facilities

External:

**27,50,000 sq. mtr.**

Internal:

**11,00,000 sq. mtr.**

**1,15,000 MT**

CR Sheets

**36,000 MT**

Section Steel Pipes -DFT

##### Lighting & Consumer Durables Segment

**90 Million Pieces**

LED Bulbs

**10 Million Pieces p.a.**

LED Tubes & Fittings

**3.60 Million Pieces p.a.**

LED Street Lights

**200 Million Pieces p.a.**

GLS



#### INTELLECTUAL CAPITAL

Our dedicated R&D centre – Surya Technology & Innovation Centre, Noida – drives innovation to achieve operational efficiencies as well as drive new product development.



#### DISTRIBUTION CAPITAL

Our investments towards strengthening distribution network (including trade network and retail outlets) and decentralised depot networks ensures smooth logistics movement, prompt delivery and customer satisfaction, aptly supported by strong marketing and publicity initiatives.



#### HUMAN CAPITAL

Our talented, motivated and skilled employees form the core of our operations. We invest in employee welfare and happiness to drive performance excellence, aligned to the organisational goals.



#### RELATIONSHIPS CAPITAL

Our open and honest engagement with our communities, customers and suppliers through continuous stakeholder engagement and innovation is critical for building long-term, transparent and trust-based relationships.

**₹ 3.53 crore**

Towards CSR activities



#### NATURAL CAPITAL

We strive to manage environmental balance and resource efficiency to mitigate adverse impact on the natural resources. Our investments towards usage of renewables is the testimony of our commitment towards environment.

## VALUE-ENABLERS



### VISION

#### COMMITTED TOWARDS A BETTER TOMORROW

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



### VALUE PILLARS

#### CUSTOMER SATISFACTION

Passion towards customer satisfaction through exceptional products and services.

#### SOCIAL RESPONSIBILITY

Help mother nature in contributing to the economic development through eco-friendly products, while improving the quality of life of the work force as well as of the local community and society at large.

#### INTEGRITY

Adhering to moral principles, we share an undivided spirit. This integrity is a virtue that is reflected in our personal lives, financial transactions and business deals.

#### SURYA PARIVAR

A principle-centric, close knit family which stands high on the pillars of trust, team spirit and mutual respect for one another.



### MISSION

#### ENERGISING LIVES AND BEYOND

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



### STRATEGIC ACTIONS

#### BRAND EQUITY

- Brand building through consistent advertising
- ATL & BTL activities

#### DISTRIBUTION NETWORK

- Enhanced engagement
- Consistent policies, effective schemes
- Omni-channel presence

#### MANUFACTURING FACILITIES

- Strategic investment in technology upgradation
- Strategic locations
- Strengthening backward integration through PLI

#### PRODUCT RANGE

- Built up strong product portfolio
- Value-added products driving higher profitability

## OUTPUT AND OUTCOMES

### OUTPUT

#### STEEL TUBES AND PIPES

##### Operational KPIs of 2021-22

- Commissioned the large dia section pipe facility with Direct Forming Technology (DFT) at Gwalior in mid-April, 2022, which has also added a capacity of 36,000 MTPA of the new product categories
- Achieved strong export volumes
- Increased share of value-added products leading to strong margins and higher EBITDA/MT
- Received strong orders across the year, including highest ever single order of 40,000 MT from Indian Oil
- Built strong order book

##### Financial of 2021-22 (₹ in crore)

	FY22	FY21	Change
Revenues	₹ 6,402	₹ 4,328	48%
EBITDA	₹ 342	₹ 256	34%
EBITDA/MT	₹ 4,648	₹ 3,525	32%
Working Capital Days	55	71	

#### LIGHTING AND CONSUMER DURABLES

##### Operational KPIs of 2021-22 (Lighting)

- Witnessed strong revenue growth of 18% in both B2C and B2B segments in LED lighting
- Witnessed revenue growth of 16% in consumer lighting with higher proportion of value-added products
- Witnessed revenue growth of 10% in professional with consistent order flow
- Launched products as per market needs, with a special focus on LED Battens, and LED Downlighters
- Launched products like smart downlighter, dazzle series, GeNEXT streetlight and GeNEXT flood light, prime spot and LED bulkhead
- Mitigated risks by extending channel finance to channel partners
- Bagged prestigious orders for façade lighting of Jammu Tawi bridges, Jaipur Sodala elevated flyover, and Narmada bridge at Bharuch
- Executed the design, supply, installation and maintenance of 54,000 LED street lights in Greater Noida
- Received Government approval in PLI scheme under 'Large Investment Category', for investment of ₹ 25.3 crore in manufacturing of 'Components for LED Lights' and have already invested ₹ 5 crore out of ₹ 25 crore (minimum investment) for the year

## Consumer Durables

### Fans

- Launched six new models, across price points
- Increased share of premium fans
- Expanded into the CPC/CSD segment
- Increased the authorised service centres, in order to drive faster resolution of consumer calls within 24 hours

### Home Appliances

- Witnessed 43% YoY growth in the dry irons (critical category in the electrical industry) sales
- Witnessed 40% YoY growth in the induction cook top category
- Launched new eco fin oil filled radiators along with carbon heaters despite a poor heating season, thereby expanding the category
- Launched new products in the kitchen appliances and food preparation categories, including magnus and xpert mixer grinders, along with max and max plus hand blenders

## Financial of 2021-22 (₹ in crore)

	2021-22	2020-21	Change
Revenues	₹ 1,333	₹ 1,240	7%
EBITDA	106	128	(17%)
Working Capital Days	73	77	

## OUTCOMES

- #1 in Manufacturer and Exporter for GI Pipes
- Leading API Pipe manufacturer
- Among top 3 Black Pipes manufacturer

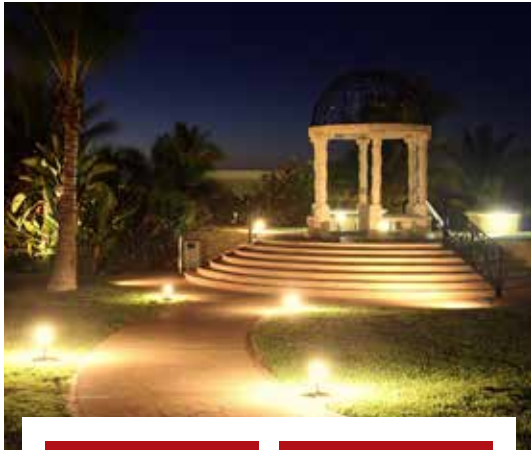


- #2 consumer lighting manufacturing brand in India
- One of India's largest rural-based distribution network



## OUR BUSINESSES

### LIGHTING AND CONSUMER DURABLES



#### USPs OF THE BUSINESS

- Emerging FMEG player
- Brand Equity through consistent advertisements, ATL and BTL activities, under the brand name 'Surya'
- India's most deep-rooted distribution network, with larger revenue share from semi-urban and rural markets
- Strong dealer relations and focus on secondary demand generation
- Strong position in Professional Lighting with Smart Lighting Solutions
- Successfully penetrating in FMEG categories - Fans and Home Appliances
- Comprehensive Service network across India

#### MARKET LEADERSHIP

- #2 Consumer Lighting manufacturing Brand in India
- Leader in various states such as AP, Telangana MP, Chhattisgarh, Uttar Pradesh and Jharkhand
- Second in Karnataka, Delhi, Maharashtra, Bihar, Rajasthan and Uttarakhand, amongst others

2,50,000

Retail Outlets

300+ RTF

2,500+ DSPs

Secondary Network

## OUR OFFERINGS

### LIGHTING

#### Consumers Lighting

- LED lamps
- LED downlighters
- LED streetlights
- LED battens and luminaires
- Smart LED lighting
- Conventional lamps – GLS, FTL and HID
- Value-added offerings like colour changers, smart lighting, auto-dimming, app-based lights, COB downlights, track spot lights, power track, LED strips lights, Radar LED lamp and wall washer LED



#### Professional Lighting

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

## FANS

- Ceiling fans (includes products like anti-dust, anti-bacterial, energy efficient, high-air-delivery and BLDC fans)
- Table, pedestal and wall fans (TPW)
- Domestic & industrial exhaust fans



## HOME APPLIANCES

### Food preparation & cooking

- Juicer, mixer & grinder
- Max chop chopper
- Cooktop
- Induction cooktop
- Sandwich maker

### Garment care

- Dry iron
- Steam iron

### Heating appliances

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

### Climate control

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



## PVC PIPES AND FITTINGS

### Applications

- Water pipeline
- Housing sector
- Domestic and industrial drainage system – cold/hot water plumbing
- Industrial process lines
- Swimming pool
- Salt-water lines
- Agriculture/Irrigation system





## FAVOURABLE OPERATING ENVIRONMENT

### TRENDS

#1

#### Young Demographics

- Improving lifestyles, investment in home improvement
- Emerging lifestyles

#2

#### Consumer Lighting

- Faster adoption by consumers across India, including rural regions
- Opportunities from favourable schemes like Housing for All and Smart Cities

#3

#### LED Professional Lighting

- Smart integrated LED lighting
- Increased demand for Street Lighting, Monumental Lighting and Industrial Lighting

#4

#### PLI

- Boost manufacturing of 'Components of LED Lightings' of India, to reduce dependency on imports of components

#5

#### Favourable Demand Outlook for PVC

- Government initiatives such as Housing for All, 'Nal se Jal', Project AMRUT and Swachh Bharat Mission
- Demand outlook for non-agricultural pipes appears to be good, as the major urban real estate markets show signs of a sustained recovery
- The sector is expected to see an average annual growth of 10%

## VALUE-CREATION STRATEGIES FOR ACCELERATED MOMENTUM

### STRATEGIES

#1

#### Product Development

- Alignment with fast changing consumer preference, at high speed and premium quality

#2

#### Manufacturing Capabilities

- Focus on automation, speed, size and backward integration. One of the largest manufacturing capacities in India for LED Lighting

#3

#### Re-energising the Surya Brand

- Aligning with new age consumers, and growing LED Lighting and Consumer Durables

#4

#### Distribution Network

- Enhancing the distribution network through omnichannel, dealers, distributors contractors, developers, architects etc

#5

#### Strengthening B2B Capabilities

- Focus on building right team, strong ecosystem of vendors, deliver customised & integrated smart lighting solutions and focus on infrastructure, monument lighting, airports and bridges

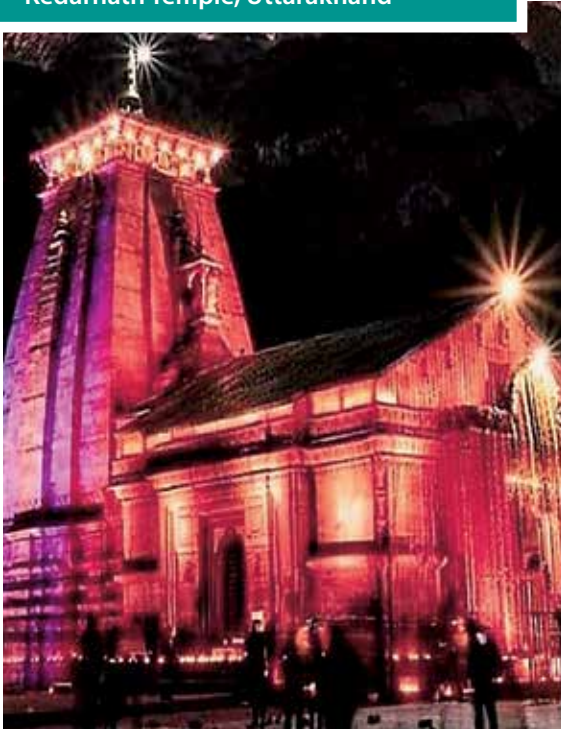
#6

#### PVC Pipes

- Aim to utilise 10,200 MTPA capacity to leverage the sizeable business opportunity with strong branding of 'Prakash Surya' and distribution network

# GLIMPSE OF RECENTLY COMPLETED PROJECTS

Kedarnath Temple, Uttarakhand



Bharat Darshan Park, New Delhi



Dohlela Fort, Gujarat



Tawi River Bridge, Jammu



## STEEL PIPES AND STRIPS



21,000+

Pan India  
Dealers/  
Retailers

250+

Distributors

25%

YoY Export  
Volume Growth

### USPS OF THE BUSINESS

- 49 years of brand presence in India, under the brand name 'Prakash SURYA'
- 6 Products Categories of Pipes - GI, Black, API, Spiral, Structural and CR
- 51% of the revenue derived from value-added products
- Possesses high-end Direct Forming Technology (DFT)

### MARKET LEADERSHIP

- #1 ERW GI Pipe manufacturer
- #1 exporter of ERW Pipes (GI and Black) from India, with presence across 50+ countries
- Top 3 in Black Pipes

## OUR OFFERINGS

### GI Pipes

#### Application areas:

Agriculture & Irrigation, Casing and tubing, Water Transportation, Plumbing, Green Houses, Fire Fighting, Street Light Poles and Solar Panels



### Black Pipes

#### Application areas:

Construction, Fabrication, Fencing, Metro Railway Platforms, Airports, Powder Coating, Sign Boards, Industrial Application, Scaffoldings



## Hollow Section Pipes

### Application areas:

Infrastructure – Airport, Metro, Railways, Warehousing, Industrial Infrastructure, Urban Development, Solar Structures, Electrical Poles and Telecom Towers

## API/3 LPE Coated Spiral Pipes

### Application areas:

Oil and Gas Pipelines, Oil Well Casing, Water Transportation and City Gas Distribution



## Spiral Pipes

### Application areas:

- Water pipelines – mains
- Instant water heater
- Immersion water heater



## CR Strips

### Application areas:

Auto Components, Electrical Stampings for Motors, Cycle Rims, Umbrella Tubes & Rips, Furniture & Fittings



## 3LPE COATING MANUFACTURING UNIT AT ANJAR – GAINING STRONG MOMENTUM

### UPs

- The world-class 3LPE Coating plant machinery has been procured from Selmers, Netherlands
- Accreditations from all major PMC like EIL, Mecon, Tractebel, Worly Pearson etc
- Certifications of ISO 9001, 14001 & 18001

### Applications

Transportation of Petroleum & Natural Gas, City Gas and Bulk Water Transportation mainly in river connectivity

### Key Highlights

- One of the fastest-growing products for the Company, delivering highest EBIDTA/MT
- Gained ~10% market share of Oil & Gas transmission pipes for cross country land pipes and CGD
- Installed 3LPE coating facilities of 27,50,000 sqmtr (external coating)
- Strong order book in hand for API Pipes



# COMMISSIONED SECTION PIPE DFT PLANT AT GWALIOR – TO DRIVE THE NEXT LEG OF VALUE-ACCRETIVE GROWTH

## Demand Drivers

Exports and domestic markets serving infrastructure and urban development

## Key Highlights

- Commissioned the Large-dia section pipe facility with Direct Forming Technology (DFT) at Gwalior in mid-April, 2022, which has also added a capacity of 36,000 MTPA for the new product categories
- Will enable the Company to further improve its presence in domestic as well as export markets



## FAVOURABLE OPERATING ENVIRONMENT

### TRENDS

#1

#### B2C Trade Demand

- Strong improvement in the Indian economy, including rural area
- Significant pick-up in Housing, Irrigation and Construction activities

#2

#### Oil and Gas Sector, City Gas Distribution, Water

- Government thrust on high investments, CGD, Smart Cities, Har Ghar Nal Se Jal Mission
- ₹ 5 lac crore investment expected in 5 years

#3

#### Export Market

- High demand for Steel Pipes in various sectors
- Gulf region/Europe and USA envisage strong growth

#4

#### Infrastructure Push

- Major public and private capex outlay in infrastructure, especially for airport, metros, Urbanisation, Jal Jeevan Mission, River Inter-Linking Projects, etc.

## VALUE-CREATION STRATEGIES FOR ACCELERATED MOMENTUM

### STRATEGIES

#1

#### Technology Upgradation

Constant investments in next-generation technology including setting up of 3LPE coating plant as well as the recently commissioned large dia section pipe with DFT technology.

#2

#### Increasing Share of Value-added Products

Focus on orders for high growth API pipes and exports of value-added products to strengthen market share, margins and profitability.

#3

#### Diversify Mix

Diversify customer mix and product mix to de-risk the steel price volatility.

#4

#### Cost Efficiencies

Continuous process improvement, energy saving and increase in yield for cost-effectiveness.

#5

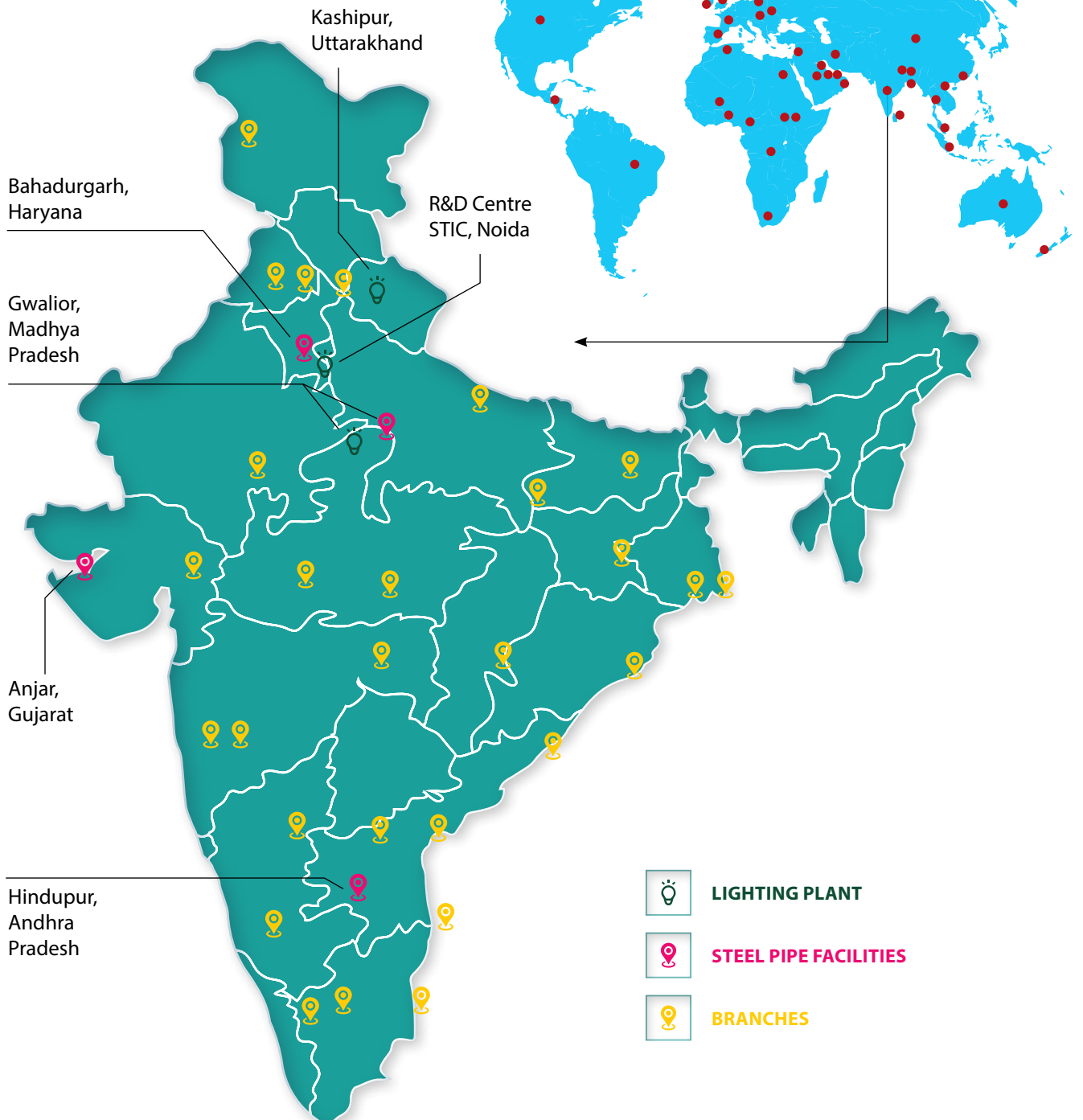
#### Brand Equity & Distribution Network

Enhance brand publicity and encourage consistent engagement with country-wide dealers, distributors, retailers and influencers.



# BUSINESS MAP

## Global Footprints



CORPORATE OVERVIEW

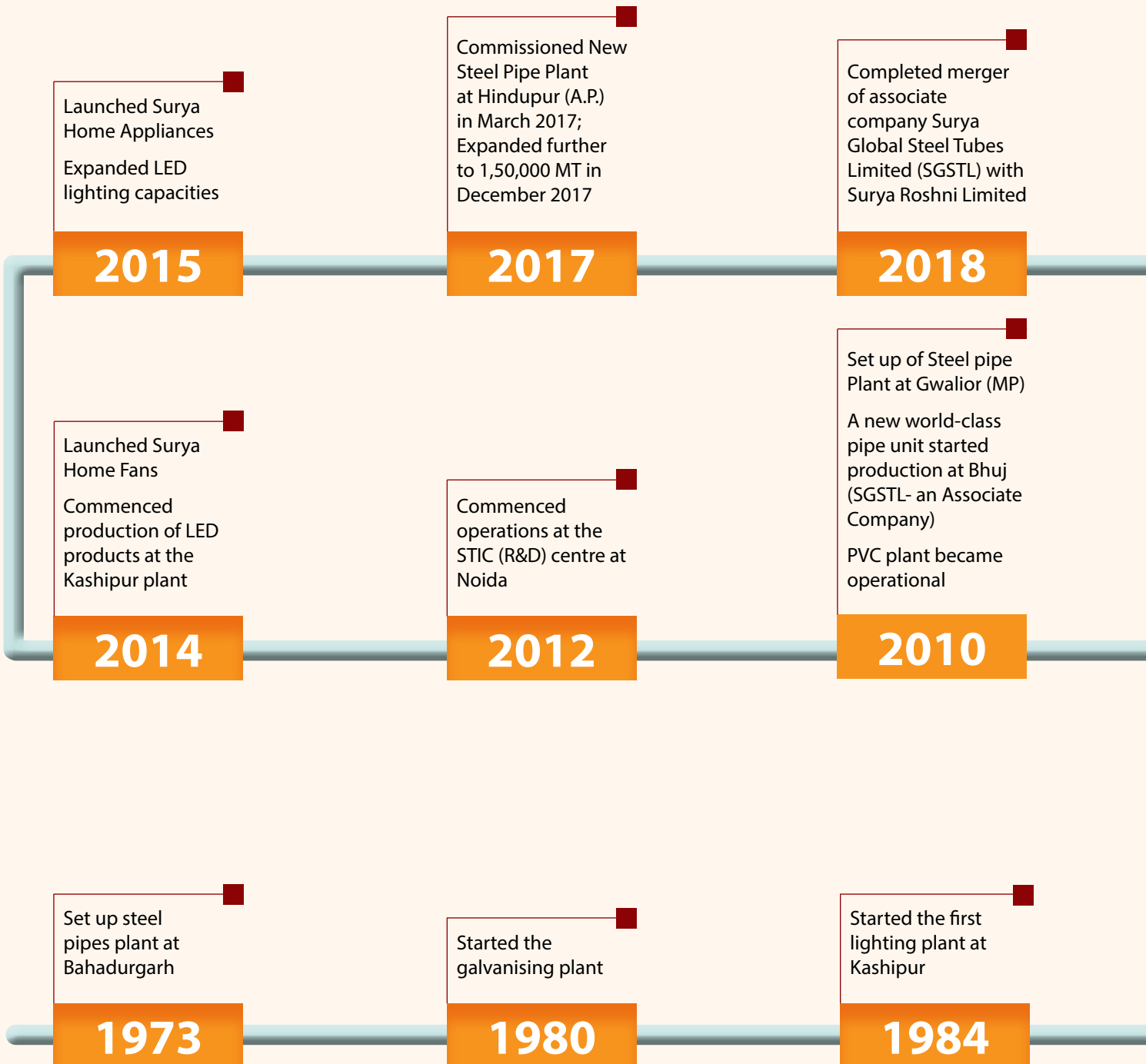
STATUTORY REPORTS

FINANCIAL STATEMENTS

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



## THE GROWTH JOURNEY



Commenced commercial production at the 3LPE Coated Pipe manufacturing unit at Anjar (Gujarat)

2019

Commenced commercial production of the second line of 3LPE Coated Pipe facility at Anjar (Gujarat) and third galvanised plant at Hindupur by enhancing capacities to 2,00,000 MT

2021

Commissioned large-dia section pipe facility with Direct Forming Technology (DFT) at Gwalior

2022

Installed CFL unit at Gwalior (MP)

2006

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

1998

Started the new modern glass plant

1994

Commenced production of HPSVL and energy-efficient 26mm FTL

1989

Commenced production of CR strips

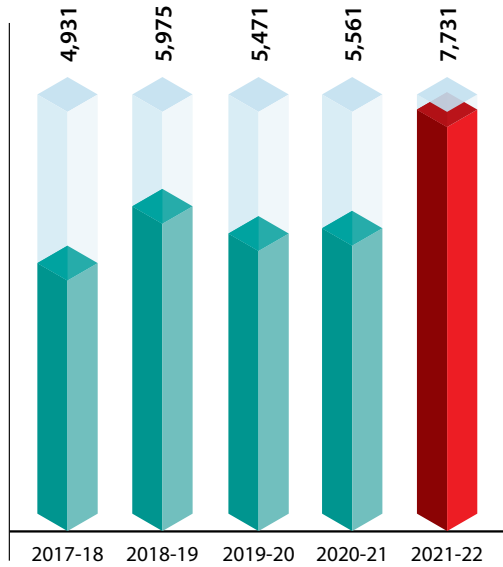
1991

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

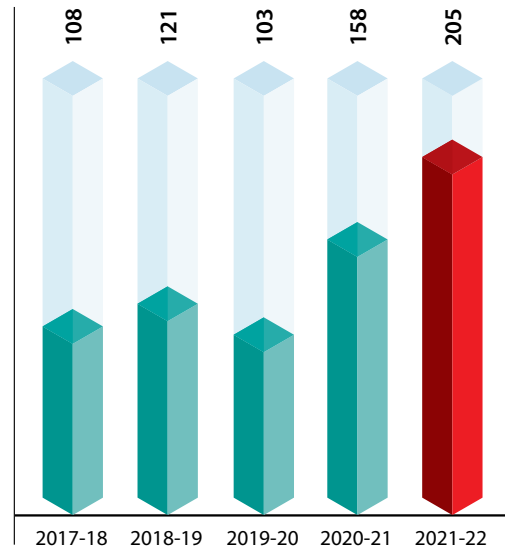
1992

## FINANCIAL PERFORMANCE

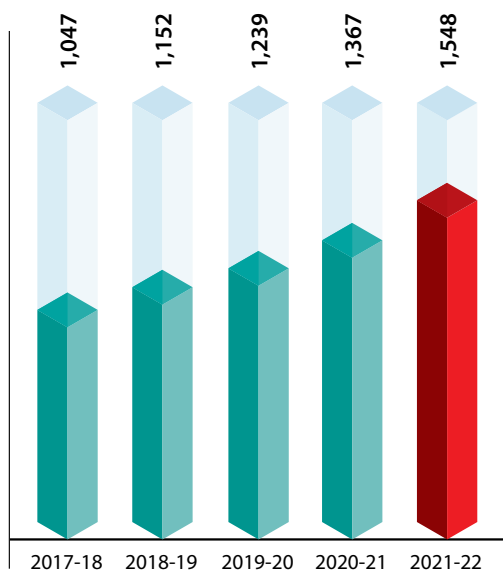
### Revenue from Operations (₹ crore)



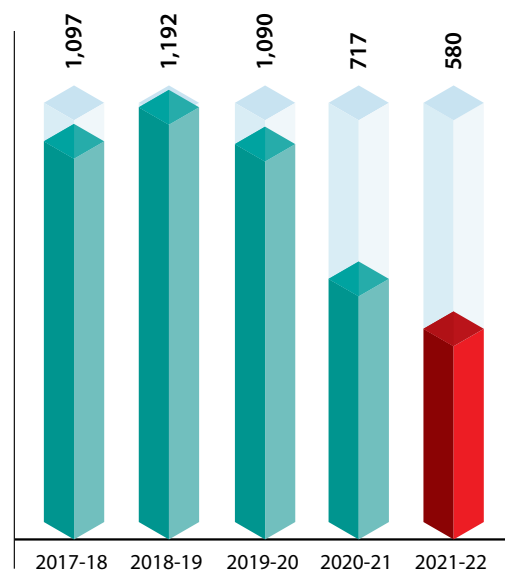
### PAT (₹ crore)



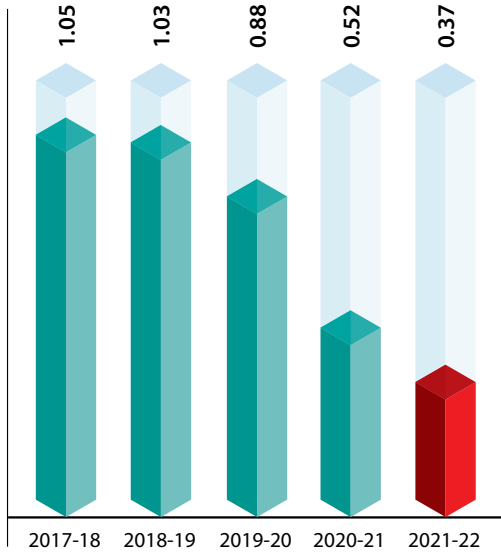
### Networth (₹ crore)



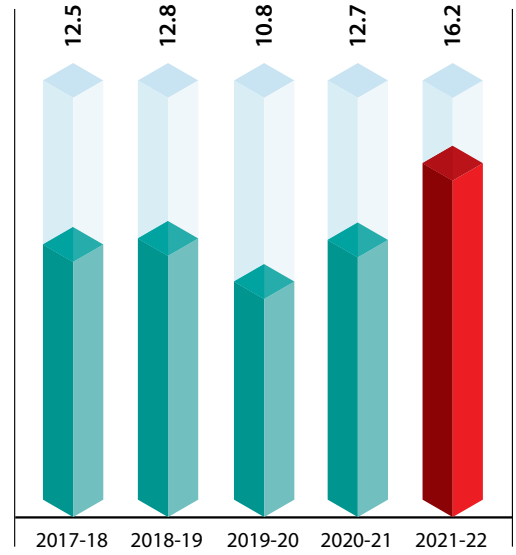
### Debt (₹ crore)



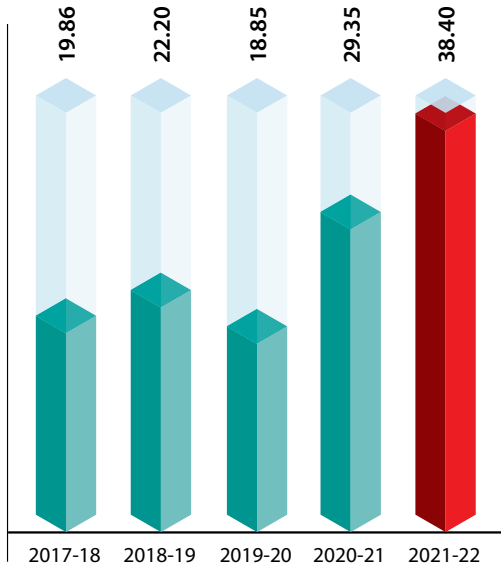
### Debt Equity



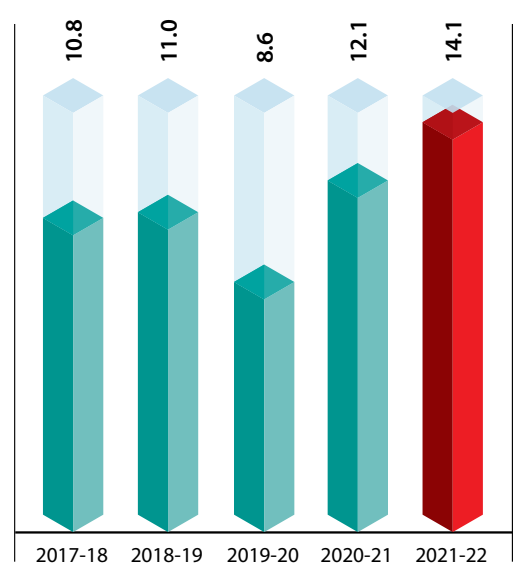
### ROCE (%)



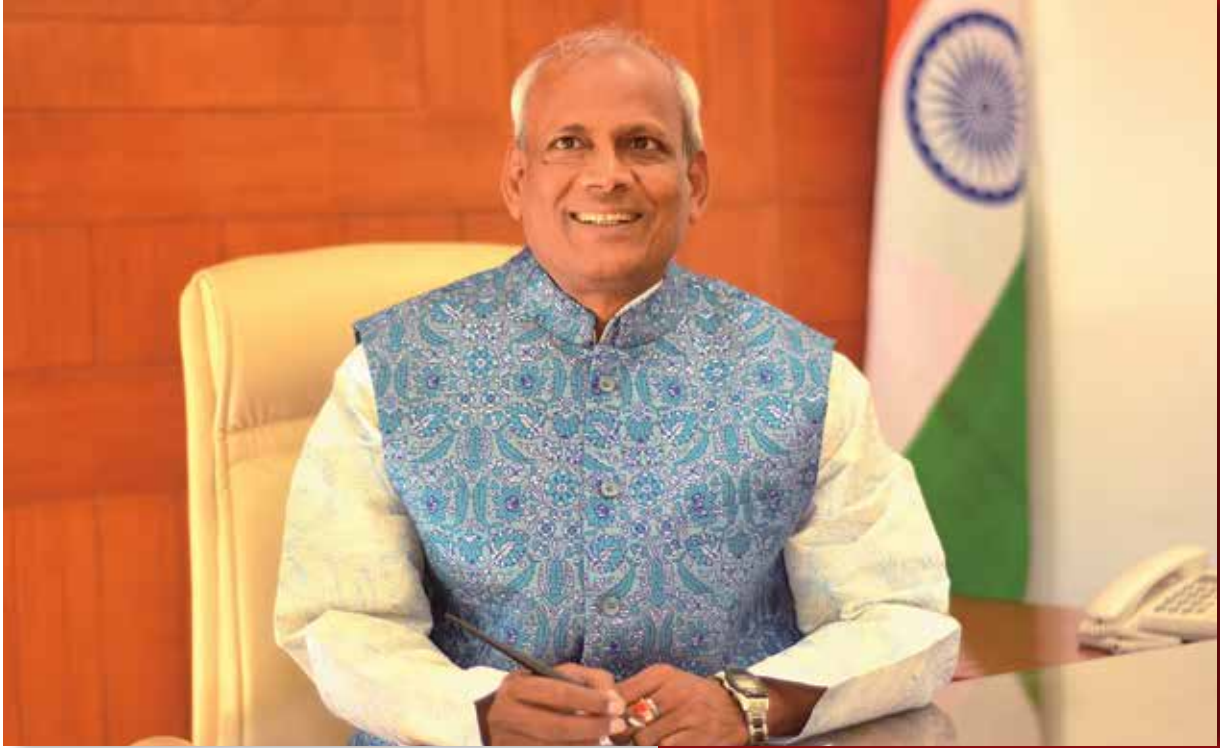
### EPS (in ₹)



### ROE (%)



## CHAIRMAN'S MESSAGE



### Dear Shareholders,

During 2021-22, the Covid-19 pandemic continued to pose challenges, particularly in the first quarter of the year. We continued to protect the wellbeing of our workforce and at the same time ensured uninterrupted business continuity. I have continued to be impressed by the dedication, commitment and resilience shown by our workforce in stepping up to all of these challenges. The last quarter of the year further faced challenges with respect to inflationary trends in the raw materials. The Company's Board and Management team demonstrated real ingenuity in navigating the uncertainties, as well as maximum flexibility and smart decision-making,

As we took swift action to pivot our operations, we continued to drive efficiencies and laid foundation for a strong and promising future. This was largely achieved through the strategic direction of the business that Surya Roshni has pursued since long before the pandemic. We are excited of the fact that we touched the magical milestone of USD 1 billion of revenues during the year, which incidentally happens to be the highest ever since inception. The outcome is the result of our team's relentless efforts and emphasis on innovation, product and market development, premiumisation and strong brand equity.

The industry opportunity across both our businesses have never been so exciting, considering the following encouraging developments which will generate demand for our Steel Pipes and Strips business.



**We are excited of the fact that we touched the magical milestone of USD 1 billion of revenues during the year, which incidentally happens to be the highest ever since inception.**



■ **Opportunities in the water segment:**

The ambitious 'Har Ghar Nal Se Jal' programme aims to provide safe and adequate drinking water to 150 million Indian households (approx. 0.5 million villages) by 2024. At present, only 48.53% of rural households have been covered. The 25% incremental capex for water and irrigation in the Union Budget 2022-23, further, strengthens the demand optimism we have from this segment.

■ **Opportunities in the Oil & Gas segment:**

India's refining capacities are expected to reach around 298 MT by 2025. The aggressive capacity expansion drive by the state refiners, worth ₹ 2 trillion (\$27 billion), shall further translate into a strong demand for oil and gas pipelines.

■ **Opportunities from the Natural Gas transition:**

Decarbonisation, climate change and emission discharge are extremely critical in today's time, necessitating the need of diversification of the energy mix. India is on course towards becoming a natural gas-based economy through aggressive expansion of its national gas grid to around 34,500 kms by 2024-25, from the current levels of around 21,735 kms. Besides, all the states are further targeted to be connected through a Trunk National Pipeline network by 2027. It augurs well for the demand of our steel pipe products.

■ **Opportunities in City Gas distribution:**

Favourable regulations has led to increasing participation from public & private sectors in the CGD market. This would result in aggressively expanding the coverage of CGD network across all the geographical areas, covering overall 70.86% of the cumulative population and 52.80% of the area of the country. This would lead to increasing pipeline demand across the country.

The transformation in the Indian lighting industry is led by increasing acceptance of LED lighting across residential, commercial as well as places of public usage like bridges and monuments. Over the last decade, LED has gained higher prominence, driven by energy efficiency regulations, widespread manufacturing and reduced prices of LED light sources. The World Green Building Council (World GBC) has further issued a bold new vision for buildings and infrastructure around the world to reduce carbon emissions by 2030, and achieve 100% net-zero emissions buildings by 2050. LED lighting is an important component in achieving net-zero goals by reducing energy consumption and carbon emissions. The LED evolution is further driven by growing urbanisation and increasing demand for aesthesis in illumination, coupled with next generation offerings aligned with IoT, human-centric lighting and wireless technology.

At Surya Roshni, we are witnessing multiple growth triggers supported by increasing mix of value-added products across segments, strengthened balance sheet, strong value propositions and cost rationalisation. With the commissioning of DFT technology, we are evenly poised to leverage the incremental export opportunities. In the lighting and consumer durables segment, we are competitively placed in the organised space with our new-age offerings, steadily maintaining our market share.

Our commitment to all aspects of sustainability is embedded in our founding principles — valuing our people, our partners, our communities and our environment. These strategic principles drive long-term value creation for all of us. Our sustainability strategy is an ongoing journey, and we plan to use our entrepreneurial, innovative spirit to continue to be a leader in the industry.

The passion and spirit of our teams compel us to a standard of excellence — to perform at the highest level. The entire Surya Roshni team delivered an outstanding performance during 2021-22. Our strategic growth and market

positioning over the last several years were integral to our performance. We achieved numerous milestones and performed at the top of our industry both operationally and financially. In order to reward the company's shareholders, the Board has recommended a dividend of ₹ 4 (40%) per equity share on the paid-up equity capital for the year 2021-22 subject to the approval of shareholders at the ensuing AGM.

As we look to the future, we see opportunity. With our strong financial foundation and operational acumen, we are distinctively positioned to embrace the momentum from our current operations, while successfully executing current and future strategic growth initiatives. I would like to thank all our customers, stakeholders, shareholders, bankers and our team for their unending support and faith in the Company's ambitious goals. We look forward to a continued association and achieve newer and higher value-accretive outcomes.

Best Wishes,

**Jai Prakash Agarwal**

Chairman

## IN CONVERSATION WITH THE MANAGING DIRECTORS



**Raju Bista (RB)**



We have made both the businesses, independent and self-sustaining in terms of profitability, debt servicing and investment for growth.



**Vinay Surya (VS)**

Raju Bista (RB) and Vinay Surya (VS), Managing Directors, share their perspective on the current developments and future plans.

### How has the year 2021-22 unfolded ?

**RB**

It was an extraordinary year with numerous achievements, both operationally and financially, culminating into a vibrant growth. We executed our strategic initiatives, while continuing to strengthen an already sound financial foundation and efficiency drive. We strategically continued to enhance our product mix through growing share of value-added products across Steel Pipes, Lighting and Consumer Durables. The result is visible in our numbers with revenue, EBITDA and PAT witnessing 39%, 17% and 29% annual growth, respectively.

### How have both the businesses performed ?

**RB**

The Lighting and Consumer Durables segment reported annual revenue of ₹ 1,333 crore, growing by 7%. The growth momentum was largely driven by strong traction towards the new age product lines with special focus on LED battens and LED down-lighters, registering a volume growth of 50% and 100%, respectively.

The Steel Pipes and Strips segment reported annual revenue of ₹ 6,402 crore, growing by 48%, while EBITDA/MT strengthened to ₹ 4,648 from ₹ 3,525. The improvement in realisations was a result of higher steel prices and increasing share of margin accretive API pipes and exports. I am happy to announce that we recently inaugurated large-dia DFT manufacturing facility at Gwalior as per our planned schedule.

**VS**

The last two years have challenged us to cope with uncertainties and allowing us to recalibrate our strategies for higher levels of performance. This resilient performance is an outcome of our operational excellence, financial prudence, professional management, healthy balance sheet and cost optimisation. It has resulted in strong cash generation with constantly improving working capital cycle. Today we are competitively placed to leverage the industry opportunities and are strategically positioned to achieve our long-term vision.

**VS**

In the Lighting and Consumer Durables segment, we continued to launch premium products as per market needs. In the Fans segment we witnessed steady demand on account of a severe heatwave situation across the country. During the year, we further faced cost escalation challenges owing to higher commodity prices and other input costs. However, as a mitigation measures, we undertook multiple price hikes to pass on the cost to the customers.

In the Steel Pipes and Strips segment, our Company's strategic focus on premium products and geographical diversification of plants further led to an improvement in profit margins. Our DFT manufacturing facility at Gwalior, will further enhance our margin profile with extensive export opportunities.

## What has been the implication on the Company's overall financial soundness ?

RB

I am delighted to mention that our Company's debt equity has reduced to 0.37x from 0.52x owing to financial prudence. With only short-term working capital debt, we are now in a strong position to further deleverage our position from hereon. We also successfully reduced our working capital days to 58 from 73 in the previous fiscal owing to our efficiency collection process and proactive management of global supply chain challenges.

VS

I would further add by stating that we have made both the businesses, independent and self-sustaining in terms of profitability, debt servicing and investment for growth. This would lead to consistent future growth in revenue and profitability, coupled with upgrades in credit ratings. Besides, we will continue to aggressively drive Channel Financing and further ensure savings in purchases through effective negotiations.

## Mention about any other support initiatives that have been favourable and will further aid in the long-term growth ?

RB

In a bid to introduce technology in our daily operations, we rolled out Salesforce Automation (SFA) across all the regions. The result has been encouraging as it has started contributing to productivity enhancement with a focused approach towards bringing down replacement cost. Our intensified efforts in advertising and branding has allowed us to transform into modern, innovative and stylish brand.

VS

We will further continue to focus on participating in multiple Smart Lighting projects in Professional Lighting, besides strengthening our presence in the semi-urban and urban distribution network, which is now one of the largest in the industry. We have further strengthened our internal operating system through implementation of SAP, thus allowing ourselves to adopt digital means and drive higher efficiencies.

## What do the investors expect from hereon ?

RB

As we move ahead, it is vital that we continue to reinvent ourselves to deliver differentiated offerings to our customers by focussing on strengthening our operations across both the businesses. In Lighting and Consumer Durables business, we will continue to focus on enhancing profit margins, by improving product mix and growing share of premium products and smart lighting as per market demands, as we steer the business forward.

In the Steel Pipes and Strips business, our strong order book for exports, API coated pipes & spiral pipes shall strongly contribute to our revenues and improve our profit margins.

VS

In Lighting and Consumer Durables business, we will intensify our publicity activities through multiple advertisement, social media marketing and branding campaigns for strengthening the brand visibility. With the upcoming festive season, we will add new products in lighting and further leverage upon the incremental demand and drive our revenues and profitability.

In the Steel Pipes and Strips business, we are further optimistic about improving product mix and strengthening our export presence for the large dia section pipes that would be manufactured through our DFT technology. We have already witnessed strong order flow and are expected to achieve 100% utilisation levels in the coming fiscal.

## Any closing thoughts ?

RB

As we entered 2022, we remained confident that market conditions are in place to benefit organised players like us. With firm demand drivers in place, we believe that there will be continued growth in our end markets. We are excited about the accelerated growth momentum in the long term along with value creation through geographic and value-added product diversification and strong financial acumen.

VS

We are squarely focused on returning value to our teams, customers and shareholders through high return transactional initiatives, while also maintaining a positive dividend profile. We assess opportunities for growth, not only for the benefit of top line revenue improvement, but more importantly, for consistency and improvement of bottom line earnings.



## BOARD OF DIRECTORS



**MR J. P. AGARWAL**  
Executive Chairman

Mr J. P. Agarwal is the driving force behind creating Surya Roshni as one of the most reputed, trusted and successful companies. He has been honoured with the highly prestigious Padma Shri Award by the Government of India



**MR RAJU BISTA**  
Managing Director

Mr Raju Bista is a young and dynamic leader. His discipline, dedication, visionary power and relentless efforts provided new dimensions and directions that have helped the Company in achieving new heights. He is the past President of ELCOMA, and presently a Member of Parliament



**MR VINAY SURYA**  
Managing Director

Mr Vinay Surya is an M.B.A. from Swinburn University, Australia and possesses vast experience of over 24 years in Marketing, Exports, Commercial, Financial & Operational fields



**MRS URMIL AGARWAL**  
Director

Possesses over four decades of experience with sound business acumen & understanding of both the businesses of the Company



**MR K. K. NARULA**  
Independent Director

Ex-Chief General Manager, SBI. He is also the Chairman of the Audit Committee



**MR T.S. BHATTACHARYA**  
Independent Director

Ex-MD, SBI has an illustrious professional career in Banking and Financial sector



**MR S S KHURANA**

Independent Director

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



**MR S K AWASTHI**

Independent Director

Ex-Managing Director of PNB Capital, worked in various Senior Level Positions in banking sector



**MR SUNIL SIKKA**

Independent Director

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



**MR PRAMOD JAIN**

Independent Director

Possesses deep rooted knowledge of Income Tax, Corporate Laws, LLP, Audits, Peer Review, Quality Review etc. He is a central council member of ICAI since 2019



**MS SURUCHI AGGARWAL**

Independent Woman Director

Ms. Suruchi, a renowned and eminent practicing Advocate in the Supreme Court of India, Delhi High Court and other Courts



**MR KAUSTUBH N KARMARKAR**

Whole Time Director

Whole time Director, with vast experience of over 23 years in the field of Management & Human Resources and Planning

## COMPOSITION OF COMMITTEES

### AUDIT COMMITTEE

- Mr Krishan Kumar Narula, Chairman
- Mr Tara Sankar Sudhir Bhattacharya, Member
- Mr Surendra Singh Khurana, Member
- Mr Pramod Jain, Member
- Mr Vinay Surya, Member

### STAKEHOLDER'S RELATIONSHIP COMMITTEE

- Mr Krishan Kumar Narula, Chairman
- Mr Pramod Jain, Member
- Mr Raju Bista, Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- Mr Krishan Kumar Narula, Chairman
- Mr Jai Prakash Agarwal, Member
- Mr Raju Bista, Member
- Mr Kaustubh N Karmarkar, Member
- Mr Pramod Jain, Member

### NOMINATION AND REMUNERATION COMMITTEE

- Mr Krishan Kumar Narula, Chairman
- Mr Surendra Singh Khurana, Member
- Mr Pramod Jain, Member
- Mrs Urmil Agarwal, Member

### COMMITTEE OF DIRECTORS

- Mr Krishan Kumar Narula, Chairman
- Mr Raju Bista, Member
- Mr Sunil Sikka, Member
- Mr Pramod Jain, Member
- Mr Vinay Surya, Member

### RISK MANAGEMENT COMMITTEE

- Mr Krishan Kumar Narula, Chairman
- Mr Sunil Sikka, Member
- Mr Kaustubh N Karmarkar, Member
- Mr Vinay Surya, Member
- Mr Pramod Jain, Member
- Mr Tarun Baldua, ED & CEO (Steel Operations)

## KEY MANAGERIAL PERSONNEL



**MR TARUN BALDUA**  
ED & CEO - Steel Operations

Mr. Baldua is a qualified CA with over 3 decades of experience in commercial and several businesses. He is also the Vice President of Indian Pipe Manufacturers Association (IPMA).



**MR B B SINGAL**  
CFO & Company Secretary

A qualified Chartered Accountant, Company Secretary and Cost Accountant with vast experience of more than 27 years in Corporate Accounts Finance, Corporate Affairs, Taxation, Secretarial Functions and Financial matters.

# CREATING A POSITIVE SOCIAL CHANGE

Surya Roshni aims to continuously contribute to the prosperity of its local communities and long-term sustainability. Thus, Sustainability and Corporate Responsibility (CSR) forms an integral part of the Company's daily operations. The dedicated CSR arm – Surya Foundation – discharges the responsibilities in the fields of health, skill development and education.

Besides, other activities include personality development camp, tree plantation in rural areas, sports tournament, selai kendra, swatchta abhiyan, blood donation camp, national youth day celebration, go-utpaad training camp, dakshta varg, madhu makhi training camp and diary training camp, among others.

**₹ 3.53 crore**  
CSR spends in 2021-22

GRAM GAURAV MELA



MINI PDC



SPORTS TOURNAMENT



SWASTHYA SHIVIR



BHUMI SUPOSHAN



## CREATING A POSITIVE SOCIAL CHANGE

PASHU CHIKITSA



THAILA VITRAN



CHITRAKALA



SELAJ KENDRA



POSHAN VATIKA



PLANTATION



# CORPORATE INFORMATION

## REGISTERED OFFICE

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

## HEAD OFFICE

2<sup>nd</sup> Floor, Padma Tower - 1,  
5, Rajendra Place, New Delhi - 110008  
E-mail : cs@surya.in

## WORKS - STEEL DIVISIONS

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

## WORKS - LIGHTING DIVISION

- 7 k.m. Stone, Kashipur - Moradabad Road  
District Udham Singh Nagar,  
Kashipur - 244713 (Uttarakhand)
- J - 7, 8 & 9 Malanpur Industrial Area  
Malanpur, District Bhind (Madhya Pradesh)

## STATUTORY AUDITORS

Ashok Kumar Goyal & Co.  
Chartered Accountants

## COST AUDITORS

R. J. Goel & Co.

## BANKERS

1. State Bank of India
2. HDFC Bank Limited
3. Bank of Baroda
4. Union Bank of India
5. Punjab National Bank
6. Canara Bank
7. IDBI Bank Limited
8. DCB Bank Limited

## MANAGEMENT DISCUSSION AND ANALYSIS



### PART I

#### COMPANY REVIEW

Incorporated in 1973 as Prakash Tubes Private Limited, Surya Roshni has constantly evolved and emerged into a USD 1 billion (₹ 7,731 crore) organisation. Driven by the exemplary leadership of Mr. J.P. Agarwal, the organisation has achieved strong leadership position across both its businesses of Steel Pipes & Strips and Lighting & Consumer Durables.

The Company commenced its operations in 1973 as a Steel Pipe manufacturing unit from Bahadurgarh (Haryana). In 1985, the Company diversified into manufacturing lighting products and established its facilities at Kashipur (Uttarakhand). It further diversified into PVC pipes in 2010 and into consumer durables such as fans and home appliances in 2014-15. The Company's brands 'Surya' (for lighting and consumer durables) and 'Prakash Surya' (for steel pipes and strips) enjoy strong customer recall across India as well as over 50 countries worldwide.

Under the Steel Pipes & Strips segment, the Company manufactures diversified range of products that are used across agriculture, infrastructure, oil & gas, water and construction sectors. The steel pipes manufacturing facilities are located at Bahadurgarh (Haryana), Malanpur (Madhya Pradesh), Hindupur (Andhra Pradesh) and Anjar (Gujarat). The cold rolled (CR) strips and electric resistance welding (ERW and spiral pipes of various grades and coated pipes) are manufactured at its recently established 3LPE coating line at Anjar (Gujarat). Today, the Company enjoys strong industry leadership by being India's largest manufacturer of GI pipes and the largest exporter of ERW pipes. Moreover, the oil & gas sector offerings

are approved by the American Petroleum Institute (API). The Company stands to benefit from the evolving opportunities across its end-user segments in India and across the world from regions like the Middle East, Europe, Africa and Asia. The 3LPE coating line, will further allow the Company to address the opportunities in the Oil & Gas and City Gas Distribution sector.

Under the Lighting and Consumer Durables segment, the Company manufactures an array of products ranging from conventional lighting to professional lightings. These include light-emitting diode (LED) Lamps, LED street lights, fluorescent tube lights (FTL), general lighting service (GLS) lamps, high-intensity discharge (HID) lamps. Established with a vision of Lighting Every City Every Home, the Company has constantly responded to the industry demands. As a result, today the Company has emerged as the second-largest lighting company in India. It has also successfully catered to the 'conventional lights to LED transition', as its products are widely accepted amongst the masses. The success is strongly complimented through the R&D facility at Noida that consistently focuses on delivering innovation in the LED segment. Under the consumer durable business offers a variety of fans and home appliances such as mixer grinders, induction cooktops, toasters, irons, water heaters and air coolers, among others. It is steadily enhancing its presence into the 'fast-moving electrical goods' (FMEG) space.

The Company's strong dealer and distributor network, allow itself to reach across the nation, especially into the tier II, tier III and rural areas. It has consistently created value for its stakeholders on the back of strong brand equity, consistent quality, innovations, robust financials, efficiencies and professional management.

## PART II

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The financial year 2021-22, witnessed India's swift and substantial policy responses to the pandemic, including fiscal support, economic reforms, privatisation initiatives and several other growth-supporting reforms. The impact of second and third wave of the pandemic were tackled with mass vaccination drive which further led to revival of key sectors and overall consumer demand. Besides, gains from supply side reforms, easing of regulations, robust export growth, ramped up capital spendings and Government's constant endeavours towards building a self-reliable and sustainable India, immensely added to the strong recovery. According to IMF's projections, India is expected to achieve a fairly robust growth of 8.2%, making it the fastest-growing major economy in the world, almost twice faster than China's 4.4%. Besides, strong economic fundamentals will likely help India avoid the long-term impacts of the ongoing conflict in Ukraine.

Surya Roshni is positively placed to leverage the strong growth optimism through its established brand, diversified product portfolio across both the businesses and presence across rural and, semi-urban areas.



### A) STEEL TUBES AND PIPES

#### OVERVIEW

The crude steel production in India for FY22, is estimated to increase by 18%, to reach 120 million tonnes, driven by rising demand from the end users. India continued to maintain second position globally in the steel production. The industry has been witnessing surge in the raw material prices, leading to price increase in the end product. At Surya Roshni, steel comprises of the key raw material for the manufacturing of high quality tubes and pipes. The Company sources best quality raw materials from some of India's renowned suppliers. Over the years, the Company has built the product portfolio in such a way that approximately 50% of the products are sold in advance and the balance is sold from inventories, thus de-risking from price fluctuations and passing on the price increase to the market.

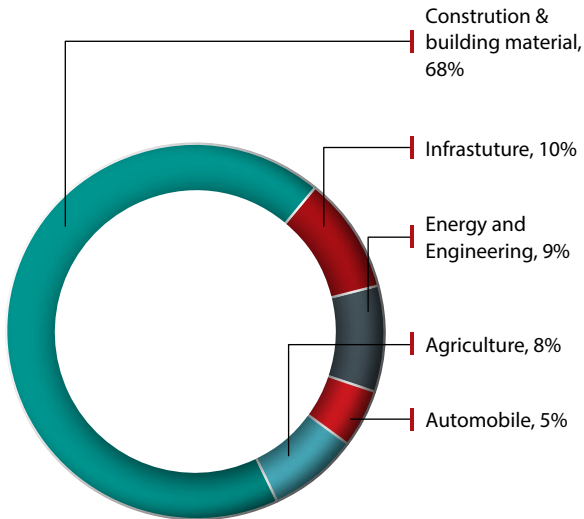
Today, India accounts for third-largest production of steel pipe globally, accounting for 8 to 10% of the steel consumption. It has witnessed a double-digit growth over the last five years and is currently estimated to be around ₹ 60,000 crore. The Indian Steel Tubes and Pipes can be classified into ductile iron, seamless and welded pipes. Welded pipes can be further classified into Submerged Arc Welded (SAW) and Electric Resistant Welded (ERW). The ERW pipes comprises galvanised, black and hollow section and find its application across sewage transportation, last mile gas distribution, automobiles, construction commercial buildings (airport, malls, metros), bus body, greenhouse structures, sprinklers and prefabricated structures, among others.

The ERW pipes is considered to be the fastest-growing segment in the steel pipe industry, growing over 5% annually in the past five years and catering to the domestic demand of 8-10 million tonnes per annum. Within ERW pipes, structural steel tubes segment is expected to grow at a faster pace. Globally, structural steel tubes account for around 10% of total steel consumption. However, India's share is only 4%, indicating strong growth potential.



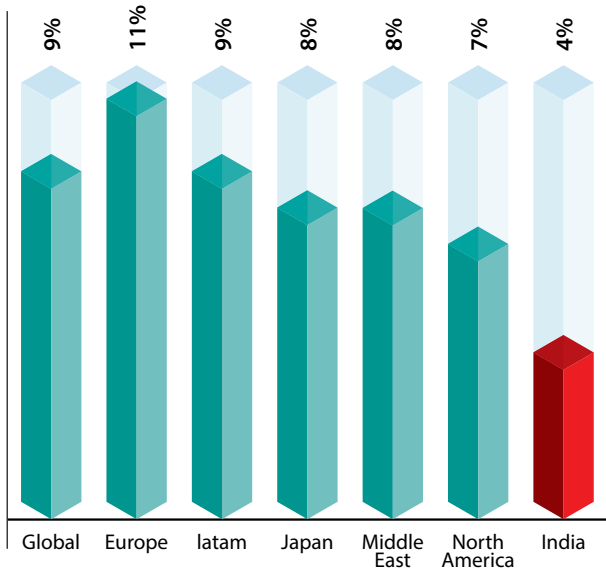


## ERW PIPES AND ITS APPLICATIONS



(Source: IDBI Capital Research)

## STRUCTURAL STEEL AS % OF STEEL CONSUMPTION



Moreover, competitive pricing, high quality and locational advantage shall further drive export demand from countries like US, Europe, Malaysia, Thailand, the Middle East, and Indonesia. Going ahead, sectors like oil & gas, water transportation, fire-fighting, construction, infrastructure and furniture, among others, are expected to further drive the demand.

## OPPORTUNITIES AND GROWTH DRIVERS

### WATER

India's water scarcity is one of the biggest challenges of future as only 4% of the world's freshwater resources is available for 18% of world's population. Besides, lack of access to freshwater through rivers, lakes and ponds across the country has led to overdependence on groundwater for source of freshwater. This over-reliance and unsustainable consumption have made India the world's largest extractor of groundwater consuming 124% more groundwater than China or US. According to Niti Aayog, India's water demand is projected to be twice the available supply, leading to severe water scarcity for hundreds of million of people, and an eventual 6% loss in the country's GDP. Besides, climate change, propelled by a rapidly growing population and industrialisation is another threat which points to an imminent water crisis in India. Besides, three-fourths of India's rural households do not have piped, potable water and rely on sources that pose a serious health risk. Moreover, increased contamination and pollution is further impacting the major rivers.

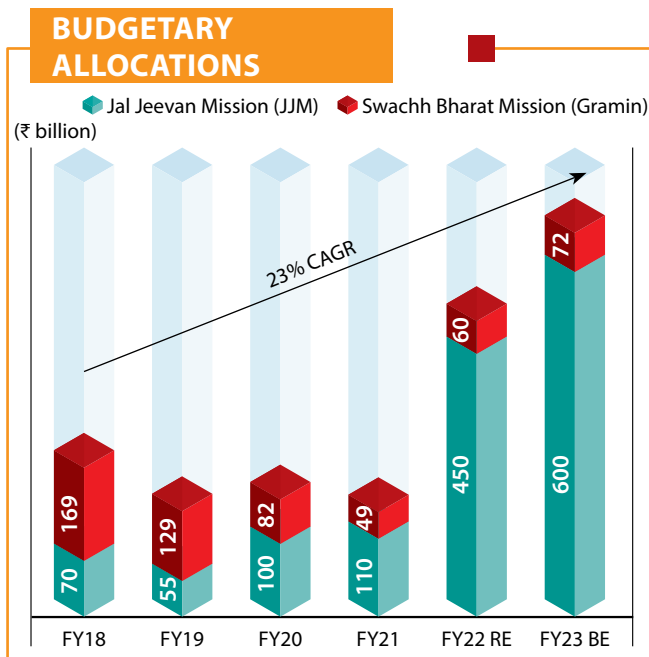
The Indian Government has allotted a sizeable budget towards creation of world class infrastructure for irrigation and drinking water supply. It is increasingly focusing on water conservation across 256 districts through rainwater harvesting, renovation of water bodies, reuse and recharge structures and watershed development. The Ministry of Jal Shakti (MJS) launched National Jal Jeevan Mission (NJJM), which aims to provide 'Functional Household Tap Connection (FHTC)' to every rural household by 2024, with a service level of 55 litres per capita



per day (lpcd). This scheme is also known as 'Har Ghar Nal Se Jal' and aims to provide safe and adequate drinking water to 150 million households (approx. 0.5 million villages) by 2024. As of April 2022, India's coverage of rural households with tap water connections is 48.53%.

(Source: [https://economictimes.indiatimes.com/news/india/groundwork-for-providing-tap-water-connections-to-rural-households-at-very-advanced-stage-official/articleshow/90620536.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/india/groundwork-for-providing-tap-water-connections-to-rural-households-at-very-advanced-stage-official/articleshow/90620536.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)).

The Union Budget 2022-23, further, strengthens Government's impetus on capex for water and irrigation segments by 25% annually, raising budgetary allocation towards Ministry of Jal Shakti to ₹ 862 billion.



(Source: Budget22-23, YES Securities Report)

The Centre has initiated creating the National Interlinking of Rivers Authority (NIRA), an independent autonomous body for planning, investigation, financing and the implementation of the river interlinking projects in the country. It will play a crucial role in interlinking projects across 60 rivers through reservoirs and canals, leading to an increase in irrigation land by about 15%.

The huge opportunity in the water segment augurs well for Surya Roshni owing to its ready capacities for GI pipes and strong presence in the interiors of India.

### OIL & GAS

The demand for steel pipes is largely driven by the oil & gas sector. The sector has rebounded strongly throughout 2021, with oil prices reaching their highest levels in six years, leading to a better than expected recovery. As we move into 2022, several oil and gas companies are looking to reinvent themselves by practicing capital discipline, focusing on financial health, committing to climate change, and transforming business models. Besides, the Governments across the world are also focussing on solidifying the infrastructure through project in water and sewage systems and oil and gas pipeline networks. The oil prices and recovery will further generate steady demand from this segment over the medium term.

The Indian energy demand is anticipated to grow by 50% in the next two decades. This growth in demand can be attributed to the growing population and an improvement in living standards. Even though new and renewable energy sources are gaining popularity around the world, petroleum fuel remains a major energy source globally. This trend is expected to continue for the next few decades and favour the growth of the oil and gas downstream market, leading to higher demand for the segment. Presently, India has world's fourth largest



refining capacities of 250 million metric tonnes (MMT). These capacities are expected to increase to 298 MMT a year by 2025, on the back of strong investments worth ₹ 2 trillion (USD 27 billion) planned by the Indian state refiners.

(Source: <https://www.reuters.com/world/india/indian-firms-plan-invest-27-bln-boost-refining-capacity-by-2025-2021-08-04/>)

Decarbonisation and diversification of the energy mix are extremely critical in combating increasing emission risks and climate change in India. With India aggressively building its gas infrastructure, natural gas finds multiple uses in India's energy system, including meeting air quality and near-term emissions goals. Thus, the country is on course in becoming a natural gas-based economy by increasing the share of natural gas in the country's energy basket from around the current levels of 6% to 15% by 2030. The national gas grid at present has total of 21,735 Kms of pipelines being laid up as on September 2021, as a part of the Gas Grid Expansion. India further targets increasing the pipeline coverage by ~60% by 34,500 km by 2024-25. All states are targeted to be connected by a trunk national pipeline network by 2027.

(Source: <https://www.investindia.gov.in/sector/oil-gas>)

In addition to this long-distance pipeline network, India has ambitious plans to enhance domestic gas production by developing a strong eco-system of gas infrastructure across the nation through City Gas Distribution (CGD). It would cater to households, commercial establishments and factories within the city. With an increasing number of favourable initiatives taken in the CGD sector by the Government of India, rising number of companies are being authorised and granted licenses in Round 9 and 10 to operate in CGD industry in different geographies across the country. The new and revised regulations helped in gaining more participation from public & private sectors in the CGD market, thereby aiding in expanding the coverage of CGD network to 228 geographical areas covering overall 70.86% of the cumulative population and 52.80% of the area of the country. This would further translate into increasing pipeline demand across the country.

Surya Roshni is competitively placed to leverage the demand potential from the oil & gas segment. The Company would cater to this demand through its offering in API, 3LPE Coated and Spiral Pipes. Besides, it also benefits from the CGD opportunity as it is already an established player in delivering premium products to this segment.

## AUTOMOBILES

The automobile segment continued to witness increasing vehicle registration owing to growing preference for personal mobility and gradual pent up demand. Motor vehicle manufacturers announced and/or executed new investment projects to capture the demand from first time buyers in the domestic market. However, increasing raw material cost and global shortage of semi-conductors have temporarily halted

the overall strong momentum. The trends in the global automotive industry is moving towards the production of electric vehicles. The Indian Government has launched programmes such as FAME II and BS VI norms to promote the production and commercialisation of electric vehicles.

Surya Roshni caters to the tailor-made requirements of the automotive segment through its narrow range CR sheet offerings.



## EMERGENCE OF ORGANISED PLAYERS

The organised sector has been highly preferred from the customers owing to larger production capacities and strict control on quality. Besides, these companies can also alter their production volume according to the situation of the demand which was largely witnessed during the pandemic. The decreasing share of unorganised and small players and increasing dominance of larger players is expected to favour organised players like us. It will lead to better pricing power and margins especially in ERW segment which has been the most fragmented segment historically.

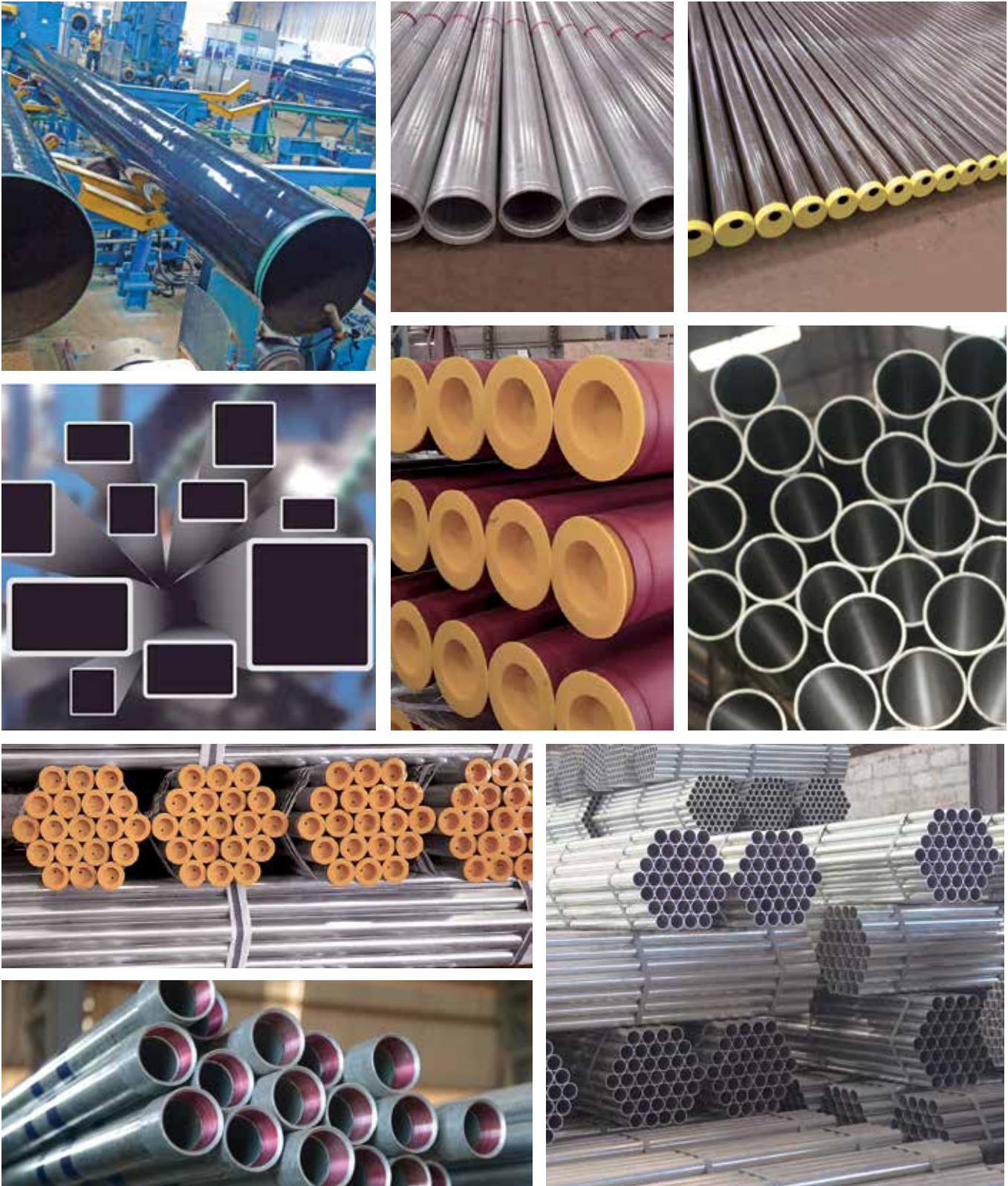
## EXPORTS

India continues to be favoured as an alternative sourcing destination by several global majors. The Government's consistent endeavours towards promoting domestic manufacturing through initiatives like Make in India and Atmanirbhar Bharat, favours well for Surya Roshni. The Company has already marked its presence across several countries in the Middle East and it is further making gradual inroads across Australia, Singapore, South East Asia and the UK. Products like GI Pipes and Coated Pipes are largely exported and find its applications across fire-fighting, water transportation and seaside pipelines. Further, with the DFT technology facility of Malanpur set, the Company would leverage the opportunity from the US and Canada for the 'inch-to-inch' markets of section pipes.

## INFRASTRUCTURE

The road to development for any nation depends directly on the infrastructure development. It forms a strong backbone of every economy and is a distinguishing factor between developed and developing nations. With Government's ambitious target of making India a USD 5 trillion economy, there is a huge impetus given towards the infrastructural spend. With the announcement of a 35.4% increase in public

capital investment, the Union Budget 2022-23 has laid down the path for a capex driven growth during India's Amrutkaal (i.e., the 25-year long period leading up to the 100<sup>th</sup> anniversary of Indian independence). Surya Roshni is ready to cater to this demand through its higher diameter, higher thickness and high strength pipes.



## B) LIGHTING AND CONSUMER DURABLES

### LIGHTING

#### OVERVIEW

India's lighting segment has been witnessing a 360 degree turnaround. From being a source of just emitting light, it is now an important element of uplifting the aesthetic value of both interiors as well as exterior design and structure. Versatility, energy efficiency, and accessibility are at the forefront of lighting technology innovation in India. The technological advancements in LED lighting in the recent years have far surpassed the traditional lighting. Its eco-friendly nature and energy efficiency of over 80% over traditional lighting such as fluorescent and incandescent lights further makes LED as the preferred choice of the customer. Besides being pocket-friendly, it also adds aesthetic value to the premises it gets installed. Less energy use also reduces the demand from power plants and decreases greenhouse gas emission and carbon emissions. LED lights have emerged as a powerful source for lighting over the past several years and are gradually being preferred over conventional lights. Despite being still considered as a nascent

stage of LED evolution, it offers innumerable opportunities for growth over the next few decades.

India's LED lighting market is at a very promising stage. It has been steadily moving towards an energy-efficient society. Government's strong drive towards rural electrification, infrastructure development, upgradation of public lighting systems, construction of new homes along with installation of smart and connected energy-efficient lighting, augurs very well for the growth of this segment. The Indian lighting industry witnessed massive growth in the LED lighting and is expected to touch USD 5 billion in the next 5 years. Reducing imports from China for LED lighting will further benefit the domestic manufacturers. PLI for LEDs shall further reduce dependence on imported components, while the 'Make in India' drive will drive home strong opportunities for the branded players.



There is also an increasing focus by the Government towards energy conservation and efficiency through initiatives such as the Unnat Jyoti by Affordable LEDs for All (UJALA) programme and Street Lighting National Programme (SLNP), offering LEDs at subsidised cost and LED installation projects for streetlights, respectively. Both the programmes are being implemented by Energy Efficiency Services Limited (EESL), a joint venture of PSUs under the Ministry of Power, Government of India. As per the National UJALA Board statistics of April 2022, over 367 million LEDs have been distributed across the nation which has led to an annual savings of ~47,785 million kWh energy, approximately 9,567 MW of peak demand, translating into ₹ 19,114 crore cost reduction and estimated GHG emission reduction of 38.70 million tonnes CO<sub>2</sub> annually.

The next phase of evolution will be driven by interesting technological innovations. The LEDs are witnessing integration of advanced technologies such as IoT, LiFi and VLC. In addition, the increasing initiatives to establish smart cities in the country coupled with façade lighting, monumental lighting and connected lighting, will transform the future of lighting.

## CONSUMER DURABLES

### OVERVIEW

#### FANS

Fans are considered to be one of the fastest-moving electrical appliances and is almost indispensable in Indian homes and offices. The product witnesses high-market-penetration and strong purchase priority amongst durables. The sector is currently valued at approximately ₹ 8,000 crore (USD 1.07 billion) producing around 60 million units each year.

(Source: Ibef)

The Indian fan markets broadly comprises ceiling fans, table fans, pedestal fans and wall fans. The demand for fans is expected to be driven by growth in the housing sector, developments in the commercial, real estate and hospitality sectors, rising income levels of the consumers and improved electricity outreach. The segment is also expected to witness demand from premium and value-added smart fans with lighting, decorative, anti-dust, anti-noise and anti-bacterial features.

#### DOMESTIC APPLIANCES

The domestic appliances segment continued to witness a steady growth largely owing to evolving lifestyles, emergence of increasing working couples, nuclear families, single-person households, along with the migrant working population. Besides, new homes and offices coupled with increasing hybrid culture of working will continue to drive the volumes. The Government's Aatmanirbhar Bharat and Production-Linked Incentive (PLI) schemes shall give the desired boost to the domestic manufacturers of domestic appliances to cater to the increasing demands.



#### PVC PIPES

India's PVC pipes segment depends largely on demand from the housing, infrastructure and agricultural sectors. India's housing sector has witnessed steady growth in recent years largely owing to Government's tax incentives as well as easing financing options available to people who want to buy homes. Besides, the Government's consistent focus on investments in irrigation, and housing & sanitation, through schemes such as Housing for All, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Pradhan Mantri Krishi Sinchayee Yojana (Prime Minister Agriculture Irrigation Scheme), further drives the volume for this segment. PVC pipes are further finding larger application in the plumbing and piping applications for its ease of transportation as well as its ability to respond to the hot and cold water plumbing.



## OPPORTUNITIES AND GROWTH DRIVERS

### GROWING URBANISATION AND MIDDLE-INCOME CLASS

India is witnessing increasing urbanisation, with good economic growth and increasing aspirations for a better lifestyle. India's urban population has risen to 35% from 28% within two decades and is projected to rise to 40% by 2030. The country is witnessing the rise of many megacities (population in excess of 4 million) in addition to even greater development in Tier 2 and Tier 3 cities. As per Frost & Sullivan analysis, 69% of the country's total urban population will be residing in 10 highly urban states by 2025. This pace of urbanisation is supported by the rapid rise in middle-income class in the country. It will directly benefit the consumer durables sector.

### IMPROVED ELECTRIFICATION COVERAGE IN RURAL INDIA

The coverage, quality and reliability of power supply in rural India has seen drastic improvement, largely owing to the Government schemes such as Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA). The household electrification levels have improved from 55% in 2011 to 99%. This would drive demand creation for the consumer durables sector and basic necessity products like lights, fans and basic consumer appliances.

### FACADE LIGHTING

Lighting plays a key role in uplifting the visual appeal of several historical sites. With Government's consistent efforts in adopting LEDs for street lighting in key cities and also for architectural lighting applications for national monuments, it shall positively transpire into business opportunity for the Company.

### PRODUCTION-LINKED INCENTIVE (PLI) SCHEME

In a bid to make Indian manufacturers more competitive, the Government approved PLI scheme for white goods - air conditioners and LEDs - with a budgetary outlay of ₹ 6,238 crore. The scheme will be implemented over a seven-year period, from FY 2021-22 to FY 2028-29. The move further strengthens the objective of earmarking different segments for different types of components to attract targeted global investments and develop a component ecosystem within India.

### INCREASING IMPORTANCE OF ORGANISED SEGMENT

The Indian consumers are increasingly preferring aspirational and premium products with better brand reputation and product quality. As a result, the organised players stand to benefit from this shift in preferences. Further, these organised players have well-organised distribution network, higher R&D capabilities to churn out premium and technologically superior products and have the ability to quickly adapt to the change in norms. Besides, reducing price gap post GST, e-way bill, rising import duties, and proven capability to deliver amidst lockdown and supply chain challenges, brings the organised segment in a good light. The declining trade of the unorganised segment augurs well for the Company.

## PART

## III

## OPERATIONAL REVIEW

### 1) STEEL PIPES AND STRIPS

The division manufactures array of steel pipe products that find its application across high-opportunity segments like agriculture, infrastructure, oil & gas, water and construction. The state-of-the-art manufacturing units are located across Haryana, Gujarat, Madhya Pradesh and Andhra Pradesh. Over the past six years, the Company has been constantly expanding to leverage the incremental demand from the emerging opportunities. All the products are sold under the brand name Prakash Surya and are exported to over 50 countries, with Gulf Cooperation Council (GCC) countries holding the largest share. The Company's pipes have been used across prominent structures such as the Burj Khalifa, Dubai International Airport, Dubai Expo and Stadiums for FIFA 2022.



PARTICULARS	2021-22	2020-21
Revenue (₹ crore)	<b>6,402.06</b>	<b>4,328.11</b>
EBITDA (₹ crore)	<b>342.20</b>	<b>256.12</b>
EBITDA per tone (₹ crore)	<b>4,648</b>	<b>3,525</b>
Cash Profit (₹ crore)	<b>286.49</b>	<b>198.77</b>
PBT (₹ crore)	<b>204.45</b>	<b>125.35</b>

## PRODUCT OFFERINGS

### A. ERW STEEL PIPES

Surya Roshni manufactures ERW pipes which find its application across agriculture, water transportation, firefighting, irrigation, greenhouse and construction activities like scaffolding, casing, and tubing in bore wells. Besides, they are also used in long distance supply of water, gas, petroleum, chemicals, and other liquids. The product quality is at par with national and international specifications.

### DIFFERENTIATORS:

- Leading manufacturer of ERW GI Pipes in India
- Leading exporter of ERW Pipes with 60% market share
- Pan India presence with leader in South India and among the top 3 in North India for GI Pipes
- Established presence in the organised segment and resilient amidst difficult industry conditions
- Products equipped to cater to the hilly regions of India: Provided the pipes required for housing in Jammu & Kashmir, Uttarakhand, and Himachal Pradesh, among others
- Capable of manufacturing margin-accretive value-added offerings such as coated pipes, alkyd pipes, grooved, red oxide primer pipes and heat-treated pipes, among others
- Proved capability of providing high-quality durable pipes to prominent names such as IOCL, BPCL, BGRL, Gujarat Gas, MNGL and MGL, among others
- Accredited all major PMC committee such as EIL and Mecon, among others





## APPLICATION AREAS

GI PIPES	BLACK	HOLLOW
<ul style="list-style-type: none"> <li>▪ Agriculture and irrigation</li> <li>▪ Casing and tubing</li> <li>▪ Water transportation/plumbing and pipelines</li> <li>▪ Green houses</li> <li>▪ Fire fighting</li> <li>▪ Street light poles</li> <li>▪ Solar panels</li> </ul>	<ul style="list-style-type: none"> <li>▪ Industrial infrastructure/ construction works/fabrication</li> <li>▪ Road transportation – side structures/fencing (section pipe, sign boards)</li> <li>▪ Railways – platforms and metros</li> <li>▪ Airports structures</li> <li>▪ Smart Cities infrastructure</li> <li>▪ River connectivity and interlinking</li> <li>▪ Door frames, window frames and furniture (section pipes)</li> <li>▪ Scaffoldings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Engineering and architectural structures</li> <li>▪ Airport, metros, railways</li> <li>▪ Urban development</li> <li>▪ Electrical poles/telecom towers</li> <li>▪ Solar structure</li> <li>▪ Sign boards</li> </ul>

## GOVERNMENT INITIATIVES THAT WILL GENERATE DEMAND FOR STEEL TUBES AND PIPES

<ul style="list-style-type: none"> <li>▪ Har Ghar Nal se Jal by 2024</li> <li>▪ Smart Cities &amp; Pradhan Mantri Sahaj Bijli Har Ghar Yojna</li> <li>▪ Housing For All</li> <li>▪ Aatma Nirbhar Bharat Abhiyaan</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pradhan Mantri Krishi Sinchai Yojana (PMKSY)</li> <li>▪ Pradhan Mantri Jal Marg Yojana (PMJMY)</li> <li>▪ Ude Desh ka Aam Naagrik Regional Connectivity Scheme (UDAN-RCS)</li> <li>▪ Atal Mission for Rejuvenation and Urban Transformation (AMRUT)</li> </ul>
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## B. API PIPES

The Company manufactures international quality API pipes which include The 3LPE, 3LPP, FBE (single and dual layer). The epoxy coatings provides rust-resistant quality while increasing its endurance. The world-class 3LPE Coating plant machinery has been procured from Selmers, Netherlands. The pipe finds application widely used in transportation of petroleum and natural gas, city gas distribution and water pipelines. The Government's continued thrust on these high growth areas shall benefit the Company in the long run.

### DIFFERENTIATORS:

- Produces a diverse range of pipes, including EN, BS, AUSTRALIA and ASTRA GRADE
- Efficient utilisation of the existing offline capacities post expansion, to achieve cost efficiencies and improved margins
- Accreditations from major PMC such as EIL, Mecon and others
- Certifications of ISO 9001, 14001 & 18001



## C. SPIRAL PIPES

The Company manufactures spiral pipes in the range of 18" to 104" with a maximum thickness of 1' (25.4 mm). The internal and external pipe coating is only done for those ranging between 4" to 64" in diameter. These pipes find applications in the water, infrastructure, and oil & gas transportation. The 3LPE Coating facility in place has led to increase in utilisation levels of Spiral Pipes as most of these pipes cater to the oil & gas segment, and hence needs the coating. The Company also regularly participates to explore opportunities from Middle East for larger diameter API Pipes.

### DIFFERENTIATORS:

- Diverse product range
- Efficient utilisation
- Export readiness



## D. COLD ROLLED STRIPS AND SHEETS

The Company processes Cold Rolled Steel Strips (CR sheets) with a width of up to 720 mm and thickness of 0.3 to 0.6 mm. They offer a variety of outstanding properties, including easy formability and a smooth, clean surface and available in both wide and narrow range. While the wide range is used in the downstream operations by large players, narrow range caters to the niche and customised requirements of the customers. Surya Roshni manufactures narrow range CR sheets in manufacturing electrical stamping for motors, cycle and 2-wheeler rims, automobile components, furniture and fitting, drums and barrels, umbrella ribs and tubes and miscellaneous engineering applications.

### DIFFERENTIATORS:

- Consistent quality offerings for the end-user segment
- Products are sold across NCR and different markets of North India
- Small order sizes yield good returns and keep the unit fully engaged across the year

### STEEL PIPES & STRIPS CAPACITIES (P.A)

**9,25,000 MT**

ERW Pipes

(including GI capacities of 3,60,000 MT)

**2,00,000 MT**

Spiral Pipes

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

**1,15,000 MT**

CR Sheets

**3 LPE Coating Facilities**

External:

**27,50,000 sq. mtr.**

Internal:

**11,00,000 sq. mtr.**

**36,000 MT**

DFT



## KEY DEVELOPMENT IN 2021-22

- Commenced commercial production of DFT-technology based facility at Gwalior post successful installation, trials and quality outcome
- Witnessed good exports growth despite geo-political concerns
- Increased share of value-added products leading to strengthening of margins and higher EBIDTA per tonne ₹ 4,648
- Continued to maintain lower cost of finance despite increasing cost concerns
- Continued to improve the working capital cycle
- Received strong orders across the year, including highest ever single order of 40,000 MT from Indian Oil
- Strong domestic order book as on 31<sup>st</sup> March, 2022 which is expected to be materialised within the first two to three quarters of FY23
- Good export order book as on 31<sup>st</sup> March, 2022 and is expected to materialised within the first quarter of FY23

## FUTURE STRATEGIES AND OUTLOOK

The business is expected to maintain a positive momentum in exports of its value-added products like API Pipes, across geographies like Middle East, Europe and Australia which are hardly unfazed by major geo-political challenges. The Company is further increasing its market share in GP pipes through the Government's ambitious Jal Jivan Mission. The Company is further expecting the capacities of DFT-based pipes to peak out in FY23 owing to strong domestic demand from the huge capex spend in India that will necessitate the demand for higher thickness and higher gauge material. Whereas, in the exports market, the Company is prepared to meet the 'inch-to-inch' pipes market of Canada and US. The outcome will lead to incremental exports for the Company.



## 2) LIGHTING AND CONSUMER DURABLES

### LIGHTING

Surya Roshni ventured into lighting in 1984 and has successfully transitioned over the last few years from being one of the market leaders of conventional lighting to becoming one of the leading LED lighting players. The Company is engaged in the manufacture and sales of Conventional Lighting (GLS, Tubelights) and energy-efficient LED Lighting (LED Bulbs, Tubelights, Battens, Downlighters and other Luminaires) in the consumer segment, and advanced Smart LED products for the street lighting, infrastructure, industry, office and retail segments in the professional segment. Façade Lighting and Solar Lighting present strong growth areas for the Company. Over the years, the Company has emerged as one of the most trusted and preferred brands in Lighting and is also recognised as the No. 2 player in consumer lighting.

The Company has state-of-the-art manufacturing facilities at Kashipur (Uttarakhand) and Malanpur (Madhya Pradesh). Besides, it also has an advanced R&D Centre, the Surya Technology & Innovation Centre (STIC) at Noida.

#### CONSISTENT VALUE-CREATION IN LIGHTING

- Increased sales volumes, revenues and profits over the years
- Diversified the product portfolio, with strong market leadership in the organised sector
- Launched over 200 new products over the last 3 years
- Developed strong bonding with distributors, dealers and retailers, leading to high loyalty
- Developed a pan India reach, with very strong semi-urban and rural presence
- Created a strong brand, well accepted across India and globally
- Satisfied and motivated team, with a large proportion of the team working with the Company for over 10 years
- Reduced energy consumption through continuous energy conservation initiatives



PARTICULARS	2021-22	2020-21
Revenue (₹ crore)	<b>1,332.93</b>	<b>1,240.12</b>
EBITDA (₹ crore)	<b>106.47</b>	<b>127.91</b>
Cash Profit (₹ crore)	<b>98.53</b>	<b>115.4</b>
PBT (₹ crore)	<b>72.19</b>	<b>86.12</b>

#### PRODUCTION CAPACITY (P.A)

**90 Million pieces**

LED Bulbs

**3.60 Million pieces**

LED Street Lights

**10 Million pieces**

LED Tubes & Fittings

**200 Million pieces**

GLS

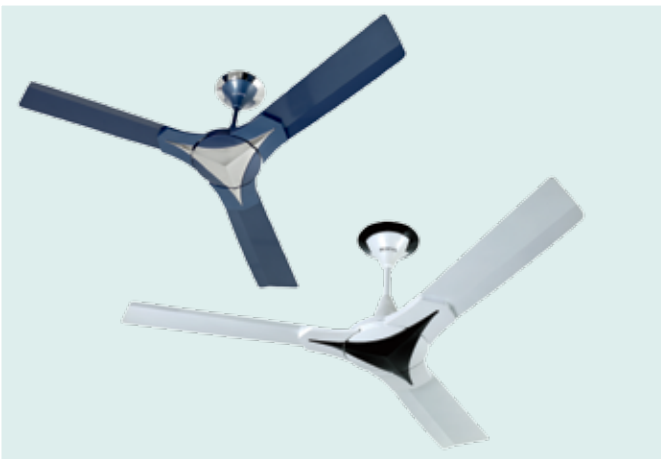
## **SURYA TECHNOLOGY AND INNOVATION CENTRE (STIC) – DELIVERING INNOVATION AND DRIVING LED INDUSTRY LEADERSHIP:**

Surya Technology and Innovation Centre (STIC) has contributed immensely towards Surya Roshni's market leadership in the Lighting Industry in India. It plays a huge role towards cost effective production and a strong focus on innovation and new product development of LED products and technologies. STIC is further recognised by DSIR (Department of Scientific & Industrial Research, Ministry of Science & Technology) and is actively supporting Surya Roshni to provide the most energy efficient, safe, reliable and environment- friendly lighting products and contributing towards the agenda of Green India.



## KEY DEVELOPMENT IN 2021-22

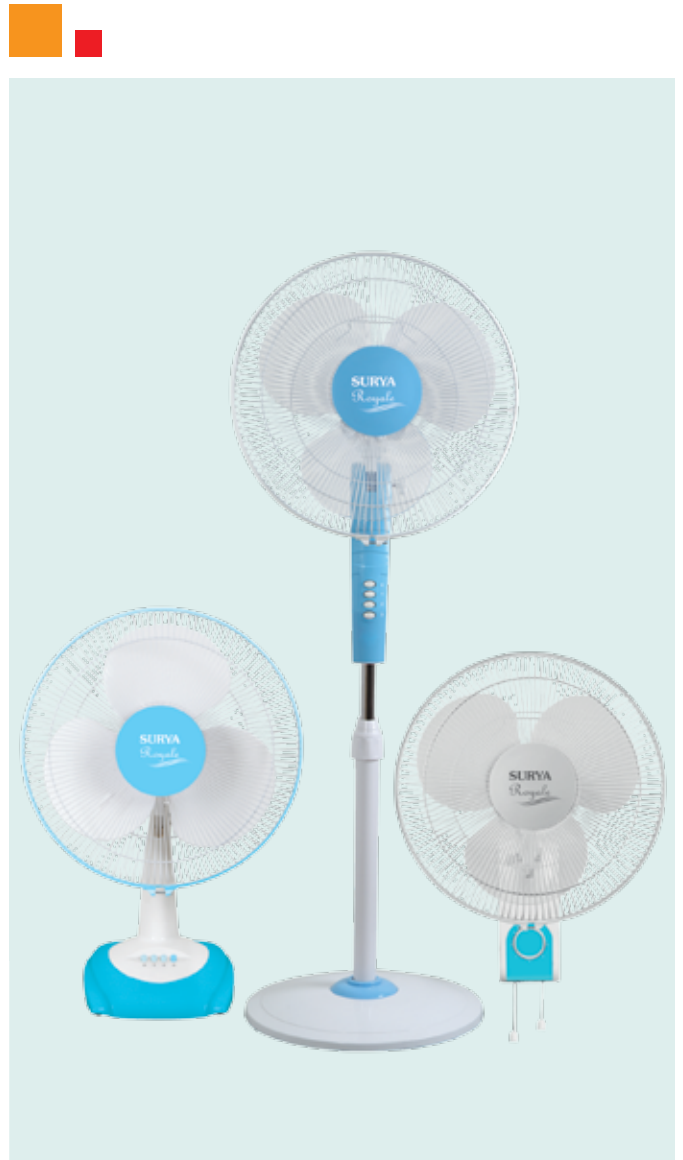
- Strengthened the semi-urban and urban distribution network, which is one of the largest in the industry
- Launched products as per market needs, with a special focus on LED Battens (growing over 50%), and LED Downlighters (growing over 100%)
- Launched products like smart downlighter, dazzle series, GeNXT streetlight and GeNXT flood light, prime spot and LED bulkhead
- Mitigated risks by extending channel finance to our channel partners
- Bagged prestigious orders for façade lighting of Jammu Tawi bridges, Jaipur Sodala elevated flyover, and Narmada bridge at Bharuch
- Won EPC bids for Ajmer Smart City lighting, with CCMS Group Control
- Maintained a lead in NHAI SITC Jobs in MPEP & Tala Bridge from L&T
- Received several orders in the industry segment - SAIL Bokaro, DSP Durgapur and DVC
- Secured Design based NH orders for NH 33 Raragon to Jamshedpur and NH 28 From Motihari to Paprikoat
- Executed key projects like façade lighting projects for Dohela Fort, Khurai in SITC Mode, and the Pitreshwar Hanuman Mandir Illumination with 3D
- Executed the design, supply, installation and maintenance of 54,000 LED street lights in Greater Noida
- Executed CPWD border lighting at the Jaisalmer Border, JNPT Mumbai street lighting with Alpha Plus Smart Lighting, JSW ARC Plants illumination and several solar lighting orders across the country
- Received Government approval in PLI scheme under 'Large Investment Category', for investment of ₹ 25.3 crore in manufacturing of 'Components for LED Lights' and have already invested ₹ 5 crore out of ₹ 25 crore (minimum investment) for the year



## CONSUMER DURABLES

### FANS

Surya Roshni entered the Fans category in 2014, and emerged as the fastest company ever to reach the ₹ 100 crore milestone. The Company offers contemporary designs with broad range of offerings from designer fans to the economy range. The wide range includes ceiling, pedestal, wall, table, domestic exhaust, industrial exhaust and BLDC fans. The fans range includes smart premium fans, and have innovative features such as anti-dust, anti-bacterial, energy efficient and high air delivery fans.



## HOME APPLIANCES

Surya Roshni entered the home appliances category in 2015, and has been since offering its customers unique value proposition through both best quality offerings. The Company caters to the needs of Indian consumers across different 6 main product categories

### (1) Food Preparation

Mixer grinders, juicer mixer grinders

### (2) Kitchen Appliances

Gas cook tops - glass and stainless steel bodies

### (3) Cooking

Induction cook top, sandwich maker, pop up toaster

### (4) Garment Care

Dry iron, steam irons

### (5) Heating Appliances

Storage water heater, instant water heater

### (6) Climate Control

Oil filled radiator, halogen heater, quartz heater, carbon heater, room cooler

## KEY DEVELOPMENT IN 2021-22

- Witnessed 43% YoY growth in the dry irons (critical category in the electrical industry) sales
- Witnessed 40% YoY growth in the induction cook top category
- Launched new eco fin oil filled radiators along with carbon heaters despite a poor heating season, thereby expanding the category
- Launched new products in the kitchen appliances and food preparation categories, including magnus and xpert mixer grinders, along with max and max plus hand blenders



## FUTURE STRATEGIES AND OUTLOOK

In the consumer lighting, the Company will continue with the high growth momentum by focussing on further improving the distribution and reach, across urban, semi-urban and rural India. There will be several new product launches, across LED Lamps, battens and downlighters, with a strong focus on smart lighting products. Besides, the Company will continue to aggressively drive Channel Financing.

Under Professional Lighting, the Company will further strengthen the key account management, projects and design teams to drive a focused approach on the customers and improve the project execution capabilities. There will be several new product launches, across segments, including several smart products and solutions. Façade lighting and solar lighting will continue to be the high growth areas for the Company.

Under Consumer Durables, the Company will focus on gaining market share in both fans and appliances through expansion of product range of fans, across types and price points. The Company would also launch several new products in appliances, including in water heaters, room heaters, mixer grinders and induction cooktops.

Surya Roshni will further focus on aggressive Advertising and Promotions (including both above the line and below the line advertising) to enhance its brand visibility. The Company will also continue to invest in automation and upgradation of systems to drive higher efficiencies and productivity. Besides, Surya Roshni is investing in the PLI scheme for LED Lighting, for attaining further business advantage.

With a very strong and trusted brand, consumer centricity and innovation at the core, strong focus on quality, extremely strong distribution, a wide product range across lighting and consumer durables, aggressive and focused plans for the year, a capable and experienced Senior Management Team, disciplined working capital management and supportive Government initiatives like Atmanirbhar Bharat and the PLI scheme, Surya Roshni is on track to achieve yet another value-accretive growth in 2022-23.



# PART IV

## EXCELLENCE DRIVERS

#1

### MANUFACTURING FACILITIES – DRIVES SCALE

#### MANUFACTURING FACILITIES OF STEEL TUBES AND PIPES

LOCATION	PRODUCTS
ANJAR	ERW and Spiral Pipes (GI, Black, Section) and API Pipes with 3LPE Coating
HINDUPUR	ERW (GI, Black and Section), along with GP Pipes
MALANPUR	ERW (GI, Black and Section)
BAHADURGARH	ERW Pipes (GI, Black, Section), API Pipes

These plants are suitably equipped with high-end machines ranging from slitting lines, pipe mills, galvanising units, finishing machines and fail-safe, as well as high-pressure hydro machines along with adequate handling facilities.



#### MANUFACTURING FACILITIES AND R&D CENTRE OF LIGHTING

LOCATION	PRODUCTS
KASHIPUR	<ul style="list-style-type: none"> <li>LEDs (Lamps, Streetlights, Downlighters and Battens), HID, T5 and Filaments</li> <li>MCPBCs</li> <li>Drivers</li> </ul>
MALANPUR	<ul style="list-style-type: none"> <li>Plant manufacturing LEDs (Lamps, Streetlights, Decorative Lighting)</li> <li>Conventional lights (GLS and FTL)</li> <li>Glass shells</li> <li>Caps</li> <li>MCPBCs</li> <li>Drivers</li> </ul>
SURYA TECHNOLOGY & INNOVATION CENTRE (STIC) AT NOIDA	<ul style="list-style-type: none"> <li>Innovation centre for adapting latest lighting trends, approved by DSIR and NABL</li> <li>Focus on in-house development of LED products</li> </ul>





## #2 STRONG BRAND – DRIVES VISIBILITY

Surya Roshni has established its brand 'Prakash Surya' for the Steel Pipes & Strips segment and 'Surya' for the lightning products and has been consistently promoting them through different advertising mediums for an enhanced market visibility.

## #3 WIDE DISTRIBUTION – DRIVES REACH

The Company's products are sold across the length and breadth of the country owing to the the strong dealer and distributor network of both the businesses. Besides, the decentralised branch/depot networks help with the quick delivery turnaround to customers.

## #4 DIVERSIFIED BUSINESS AND PRESENCE – DRIVES SUSTAINABILITY

The Company offers a wide array of products across both the business verticals. These products are sold across India and exported to over 50 countries. As a result, the Company has de-risked itself from specific industry or region-specific risk and built long-term sustainability.

## #5 DYNAMIC TEAM – DRIVES VISION

The Company has onboarded a unique mix of experienced, young and dynamic leaders from varied fields that drive the strategies and overall execution. The team is active and transparent and drives the Company's business aligned to the shared vision and goals.



PART

V

## FINANCIAL REVIEW

PARTICULARS	STANDALONE		CONSOLIDATED	
	For the year ended 31 <sup>st</sup> March		For the year ended 31 <sup>st</sup> March	
	2022	2021	2022	2021
Revenue from Operations	<b>7,730.07</b>	5,554.37	<b>7,730.82</b>	5,561.39
Other Income	<b>5.72</b>	4.67	<b>5.80</b>	4.70
Total Revenue	<b>7,735.79</b>	5,559.04	<b>7,736.62</b>	5,566.09
EBITDA	<b>448.20</b>	381.63	<b>448.68</b>	384.03
Finance Costs	<b>63.63</b>	69.79	<b>63.65</b>	69.86
Cash Profit	<b>384.57</b>	311.84	<b>385.03</b>	314.17
Depreciation and Amortisation Expenses	<b>108.38</b>	102.70	<b>108.38</b>	102.70
Net Profit Before Tax	<b>276.19</b>	209.14	<b>276.65</b>	211.47
Tax Expenses	<b>71.62</b>	52.64	<b>71.73</b>	53.16
Net Profit After Tax	<b>204.57</b>	156.50	<b>204.92</b>	158.31
Other Comprehensive Income	<b>0.42</b>	1.25	<b>0.42</b>	1.25
Total Comprehensive Income	<b>204.99</b>	157.75	<b>205.34</b>	159.56
EPS (Basic in ₹)	<b>38.33</b>	29.01	<b>38.40</b>	29.35
EPS (Diluted in ₹)	<b>37.60</b>	28.76	<b>37.66</b>	29.10

The Company maintained its leadership in the manufacturing of ERW GI Steel Pipes and continued to be one of the largest lighting manufacturing companies.

**In the fiscal year under review:**

- The revenue from the Company's operations was reported at ₹ 7,730.07 crore as compared to ₹ 5,554.37 crore in the previous year.
- EBITDA reported at ₹ 448.20 crore as compared to ₹ 381.63 crore in the previous year.
- Profit before tax stood at ₹ 276.19 crore as compared to ₹ 209.14 crore in the previous year.
- Profit after tax stood at ₹ 204.57 crore as compared to ₹ 156.50 crore in the previous year

**KEY FINANCIAL RATIOS**

PARTICULARS	STANDALONE		% Change	CONSOLIDATED		% Change
	2021-22	2020-21		2021-22	2020-21	
Debtors Turnover Ratio \$	43	51	(16%)	43	52	(17%)
Inventory Turnover (Days) \$\$	47	57	(18%)	47	57	(18%)
Interest Coverage Ratio &	7.04	5.47	29%	7.05	5.50	28%
Current Ratio *	1.51	1.46	3%	1.51	1.47	3%
Debt Equity Ratio **	0.38	0.52	(27%)	0.37	0.52	(29%)
Operating profit margin (%) #	5.80	6.79	(15%)	5.80	6.82	(15%)
Net Profit margin ratio (%)	2.65	2.82	(6%)	2.65	2.85	(7%)
Return on Net Worth (%) @	14.06	12.02	17%	14.06	12.15	17%

\$ Debtors (including unbilled revenue and non-current receivables) / (Revenue from operations/365)

\$\$ Inventory / (Revenue from operations/365) & Interest (Finance cost) / EBITDA

\* Current Assets / Current Liabilities

\*\* Debt (Working capital + Long Term Debts including Current maturity of long-term loans) / Equity

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

@ Profit for the year / Average Net Worth

There were significant changes in the below mentioned financial ratios. The detailed explanation are as follows:

**Interest Coverage Ratio:** Due to increased profitability and reduced repayment obligation as well as interest.

**Debt Equity Ratio:** Due to substantial reduction in debt obligations.

**Return on Net Worth:** Due to substantial increase in Profit after Tax.

**PART VI**

**RISK MANAGEMENT**

The Company has an adequate system of risk management and have built internal control systems that commensurate with its scale and stature. These systems ensure strict compliance with applicable laws and regulations while safeguarding company's assets, preventing and detecting frauds and errors, maintaining accurate and complete accounting records and preparing reliable financial information. Like any other organisation, the Company's structured risk management approach regularly monitors and evaluates potential risks to devise way of mitigating them. The key objective includes:

- Identification of the current and future material risk exposures of the Company and ensure they are appropriately mitigated, minimised and managed
- Protecting brand value through strategic control and operational policies
- Establishing framework for the Company's risk management process and to ensure company-wide implementation
- Ensuring systematic and uniform assessment of risks related to different functions of the Company wherever applicable, through the adoption of best practices
- Ensuring sustainable business growth with stability and promoting an upbeat approach towards risk management and mitigation

The Company already has a strong control system that plays a significant role in strengthening its financial and governance risk management framework.

**The major steps in the risk framework include:**

- Identification of risks under various categories like operational, financial, regulatory, technological and related to human resources
- Assessment of risks in terms of severity of impact and likelihood of occurrence
- Assignment of responsibilities
- Development of mitigation plans which create value for business
- Monitoring and reporting

The Company has an established framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks or any other risk and to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

The business plan is a crucial subject of risk management. Business continuity plan (BCP) involves any and all risks that can affect the Company's operations, making it an important part of the organization's risk management strategy. Risk may include natural disaster – fire, flood, or weather related events and cyber-attacks. Business continuity planning is typically

meant to help a company continue operating in the event of major disasters.

The Board of Directors at its meeting held on 25<sup>th</sup> May, 2021 has constituted the Risk Management Committee in compliance to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended. The Risk Management Committee has formulated the Risk Management Policy. The Policy is aimed to develop an

approach to make an assessment and management of the risks in financial, operational and project based areas in a timely manner

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

RISK TYPE	RISK DEFINITION	RISK MITIGATION
<b>Technology Risk</b>	The ever-evolving technology with continuous updation may lead to product obsolescence, if not addressed regularly.	The Company makes all efforts in innovating and staying abreast with the best technological know-how and development of new products. The Company has state-of-the-art R&D facilities in the Lighting business. In the Steel business, the experienced team of technical staff takes care of development of products. Regular updation takes place in both businesses to achieve best quality at competitive costing.
<b>Financial Risk</b>	Risk arising from interest rate fluctuations.	The Company continuously tracks the changes in benchmark and monitors & controls the interest cost by using innovative financial products, mix of rupee and forex loans (on fully hedged-basis) and utilisation of various facilities from banks linked to MCLR/alternate benchmark rates, reset clauses, and pre-payment options.
<b>Regulatory Risk</b>	Non-compliance to stringent regulatory and environment norms may result in liabilities and loss of brand reputation.	The Company strictly complies with all statutes applicable to its operations. There are trained staff members entrusted with regulatory responsibilities which are monitored and reported at the highest levels. The Company also uses services of legal and regulatory consultants.
<b>Forex Fluctuation Risk</b>	The Company deals in exports/ imports of products in business and borrowings which are subjected to currency fluctuations.	To counter exposure to foreign exchange volatility, the Company has formulated a foreign exchange hedging policy to protect the margins in manufacturing, marketing and financing on a fully hedged basis.
<b>Human Resources Risk</b>	The Company needs adequate talent to run the business. There is a risk of labour unrest and maintaining good industrial relations.	The Company has developed and acquired trained manpower to run its operations. The Company periodically reviews its senior management team to ensure continuity in leadership. The HR policies ensure to attract and retain the best talents and maintain attrition at low level. The Company has also granted ESOP to key executives and employees.
<b>Commodity Price Risk</b>	Company sources several commodities for use as inputs in its businesses and their price fluctuations may lead to losses.	In order to manage the commodity price risk, company has a comprehensive risk assessment framework to manage the risks arising out of the inherent price volatility associated with commodities. The Company is building a portfolio of value-added products for lowering commodity price risk.

The risk management group has taken several steps to develop solid BCP, which includes:

- Business Impact Analysis, that identifies the effects of disruption of business functions and processes
- Make decisions about recovery priorities and strategies
- Identify and implement steps to recover critical business functions

- A continuity devises a plan to manage the disruption
- Further, the Company has in place a mechanism whereby the Risk Management Committee of the Board defines risk exposures, measuring them and defining appropriate actions to control the risk.

## PART VII

### INTERNAL CONTROL SYSTEMS

The Company has a proper and adequate system of internal control system, commensurate with the size and nature of its business. It is an integral component of the Company's corporate governance. The Company has in place a strong and independent Internal Audit Department responsible for assessing and improving the effectiveness of internal control and governance. Internal Audit focuses on operational as well as systems audit. The function is also strengthened by hiring the expert professionals. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. Extensive programme of risk and transaction-based internal audits cover all divisions, plants, branches and the different areas of operations. The Audit Committee of the Board is updated periodically on major internal audit observations, compliances with accounting standards, risk management and control systems. The Audit Committee assesses the adequacy and effectiveness of inputs given by the internal audit and suggests improvement for strengthening the control systems.

Further, the Company has an extensive budgetary control system, which is regularly examined by the Management. Surya Roshni has well-defined Management Information System with clear organisational structures and authorisation levels for business transactions. The Company's internal financial controls are adequate and operate effectively which ensures orderly and efficient conduct of its business, including adherence to its policies, safeguard its assets, preventing and detecting frauds & errors, maintaining accuracy and completeness of its accounting records and further enabling it in the timely preparation of reliable financial information. Surya Roshni also undertakes external audit for efficient audit and control for its branches and depots and also for specialised functions like taxation.

## PART VIII

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Surya Roshni's transformation over the years has been driven by its people and the healthy working culture. The Company ensures a vibrant work environment underpinned by a high-performance ethos and an unrelenting focus on candidate and client centrality. The Company creates an employee value proposition to attract, develop, retain and reward the talent needed and build a professional organisation. The people are nurtured through disciplined processes. They are offered all the support needed to remain positive, passionate and driven to deliver against strategic priorities. It also facilitates a well being strategy that addresses employee needs by focusing on four key drivers namely, physical, mental, intellectual and financial well-being. The top performers and achievers are recognised in the 'Surya Parivar' for their exemplary performance every

year in the rewards and recognition programme. The Company has further continued to maintain amicable industrial relations by focusing on increased worker-level engagement through formal and informal communication and training forums. As on 31<sup>st</sup> March, 2022, the Company had 3,357 employees on its direct payroll.

## PART IX

### CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, Surya Roshni aims to assist in promoting social development by building capacity within the broader society. The Company considers societal well-being and ecological responsibilities as the key focus areas for its Corporate Social Responsibility (CSR) endeavours. The key objectives of Surya Roshni's CSR policy are mentioned in Annexure IV of the Board's Report. The Company has discharged its responsibilities through the Surya Foundation. The foundation works in the areas of Rural Development Programme (Adarsh Gram Yojana Project), Promoting Health Care including Preventive Health Care and other project as covered under Schedule VII of the Companies Act, 2013. The wide variety of CSR activities includes personality development camp, plantation of rural Area, sports tournament, selai kendra, swatchta abhiyan, blood donation camp, National Youth Day celebration, go-utpaad training camp, dakshta varg, madhu makhi training camp, diary training camp, etc. or any other activities with emphasis on literacy and personality development of youth.

During the year under review, the Company on a consolidated basis spent ₹ 3.53 crore on corporate social activities, being not less than 2% of the average net profits of the Company made during the three immediately preceding financial years.

## PART X

### CAUTIONARY STATEMENT

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

## BOARD'S REPORT

### To the Members,

The Board of Directors hereby submits the Forty Ninth (49th) report of the business and operations of the Company along with the audited financial statements, for the financial year ended 31st March, 2022. The Consolidated performance of the Company and its wholly –owned subsidiary has been referred to wherever required.

### 1 RESULTS OF OPERATIONS AND STATE OF AFFAIRS:

Particulars	(₹ in crore)			
	Standalone		Consolidated	
	For the year ended 31st March,		For the year ended 31st March,	
	2022	2021	2022	2021
Revenue from Operations	7730.07	5554.37	7730.82	5561.39
Other Income	5.72	4.67	5.80	4.70
Total Revenue	7735.79	5559.04	7736.62	5566.09
EBITDA	448.20	381.63	448.68	384.03
Finance costs	63.63	69.79	63.65	69.86
Cash Profit	384.57	311.84	385.03	314.17
Depreciation and amortisation expenses	108.38	102.70	108.38	102.70
Net Profit Before Tax (PBT)	276.19	209.14	276.65	211.47
Tax Expenses	71.62	52.64	71.73	53.16
Net Profit After Tax (PAT)	204.57	156.50	204.92	158.31
Other Comprehensive Income	0.42	1.25	0.42	1.25
Total Comprehensive Income	204.99	157.75	205.34	159.56
EPS (Basic in ₹)	38.33	29.01	38.40	29.35
EPS (Diluted in ₹)	37.60	28.76	37.66	29.10

#### Standalone Financial Highlights:

During the year under review, the revenue from operations of the Company is ₹ **7,730.07** crore as compared to ₹**5554.37** crore last year registered an increase of 39.17%, EBITDA to ₹ **448.20** crore from ₹381.63 crore registered an increase of **17.44%**, Profit before tax stands at ₹ **276.19** crore as compared to ₹209.14 crore last year, registered an increase of **32.06%** and Profit after tax stood at ₹**204.57** crore as compared to ₹156.50 crore last year, increased by **30.72%**.

The said remarkable performances are based on the improvement in the operational performance supported by higher contribution of value added products in Steel Pipes and Strips business, thereby leading to better profitability and accruals and resultant improvement in debt metrics and liquidity position.

With consistent reduction in debt levels including prepayments culminating into reduced finance cost, deeper market penetration in rural and semi-urban markets with diversified product profile, nation-

wide marketing network, established brand name, experienced management brings overall synergy and greater integration.

The Company's trusted brands backed by own production facilities and through adoption of latest technology, operational efficiency, excellent customer service and launch of innovative and diversified products in the market will add a fillip to the revenues with improved profitability in both the segments.

#### Consolidated Financial Highlights:

The Company has a sole wholly-owned subsidiary company namely **SURYA ROSHNI LED LIGHTING PROJECTS LIMITED**, which was incorporated as Special Purpose Vehicle (SPV). In the fiscal year under review, the revenue from operations of the Group is ₹ **7,730.82** crore as compared to ₹ 5561.39 crore last year registered an increase of **39.01%** EBITDA to ₹ **448.68** crore as compared to ₹ 384.03 crore last year registered an increase of **16.83%**, Profit before tax stands at ₹ **276.65** crore as compared to ₹ 211.47 crore last year, increased by **30.82%** and Profit after tax stands at ₹ **204.92** crore as compared to ₹ 158.31 crore last year registered an increase of **29.44%**.

## BOARD'S REPORT (Contd.)

### DEBT REDUCTION

Through consistent efforts over the past few years, today, the Company have become a **Long Term Debt Free Company**, efforts resulted in lowering debt equity ratio to 0.37 as at March 2022 from 0.52 in March 2021. The Company's balance sheet has been further strengthened by lowering of the debt equity ratio.

The Company's continuous focus on working capital optimization led to steady reduction of working capital cycle from 73 days in FY-2021 to **58** days in FY-2022 and RoCE has improved by 350 basis points to 16.2% for FY22 from 12.7% in FY21, while RoE has improved by 200 basis points to 14.1% in FY22 from 12.1% in FY21. For Q4 FY22, ROCE increased to 23.6% compared to 17.8% in Q4FY21, an improvement of 580 bps. Similarly, for Q4FY22, ROE increased to 22.0% compared to 17.5% in Q4FY21, an improvement of 450 bps.

### STEEL PIPES & STRIPS

Indian economy showed resolute strength during the period with Government stance for **Aatma Nirbhar Bharat which has opened new avenues with immense hidden opportunities to explore in making India** a global manufacturing hub in medium to long term. With huge investments made in housing, infrastructure like railways, ports, roads, airports, etc. demand of steel products is reaching to new level and more will be anticipated in time to come.

Surya being the largest exporter of ERW pipes and largest producer of ERW GI Pipes in India. manufactures ERW Steel pipes (GI Black, Hollow Section), API & Welded pipes, Spiral, 3LPE Coated pipes & CR strips having wide applications of its products in Agriculture, Infrastructure, Oil & Gas and Construction sectors. The Company products are approved by API (American Petroleum Institute) for Oil & Gas sector. During the year, through conscious effort to increase the contribution from API and galvanizing pipes which have better EBITDA per tonne have yielded results and Company was able to deliver a growth in its sales with improved margins.

During the year under review, the segment reported robust performance both in the top and bottom line on count of strengthening of product portfolio. The Revenue of the segment registered an increase of **47.92%** and stands at **₹6,402.06** crore in FY22 as compared to ₹4,328.11 crores during FY21 with better product mix, increased share in high value-added

products, driven by all divisions of B2C, B2B, Exports and higher steel prices, mainly the price of HR Coils. The EBITDA during the year increased by **33.61%** and stands at **₹342.20** crore in FY22 as compared to ₹256.12 crore registered in FY21. The EBITDA per tonne has shown further improvement by about **31.86%** to **₹4,648** in FY22 as compared to ₹3,525 per metric tonne last year. The cash profit improved by **44.13%** in FY22 to **₹286.49** crores from ₹198.77 crores as registered in FY21. The PBT for the year further improved by **63.10%** to **₹204.45** crores as compared to ₹125.35 crores in FY21.

13% volume growth has been registered in Q4FY22, due to growth across businesses divisions and higher growth in value-added products and markets including API & Spiral Pipes, Actual Users and Exports. Further, the segment also has shown improvement during the year as Net Working Capital days reduced to 55 days as compared to 71 days in FY21.

Through continuous focus on value added product, cost optimisation, manpower cost, electricity, logistic and other manufacturing cost along with operating efficiencies, top line and bottom line of the segment improved substantially.

The Steel pipes and strips performance during the year under review looks promising with higher contribution from value added products viz. API, GI Pipes and Exports, which will continue to drive improvement in EBITDA margins. However, the prolonged rains, sluggish market conditions and high steel prices affected the volume growth. Further, volume growth and profitability could have been significantly better if the commodity prices would have remained stable.

### ANJAR (KUTCH)

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

The Company has established world's one of the best 3LPE Coating facility having latest technology from Selmer, Netherland at its unit with an installed capacity of 27,50,000 Sq. mtr. for External and 11,00,000 Sq. mtr. Internal Coating for pipes ranging from 4" to 64" diameter. The 3LPE coated pipe unit in the last year remained fully engaged, generated sales of **₹ 1166 crore of 3LPE Coated Pipes**.

## BOARD'S REPORT (Contd.)

Presently the Company have a total order book of more than 60,000 M.T. of API 3LPE coated pipes majority from Oil and Gas and CGD sector. With the established 3LPE Coating line in place, the Company will be benefited by higher capacity utilization of its existing Spiral and ERW API Pipes facilities with increase in the share of high value added pipes and achieve savings in logistic & coating charges. This shall further be leveraging the presence of the Company in the domestic as well as Global 3LPE Coated Steel Pipes for Oil and Gas (including CGD) sector, leading to further improvement in top and bottom line of the Company.

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

The wide acceptance of Company's steel pipe products is evident with its expanding market share and brand preference. As world-class quality products of the Company are being sold by 250 dealers and 21000 retailers across India and are also being exported to more than 50 countries across the globe namely UAE, Australia, Egypt, EU, Canada, U.S etc.

The Government thrust on projects like increasing the share of gas in energy mix, City Gas Distribution network, improved focus on domestic water segment, irrigation projects, allocation in 'Har Ghar Jal' scheme etc. will be benefiting the Company as it has immense infrastructure already built in terms of large scale manufacturing facilities and wide spread distribution network.

### LIGHTING & CONSUMER DURABLES

During 2021-22 the Company registered Consolidated Revenue from operations of ₹ **1,332.93** crore as compared to ₹ 1,240.13 crore in 2020-21 an increase of **7.48%**. The EBITDA and Cash Profit had been ₹ **106.47** crore and ₹**98.53** crore respectively in 2021-22 as compared to ₹ 127.91 and ₹ 115.40 crore achieved in 2020-21. The Profit before tax stood at ₹**72.19** crore as compared to ₹ 86.12 crore achieved in 2020-21.

The Q4FY22 witnessed growth across all business divisions of B2C and B2B, both on sequential and last year basis. The EBITDA margins witnessed improvement on a sequential basis which was impacted from last year due to continuous inflationary pressure in raw material prices & other input costs. The Company pro-actively undertook multiple price hikes across the products to partially mitigate the increased input costs.

The Consumer Lighting, Professional Lighting along with the Consumer durable business continue to drive the growth as the Company keep on introducing new products to make it an FMEG Company and are working on developing new products continuously at its R&D centre at Noida.

### OVERVIEW, AND ACHIEVEMENTS IN 2021-22

#### LIGHTING

Surya Roshni ventured into Lighting in 1984, and has successfully transitioned over the last few years from being one of the clear market leaders in Conventional Lighting to becoming one of the leading LED Lighting players.

Surya is engaged in the manufacture and sales of Conventional Lighting (GLS, Tubelights) and energy-efficient LED Lighting (LED Bulbs, Tubelights, Battens, Downlighters and other Luminaires) in the Consumer segment, and advanced Smart LED products for the Street Lighting, Infrastructure, Industry, Office and Retail Segments in the Professional segment. Façade Lighting and Solar Lighting are big growth areas for the Company.

Over the years, the Company has developed a strong brand, and is a strong No. 2 player in Consumer Lighting. It is also recognised as one of the most trusted and preferred brands in Lighting.

The Company has state-of-the-art manufacturing facilities at Kashipur (Uttarakhand) and Malanpur (Madhya Pradesh). Besides, it also has an advanced R&D Centre, the Surya Technology & Innovation Centre (STIC) at Noida.

#### Surya has created value in Lighting by:

- Increasing sales volumes, revenues and profits over the years
- Diversifying the product portfolio, with strong market leadership in the organised sector
- Launching over 200 new products over the last 3 years

## BOARD'S REPORT (Contd.)

- Strong bonding with distributors, dealers and retailers, leading to high loyalty
- Developing a Pan India reach, with very strong semi-urban and rural presence
- Building a strong brand, well accepted across India and globally
- Working with a satisfied and motivated team, with a large proportion of the team working with the Company for over 10 years
- Reducing energy consumption through continuous energy conservation initiatives

### Some of the key achievements for Lighting in 2021-22:

- Strengthened its Semi-urban and Urban distribution network, which is one of the largest in the industry
- Launched products as per market needs, with a special focus on LED Battens, which registered a growth of more than 50%, and LED Downlighters, which registered a growth of more than 100%
- Successful product launches included the Smart Downlighter, Dazzle series, GeNEXT Street light and GeNEXT flood light, Prime Spot and LED Bulkhead
- Mitigated risk by further extending Channel Finance to the channel partners
- Successfully executed Façade Lighting projects of Dohela Fort, Khurai in SITC Mode, and the Pitreshwar Hanuman Mandir Illumination with 3D projection
- Successfully got the prestigious orders for Façade lighting of Jammu Tawi Bridges, Jaipur Sodala Elevated Flyover, and Narmada Bridge at Bharuch
- Continue to secure orders in multiple Smart Lighting projects in the Professional Lighting and successfully executed the projects.
- Successfully executed Solar Lighting orders across the country

### FANS

Surya entered the Fans category in 2014, and was the fastest company ever to reach the ₹ 100 crore milestone. Surya has contemporary designs, and

a broad range, from designer fans to the economy range. The wide range includes Ceiling, Pedestal, Wall, Table, Domestic Exhaust, Industrial Exhaust and BLDC fans.

The Fans range includes Smart Premium Fans, and have innovative features such as Anti- Dust, Anti-Bacterial, Energy efficient and High Air Delivery fans.

### Some of the key achievements for Fans in 2021-22:

- Launched six new models, across price points
- The share of Premium Fans increased
- Expanded in to the CPC/CSD segment
- Expanded the Authorised Service Centers, in order to drive faster resolution of consumer calls within 24 hours

### APPLIANCES

Surya entered the Appliances category in 2015, and caters to the needs of Indian consumers across different 6 main product categories:

#### 1. Food Preparation

Mixer Grinders, Juicer Mixer Grinders

#### 2. Kitchen appliances

Gas Cook tops - Glass and Stainless Steel bodies

#### 3. Cooking

Induction Cook Top, Sandwich maker, Pop Up Toaster

#### 4. Garment Care

Dry Iron, Steam Irons

#### 5. Heating Appliances

Storage Water Heater, Instant water Heater

#### 6. Climate control

Oil Filled Radiator, Halogen Heater, Quartz Heater, Carbon Heater, Room Cooler

### Some of the key achievements for Appliances in 2021-22:

- Dry Irons is a critical category in the electrical industry, and witnessed high growth of 43% over last year
- The Induction Cook Top category also witnessed high growth of over 40% from last year



## BOARD'S REPORT (Contd.)

- Despite a poor heating season, new Eco Fin Oil Filled Radiators were successfully launched, along with Carbon Heaters, thereby expanding the category
- The new launches in the Kitchen Appliances and Food Preparation categories included Magnus and Xpert Mixer Grinders, along with Max and Max Plus Hand Blenders

### FUTURE PROSPECTS

#### STEEL PIPES & STRIPS

Steel plays a vital role in the development of modern economy and consumption of steel widely taken to be an indicator of economic development. India has become the world's 2nd largest Steel producer. Steel Pipe Industry continues to have a strong demand in traditional sectors such as construction, housing, transportation, agriculture, boring, firefighting, Infrastructure, Oil & Gas sector and river interlinking etc. Various steps have been taken by the Government of India to boost steel production, consumption and exports. Indian economy, gradually become a preferred location for global manufacturing in medium to long term, shall make the company more competitive considering its strong brand presence, PAN India operations and extensive dealer network mainly in rural and semi-urban areas.

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

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

The Company derive benefits from Oil & Gas / CGD sector as Company has already established 3 LPE

Coating Pipe facility **with an installed capacity of 27.50 Lakh square meter per annum** at its existing campus of Anjar-Bhuj (Gujarat). With the aforesaid 3LPE Coating line, the Company will be benefited by higher capacity utilization of its existing Spiral and ERW API Pipes facilities with increase in the share of high value added pipes and achieve savings in logistic & coating charges

#### COMMENCEMENT OF COMMERCIAL PRODUCTION WITH DIRECT FORMING TECHNOLOGY (DFT) AT MALANPUR (M.P.)

**The much awaited Commercial Production on state-of-art imported mill for manufacturing of Heavy Structural Hollow Square / Rectangular Section Steel Tubes (up to 300 \* 300 mm) of sizes > 6 mm to 12 mm with Direct Forming Technology (DFT) at Malanpur (M.P.) with an installed capacity of 36,000 MTPA, commenced on 14th April, 2022.** With the commencement of the new technology (DFT), it not only paves an innovative route of high tech designed methodology to produce ERW Structural Steel Section Pipes and simplify the process by reducing the time & labour of producing customised hollow section pipes and makes operation setting accurate, easy and efficient but also enable us to improve our value added offerings of large diameter heavy structural pipes, resulted into creation of a larger and stronger steel pipes business with economies of scale.

#### The advantages derive of Direct Forming Technology (DFT)-Steel Pipe Manufacturing Machine are:

1. Heavy structural pipe with higher dia and thickness which was not in the product mix earlier. The same will be used in a different segment of heavy infra projects like Airports, Railway etc. and also a big potential to export.
2. Speeds up the Hollow Section Formation.
3. Just in Time Delivery to the customers even in small lots due to its faster changeover of sizes methodology at substantial reduced time.
4. Process is Autonomous & Computer measured with assured perfect pipe quality, dimensions and corner radius control.
5. Proven design.
6. Easy to operate and maintain.
7. High automation level

## BOARD'S REPORT (Contd.)

With the commencement of the new technology (DFT), the Company will be immensely benefitted as good demand is foreseen from the domestic and export front to which it caters.

### Government Initiatives

The Central Government **Aatma Nirbhar Bharat Abhiyaan** provides ample emphasis to rural India, agriculture, manufacturing and exports. The growth in rural India is expected to be higher than urban in future. As company's major sale comes from rural, semi urban & from exports and therefore, going forward the segments of the Company shall bring healthy growth.

**"Har Ghar Jal" – Piped water for all:** Surya remains optimistic on high attention from the policy makers on future availability of drinking water and expansion of the piped drinking water for all. By an estimate, India is home to 18% Global Human Population with approximately 4% of Global Fresh Water resources. The per capita Annual Fresh Water availability was 5,177 cubic meters in 1951 is likely to decline to 1,140 cubic meters by 2050. To save and preserve water resources, GOI has proposed to spend approx. 5 lakhs crore for Har Ghar Jal scheme, to provide tap water to nearly 150 million households in India by 2024. Jal Jeevan Mission (JJM) has been launched in partnership with states to enable every household in villages to have "Functional Household Tap Connection" (FHTC). JJM is implemented by Department of Drinking Water & Sanitation (DDWS) under Ministry of Jal Shakti (MJS). As on date only about 20% of the Rural Households have FHTC which is approx. 3.28 crore households and rest 80% of households are targeted to have FHTC by 2024 which is approx. 14.6 crore households. Currently the State of Uttar Pradesh & Himalayan states have expedited the Projects under JJM.

With the total estimated requirement of GI pipes envisaged under JJM scheme stands at approx. 15,00,000 M.T. for supplies till 2024, Surya, leading manufacturer of GI Pipes with capacity of 3.60 lakh M.T. will be immensely benefitted due to its PAN India presence with the state of art Plants which provide immense benefits with savings in logistic cost.

### BRAND VISIBILITY

Looking to the brand image of **"Prakash Surya"**, the demand & supply scenario in South Indian market, the Company's state of the art ERW Pipe Manufacturing Mill at Hindupur (A.P) for production of Black, Section

and GI pipes started yielding results. Further, company derives benefits of economies of scale at lower capital cost and increased market share in the premium market of South India, leading to savings in logistic cost and strengthening the overall Steel Pipe business of the Company.

Surya remains aggressive on building Brand value with new age advertisements and promotional activities. It continues to hold its leadership position in rural markets. With Government thrust on projects like increasing the share of gas in energy mix, City Gas Distribution network, National River Linking, improved focus on domestic water segment, irrigation projects, allocation in 'Har Ghar Jal' scheme, etc. will further boost the growth of the segments

### LIGHTING & CONSUMER DURABLES

In **Consumer Lighting**, the Company will continue its high growth momentum, and is focused on further improving its distribution and reach, across Urban, Semi-Urban and Rural India. There will be several New Product Launches, across LED Lamps, Battens and Downlighters, with a strong focus on Smart Lighting products. The Company will continue to aggressively drive Channel Financing

In **Professional Lighting**, the Company is further strengthening its Key Account Management, Projects and Design teams to drive a focused approach to its customers, and improve its project execution capabilities. There will be several New Product Launches, across segments, including several Smart Products and Solutions. Façade Lighting and Solar Lighting will continue to be high growth areas for it.

In **Consumer Durables**, company will focus on gaining market share in both Fans and Appliances. It will expand its range of Fans, across types and price points. It will also launch several New Products in Appliances, including in Water Heaters, Room Heaters, Mixer Grinders and Induction Cooktops.

Surya will be aggressive in Advertising and Promotions in 2022-23, including both Above the Line and Below the Line advertising. The Company will continue to invest in Automation and upgradation of Systems to drive higher efficiencies and productivity. The Company is also investing in the PLI scheme for LED Lighting.

With a very strong and trusted brand, consumer centricity and innovation at the core, strong focus

## BOARD'S REPORT (Contd.)

on quality, extremely strong distribution, a wide product range across Lighting and Consumer Durables, aggressive and focused plans for the year, a capable and experienced Senior Management Team, disciplined Working Capital management and supportive Government initiatives like Atmanirbhar Bharat and the PLI scheme, Surya is well placed for a great 2022-23.

### BRAND VISIBILITY

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

Surya, ranked among the most respectful and trusted brand for lighting product in India has a strong foothold in rural and semi urban areas. It is the only Indian Company which has completely backward integrated business model where disruption due to imports from China will be minimal. With strong brand presence, PAN India operations, extensive dealer network mainly in rural and semi-urban areas, improvement in general consumer sentiments and with continuous focus of Government of India on Aatma Nirbhar Bharat Abhiyaan we are well poised to achieve new heights with healthy growth in top line and bottom line.

### RESEARCH AND DEVELOPMENT CENTRE

Under the guidance and strong support of Management, Surya Roshni has become one of the market leaders in Lighting Industry in India. Strong marketing, cost effective production and a strong focus on development and introduction of new LED products and technologies has played a crucial role in achieving this. Surya Technology and Innovation Centre (STIC) has contributed immensely towards achieving the position presently enjoyed by the Company.

STIC has been involved in the research and development of smart, cost effective, and efficient LED lights with many unique and first-in-class features. STIC has invested in various resources required for the mechanical, electronics and optical development. Company's experienced Mechanical engineers design new lights ensuring that the lights meet the best manufacturing and quality standards. The in-house electronics driver development for use in Company range of LED lights ensures high quality and high reliability.

The Company has developed entire range of luminaires with dimmable drivers, with programmable drivers, with Astronomical timer based controls, LDR based controls and with several other features and have also working towards development of smart products both in the Commercial and Professional Lighting segments to keep in line with the latest trends with the markets. All kinds of mechanical, electrical and safety tests performed on the products before releasing for production ensure that the performance of products during adverse electrical and environmental conditions is never compromised.

The Company's NABL accredited Photometric Testing Laboratory has the capability to carry out measurements for light distribution pattern, illuminance, luminous flux, chromaticity, color temperature (CCT), color rendering index (CRI) of light sources and luminaires. The lab is equipped with a High speed Mirror Gonio photometer (Type C) from LMT, Germany – the best equipment available for measurement of luminous output and intensity distributions of light sources, luminaires and for testing of optical design of lighting system along with a 2m Integrating sphere, luminance meter and illuminance meters making it one of most well equipped Photometric testing lab in India.

The Company has also extended the scope of luminaire testing by establishing Electrical Testing Laboratory and have applied for the NABL Accreditation. The accreditation will give it huge benefits in the business with government departments and agencies. STIC has also been recognized as an R & D Centre by DSIR (Department of Scientific & Industrial Research, Ministry of Science & Technology).

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

### OUTLOOK

During the year, the Company become larger and stronger with its continuous cost reduction, overhead rationalization, value added products and creating demand for different applications of its products. With strong emphasis of Government on **Aatma Nirbhar Bharat Abhiyaan and Vocal for Local and PLI Scheme for LED Lighting Products / Components**, higher demand from agriculture, manufacturing, exports and

## BOARD'S REPORT (Contd.)

from rural India is expected in future. As company's major sale comes from rural, semi urban & exports and therefore, going forward, both the segments of the company shall be performing well. With both short term and long term strategies in place, the Company aligned its resources to the needs of the industry and customers to achieve its future goals.

### 2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

As per the provisions of Section 134(3)(l) of the Companies Act, 2013 (hereinafter referred as "the Act" in this report), no material changes or commitment affecting the financial position that have been occurred between the end of the financial year of the Company to which the financial statements relate to the date of the report.

### 3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

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

### 4. GENERAL RESERVES

The Company has transferred an amount of ₹ 21 crore out of profit for the year to General Reserve.

### 5. DIVIDEND:

Pursuant to Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) (hereinafter referred as "Listing Regulations" in this report), the Company has Dividend Distribution Policy which is available on the Company's website at the following link:

<https://surya.co.in/wp-content/uploads/2022/05/Diversity-Policy.pdf>



The Board considering the Company's performance and financial position for the year under review, recommended a final dividend pay-out of ₹ 4.00 per equity share for the year ended 2021-22 subject to approval from the shareholders at the ensuing AGM and shall be subject to deduction of Income Tax at Source (TDS). The outflow on account of equity dividend will be ₹ 21.76 crore.

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

### 6. BOARD MEETINGS:

Under the Law, the Board of Directors must meet at least once in a quarter and four times a year, with a maximum time gap of 120 days between any two meetings to consider amongst other business, the quarterly performance of the Company and financial results. The Board meetings of the Company are held during the year 2021-22 in compliance to the provisions of the Act and Listing Regulations.

During the last financial year, the Board met five times, on 25th May, 2021; 31st July, 2021; 26th October, 2021, 30th December, 2021 and 14th February, 2022.

For further details, please refer to the Corporate Governance Report.

### SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively.

### 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### Re-appointment of Director to Retire by Rotation:

As per Article 77(ii) of the Articles of Association of the Company, Mr. Kaustubh Narsinh Karmarkar (DIN – 00288642) retire by rotation and, being eligible, offer himself for reappointment.

#### Reappointment of Executive Chairman

Mr. Jai Prakash Agarwal having DIN – 01299297, based on the recommendation of Nomination and Remuneration Committee (NRC) at its meeting was reappointed as a Whole-time director designated as Executive Chairman of the Company from 1st January, 2022 for a period of five years by the Board of Directors which was subsequently approved by the shareholders of the Company through passing a resolution via. Postal Ballot (conducted through remote e-voting only) on 28th December, 2021.

## BOARD'S REPORT (Contd.)

### Appointment of Managing Director

Mr. Vinay Surya having DIN – 00515803, who was appointed as a Whole-time director of the Company from 18th May, 2018 onwards has been appointed by the Board of Directors on the recommendation of Nomination and Remuneration Committee (NRC) at its meeting as the Managing Director of the Company w.e.f 26th October, 2021, which was subsequently approved by the shareholders of the Company through passing a resolution via. Postal Ballot (conducted through remote e-voting only) on 28th December, 2021.

### Appointment of Directors

The Board of Directors on the recommendation of Nomination and Remuneration Committee (NRC) has appointed the following directors on the Board of the Company:

1. Mr. Pramod Jain (DIN- 00001290) as an Additional Director and Independent Director on 27th November, 2021 for a period of 5 consecutive years w.e.f. 27th November, 2021 to 26th November, 2026, subject to approval of shareholders.
2. Mrs. Suruchi Mittar - (DIN-09432491) as an Additional Director and Independent Director on 18th December, 2021 for a period of five consecutive years. (Since resigned)
3. Ms. Suruchi Aggarwal w.e.f. 14th February, 2022 as an Additional Independent Woman Director on 14th February, 2022 for a period of 5 consecutive years w.e.f. 14th February, 2022 to 13th February, 2027, which was subsequently approved by the shareholders of the Company through passing a resolution via. Postal Ballot (conducted through remote e-voting only) on 12th April, 2022.

### Cessation of Directors:

- Mrs. Bhavna Kasturia - (DIN-08858309), an Independent Woman Director, had resigned from the Board of the Company with effect from close of business on 8th December, 2021 due to current engagements and some other pre-existing commitments, which makes difficult for her to fulfil the responsibilities as a Director on the Board of the Company.
- Mr. Ravinder Kumar Narang - (DIN-02318041), an Independent Director of the Company had resigned from the Board of the Company w.e.f.

12th January, 2022 due to his old age and ongoing COVID-19 Pandemic situation prevailing in the country.

- Mrs. Suruchi Mittar - (DIN-09432491), an Additional (Independent) Woman Director of the Company had resigned from the directorship w.e.f. 13th January, 2022 due to her current engagements and some other pre-occupations.

### Change of Key Managerial Personnel (KMPs)

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

Name of the official(s)	Key Managerial Personnel (KMPs)
Mr. Raju Bista	Managing Director
Mr. Vinay Surya	Managing Director
Mr. Tarun Baldua	ED & C.E.O – Steel Operations
Mr. Nirupam Sahay	ED & C.E.O – Lighting
Mr. Bharat Bhushan Singal	Sr. V.P & Company Secretary

During the year, under review, Mr. R. N. Maloo, ED & Group CFO had superannuated from the services of the Company w.e.f. the close of business hours on 23rd December, 2021.

### 8. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 of the Listing Regulations.

All the Independent Directors of the Company have registered themselves in the data bank maintained with the Indian Institute of Corporate Affairs, Manesar ('IICA'). Further, in terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, all the Independent Directors have passed or were exempted to undertake online proficiency self-assessment test conducted by the IICA.

In the opinion of the Board, all independent directors possess strong sense of integrity and having requisite experience, qualification and expertise. For further details, please refer corporate governance report.

## BOARD'S REPORT (Contd.)

### 9. COMPOSITION OF AUDIT & OTHER COMMITTEES

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

Name of the Members	Director Identification No.	Category
Mr. Krishan Kumar Narula	00098124	Chairman ; Independent – Director
Mr. TaraSankar Sudhir Bhattacharya	00157305	Member ; Independent – Director
Mr. Surendra Singh Khurana	02126149	Member ; Independent – Director
Mr. Pramod Jain #	00002190	Member ; Independent – Director
Mr. Vinay Surya #	00515803	Member ; Non-Independent – Director

# Inducted as the member of the Committee by the Board of Directors on 20th December, 2021

All members of audit committee are financially literate and have accounting and related financial management expertise.

Detailed information pertaining to the Audit Committee has been provided in the Corporate Governance Report.

#### Nomination and Remuneration Committee

The composition of the Committee is as follows:

Name of the Members	DIN	Position	Category
Mr. Krishan Kumar Narula	00098124	Chairman	Non-Executive, Independent
Mr. Ravinder Kumar Narang <sup>^</sup>	02318041	Member	Non-Executive, Independent
Mr. Surendra Singh Khurana	02126149	Member	Non-Executive, Independent
Mr. Pramod Jain \$	00002190	Member	Non-Executive, Additional Independent
Ms. Suruchi Mittar @	09432491	Member	Non-Executive; Additional Independent
Shri Surendra Singh Khurana	02126149	Member	Non-Executive, Independent

<sup>^</sup> Resigned from Directorship / Membership on 12th January, 2022

\$ Inducted as the member of the Committee by the Board of Directors on 20th December, 2021

@ Inducted as the member of the Committee by the Board of Directors on 20th December, 2021 and later resigned from Directorship / Membership on 13th January, 2022.

Detailed information pertaining to the Nomination and Remuneration Committee has been provided in the Corporate Governance Report.

#### Remuneration Policy

Remuneration Policy as framed by the Committee and approved by the Board keeping in view the provisions of Section 178 of the Act and Regulation 19 read with Part D Clause A of Schedule II of Listing Regulations. The policy inter alia provides for the following:

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

The said policy is available on the website of the Company and can be accessed at the following link: [https://surya.co.in/wp-content/uploads/2022/06/NRC-Revised-Policy\\_19.05.2022.pdf](https://surya.co.in/wp-content/uploads/2022/06/NRC-Revised-Policy_19.05.2022.pdf)



#### Stakeholder's Relationship Committee

##### Composition / Name of Members and Chairperson

The Committee headed by Mr. Krishan Kumar Narula (Non-executive – Independent Director) has the mandate to review and redress stakeholder

## BOARD'S REPORT (Contd.)

grievances. The Composition of the committee is as follows:

Name of the Members	DIN	Position	Category
Mr. Krishan Kumar Narula	00098124	Chairman	Non-Executive, Independent
Mr. Ravinder Kumar Narang <sup>^</sup>	02318041	Member	Non-Executive, Independent
Mr. Raju Bista	01299297	Member	Executive, Non-Independent
Mr. Pramod Jain §	00021920	Member	Non-Executive, Independent

<sup>^</sup> Resigned from Directorship / Membership on 12th January, 2022

§ Inducted as the member of the Committee by the Board of Directors on 20th December, 2021

Detailed information pertaining to the Stakeholder's Relationship Committee has been provided in the Corporate Governance Report.

### Risk Management Committee

The Committee is, inter-alia, responsible to formulate the detailed risk management policy by identifying the internal and external risks faced by the Company including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risk, measures for risk mitigation, business continuity plan. The committee regularly review the methodology, processes and systems to monitor and evaluate risks associated with the business of the Company and proper implementation of the risk management policy. The committee kept updated the board of directors about the nature and content of its discussions, recommendations and actions to be taken.

### Composition / name of members and chairperson

The Committee headed by Mr. Krishan Kumar Narula (Non-executive – Independent Director) shall discharge the role and responsibilities as specified in Part C of Schedule II of the Listing Regulations as amended from time to time. The Composition of the

committee is as follows:

Name of the Members	DIN	Position	Category
Mr. Krishan Kumar Narula	00098124	Chairman	Non-Executive, Independent
Mr. Sunil Sikka	08063385	Member	Non-Executive, Independent
Mr. Pramod Jain #	0002190	Member	Non-Executive, Additional Independent
Mr. Kaustubh N Karmarkar	00288642	Member	Executive, Non-Independent
Mr. Vinay Surya #	00515803	Member	Executive – Non-Independent
Mr. Tarun Baldua	-	Member	ED & CEO – Steel Operations
Mr. Nirupam Sahay	-	Member	ED & CEO – Lighting

# Inducted as a member of the Committee by the Board of Directors on 20th December, 2021

Detailed information pertaining to the Risk Management Committee has been provided in the Corporate Governance Report.

### 10. WHISTLE BLOWER POLICY (VIGIL MECHANISM) :

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

## BOARD'S REPORT (Contd.)

[https://surya.co.in/wp-content/uploads/2022/05/162928\\_whistle-blower-policy.pdf](https://surya.co.in/wp-content/uploads/2022/05/162928_whistle-blower-policy.pdf)



### 11. DIRECTORS RESPONSIBILITY STATEMENT – IN PURSUANCE OF SECTION 134(5) OF THE COMPANIES ACT, 2013 :

**The Board of Directors of the Company confirm that:**

- in the preparation of the annual accounts for the financial year ending 31st March, 2022, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ending 31st March, 2022 and of the profit of the Company for that period;
- 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;
- the Directors had prepared the annual accounts on a “going concern” basis;
- 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;
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Details in respect of frauds reported by auditors under section 143(12) of the Act:**

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

### 12. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year, Company has a sole non-listed Indian Wholly-Owned Subsidiary namely SURYA ROSHNI LED LIGHTING PROJECTS LIMITED (CIN – U31200DL2019PLC344720) having an authorised capital of Rupees Five crore and paid-up capital of Rupees Three crore eighty five lakhs as a Special Purpose Vehicle (SPV).

A statement providing details of performance and salient features of the financial statements of the Subsidiary company as per Section 129(3) of the Act, is provided in AOC-1 as **Annexure I** to this Report. Further during the year under review, no company have become / ceased to be our Subsidiary / Joint Venture/ Associate Company.

In accordance with the provisions of the Act and Listing Regulations read with Ind AS-110-Consolidated Financial Statement, the consolidated audited financial statement forms part of the Annual Report.

### 13. ANNUAL RETURN:

As per the provisions of section 92(3) of the Act and rule 11 of the Companies (Management and Administration) Rules, 2014, a copy of Annual Return (2021-22) has been placed on the website of the Company and can be accessed at following link: [https://surya.co.in/annual\\_return](https://surya.co.in/annual_return)



### 14. AUDITORS AND AUDIT REPORT:

#### **STATUTORY AUDITORS:**

Pursuant to the provisions of section 139 of the Act, the members at the Annual General Meeting (“AGM”) of the Company held on 29th December, 2017 appointed M/s Ashok Kumar Goyal & Co, Chartered Accountants (firm registration No. – 002777N) as Statutory Auditors of the Company for the first term from the conclusion of 44th AGM till the conclusion of 49th AGM. As the first term of the first five years is going to expire from the conclusion of the ensuing AGM of the Company and pursuant to provisions of Section 139 (2) of the



## BOARD'S REPORT (Contd.)

Act, an audit firm shall be appointed as Statutory Auditor for maximum of two terms of five consecutive years each, being eligible for re-appointment as per the provisions of section 141 of the Act, the Board recommend the reappointment of statutory auditor, M/s Ashok Kumar Goyal & Co, Chartered Accountants (firm registration No. – 002777N), for the second term of five consecutive years so to hold such office from the conclusion of ensuing AGM till the conclusion of the 54th AGM, subject to approval of shareholders in the forthcoming AGM of the Company.

The Statutory Audit Report for the year 2021-22 does not contain any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors.

### APPOINTMENT OF OTHER AUDITORS

#### COST AUDITOR

The Company has maintained accounts and records as specified under sub-section (1) of 148 of the Act read with Companies (Audit & Auditors) Rules, 2014.

Pursuant to Section 148 of the Act, the Board has appointed M/s R. J. Goel & Company (a Cost auditor firm) as Cost Auditors for conducting the audit of the cost records of the Company for the financial year 2021-22.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution will form part of the Notice convening the AGM. The approval of the members is sought for the proposed remuneration payable to the Cost Auditors for the Financial Year ended 31st March, 2023. M/s R.J. Goel & Co., have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years. The Cost Audit Report of the Company for the Financial Year ended 31st March, 2022 will be filed with the MCA.

#### SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Messrs S G S Associates, a firm of Company Secretaries in Practice, to conduct Secretarial Audit

of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year ended 31st March, 2022 is annexed herewith and marked as **Annexure II** to this report.

The Secretarial Audit Report(s) is self- explanatory and does not contain any qualification, reservation or adverse remark.

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

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

### 16. DETAILS RELATING TO DEPOSITS :

The Company has not accepted deposits under Chapter V of the Act. Any amount lying unpaid / unclaimed of any depositor was transferred to Investor Education and Protection Fund. At the close of the year no amount is lying unpaid / unclaimed of any depositor for payment with the Company.

### 17. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS :

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

### 18. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS :

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

The Company is having an independent Internal Audit Department assisted by external professionals for assessing and improving the effectiveness of internal

## BOARD'S REPORT (Contd.)

financial control with reference to financial statements and governance. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

### 19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :

As per the provisions of section 186(4) read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014, the particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient are provided in the Standalone Financial Statement (Please refer Note 6 and 46 to the Standalone Financial Statement).

### 20. RISK MANAGEMENT POLICY :

In line with the provisions of Section 134(3)(n) of the Act and Regulation 17(9) of Listing Regulations, the Risk Management Committee has formulated and approved the Risk Management Policy (referred to as RMP Policy) at its meeting held on 26th October, 2021. The Policy aimed to develop an approach to make an assessment and management of the risks in financial, operational and project based areas in a timely manner. The main objectives of the Risk Management Policy are:

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

Detailed information pertaining to the same has been provided in the Management Discussion and Analysis (MDA) to the Report and therefore not repeated, to avoid duplication.

### 21. CORPORATE SOCIAL RESPONSIBILITY POLICY :

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

#### Composition / Category / Name of Members and Chairperson

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

S. No.	Name of the Members	DIN	Category
1	Mr. Jai Prakash Agarwal	00041119	Member
2	Mr. Raju Bista	01299297	Member
3	Mr. Krishan Kumar Narula	00098124	Chairman; Independent Director
4	Mr. Kaustubh N Karmarkar	00288642	Member
5	Mr. Pramod Jain §	00002190	Member; Additional Independent Director

§ Inducted as the member of the Committee by the Board of Directors on 20th December, 2021

During the last financial year two CSR Committee meetings were held on 19th April, 2021 and 17th March 2022.

To attain the objectives of Corporate Social Responsibility in a professional and integrated manner CSR Committee framed the revised Corporate Social Responsibility Policy of the Company in line with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as approved by the Board on 25th May, 2021.

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

## BOARD'S REPORT (Contd.)

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

The detailed Corporate Social Responsibility Policy of the Company is available on the website of the Company at the following link: <https://surya.co.in/wpcontent/uploads/2022/05/Revised-CSR-Policy.pdf>



Company discharged its responsibilities through Surya Foundation, a public trust, (a registered entity under Ministry of Corporate Affairs (MCA) vide Registration Number CSR00002663 for undertaking the CSR activities) established in 1992 with established track record of more than 30 years, to undertake CSR related activities and further is an eligible implementing agency in accordance with the provisions of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR projects or programmes or activities undertaken by the Company as per the Company's CSR Policy in India only, which includes Rural Development Programme, Promoting Health Care including Preventive Health Care and any other project covered under Schedule VII of the Act. The CSR activities like personality development camp, plantation of rural area, sports tournament, selai Kendra, swatch abhiyan, blood donation camp, national youth day celebration, go-utpaad training camp, dakshta varag, madhu makhi traing camp, diary training camp, etc. or any other activities covered under Schedule VII of the Act shall be carried on under 'Rural Development Programme' (Adarsh Gram Yojana Project) and also undertake projects on Naturopathy, Health Camps under 'Promoting Health Care including Preventive Health Care' and any other projects covered under Schedule VII of the Act. The Company prefer to take up projects for spending the amount earmarked for CSR at local areas and regions where the Company operates and on PAN India basis.

During the year under review, Company spent ₹3.53 crore on corporate social activities being not less than two percent of the average net profits of the Company(s) made during the three immediately preceding financial years as required under the provisions of Section 135(5) of the Act. No amount was left unspent during the year under review on CSR activities.

Annual Report on Corporate Social Responsibility Activities of the Company for the financial year 2021-22 is annexed as **Annexure IV** to the Board's Report.

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

### 22. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the financial year ended 31st March, 2022, all the contracts or arrangements or transactions that were entered into with related party as defined under the Act, and Regulation 23 of Listing Regulations, were on an arm's length basis and were in the ordinary course of business. However, pursuant to Regulation 23(2) of Listing Regulations, prior approval of the Audit Committee was sought for entering into related party transactions.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on related party transactions. Thus, disclosure in form AOC-2 is not required.

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

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the following link:

[https://surya.co.in/wp-content/uploads/2022/06/RPT\\_Revised\\_Policy\\_19.05.2022.pdf](https://surya.co.in/wp-content/uploads/2022/06/RPT_Revised_Policy_19.05.2022.pdf)



Your Directors draw attention of the members to Note No. 49 to the Standalone financial statement which sets out disclosures on related parties and transactions entered into with them during the Financial Year under review.

## BOARD'S REPORT (Contd.)

### 23. PERFORMANCE EVALUATION:

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

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

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

The Company has devised a formal process for annual evaluation of performance of the Board, its Committees and Individual Directors including Independent Directors. The process provides that the performance evaluation shall be carried out on annual basis.

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

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

reviewed the -

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

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

Based on the recommendations of the Nomination and Remuneration Committee, Independent directors at their meeting held on 31st March, 2022 reviewed and evaluated the performance of Non-Independent Directors including the Chairman and further review and evaluate the Boards Performance, Board Committees performance and submit its report to the Chairman of the Company for assessment.

Pursuant to the provisions Section 134(3)(p) and Clause VIII of Schedule IV of the Companies Act, 2013 other applicable provisions of the Act and in compliance with the provisions of Regulation 17(10), 19 and 25(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 5th January, 2017 on Guidance Note on Board evaluation, formal annual evaluation has been made by the Board after reviewing each and every parameter of Performance evaluation of Board as a whole, its Committees and that of every

## BOARD'S REPORT (Contd.)

individual director (including Independent Directors) in detail and after taking into consideration the report submitted by the NRC and Independent Directors on performance evaluation, collectively submit Comprehensive Annual Evaluation Performance Report in regard to its own performance, its Committees viz. Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and other Compliance Committees and that of individual directors including its Chairperson, Managing Directors, Independent Directors and Non-independent directors accordingly. Directors expressed deep satisfaction with the entire performance evaluation process.

### 24. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

The Company has taken adequate steps to adhere to all the stipulations laid down in regulations 17 to 27, 46 and para C, D and E of Schedule V of Listing Regulations. A report on Corporate Governance is provided in **Annexure –V** and form part of this Report.

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

### 25. BUSINESS RESPONSIBILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility Report (BRR) describing the initiatives taken by the Company from an environmental, social and governance perspective is enclosed and marked as **Annexure – VI**

### 26. BOARD DIVERSITY

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

### 27. GENERAL

#### i. EMPLOYEE STOCK OPTION SCHEMES

The Shareholders of the Company approved the SRL Employee Stock Option Scheme – 2018 for 8,00,000 ESOPs vide their Special Resolution dated 28th September, 2018 and **Surya Roshni Limited - Employee Stock Option Scheme – 2021** for 8,00,000 ESOPs vide their Special Resolution dated 19th June, 2021

Disclosure with respect to Stock Options, as required under sub-rule 9 of Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and under the specified Regulations of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the Regulations') as amended by Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are available in the Notes to the Financial Statements and can also be accessed on the Company's website [www.surya.co.in](http://www.surya.co.in) During the year, there has not been any change in the Company's Employee Stock Option Scheme. The scheme is in compliance with the Regulations.

Your Company's Secretarial Auditor, M/s. SGS Associates, have certified that the Employee Stock Option Schemes of the Company have been implemented in accordance with the Regulations and the resolutions passed by the Members in this regard.

#### ii. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formed an Internal Committee to address complaints pertaining to sexual harassment in the workplace. The Company policy mandates prevention of sexual harassment and to ensure a free and fair enquiry process with clear timelines for resolution.

Your Directors state that during the year under review, there was no cases filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## BOARD'S REPORT (Contd.)

- iii. As per the Listing Regulations, the compliance certificate from Managing Directors and Chief Financial Officer is given and marked as as **Annexure – VII** to this report.
- iv. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.- **Nil**

Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof – **Nil**

### 28. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197(12) read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is enclosed as per **Annexure VIII**.

### 29. ACKNOWLEDGEMENTS

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

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

for and on behalf of the Board of Directors

Place: New Delhi  
Dated: 19<sup>th</sup> May, 2022

J P Agarwal  
Chairman  
DIN- 00041119

## ANNEXURE – I TO BOARD'S REPORT

### FORM NO. AOC - 1

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

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

### Part A Subsidiaries

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

1. Sl. No.	1
2. Name of the Subsidiary	SURYA ROSHNI LED LIGHTING PROJECTS LIMITED (CIN –U31200DL2019PLC344720)
3. The date since when subsidiary was acquired	21st January, 2019
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
5. Reporting currency and Exchange rate as on last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
6. Share Capital	385.00 (38,50,000 Equity Shares of ₹ 10/- each fully paid-up)
7. Reserve and Surplus	246.40
8. Total assets	1,515.92
9. Total liabilities	1,515.92
10. Investments	-
11. Turnover	1,328.29
12. Profit before Taxation	44.48
13. Provision for taxation	11.19
14. Profit after taxation	33.29
15. Proposed Dividend	Nil
16. Extent of shareholding (in %)	100% (Wholly-owned Subsidiary)

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

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

### Part B Associate and Joint Venture

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

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

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

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

Place : New Delhi  
Date: 19<sup>th</sup> May, 2022

## ANNEXURE – II TO BOARD'S REPORT

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

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

TO  
THE MEMBERS  
SURYA ROSHNI LIMITED

PRAKASH NAGAR, SANKHOL  
BAHADURGARH, HARYANA-124507

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S SURYA ROSHNI LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company physically and online and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and the information available in public domain, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 and made available to us according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder (as amended from time to time);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (as amended from time to time);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (as amended from time to time);
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial Borrowings (as amended from time to time);
- (v) The Following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (as amended from time to time).
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time);
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time);
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time);- (Not applicable to the Company during the Audit Period);
  - d) <sup>1</sup>The Securities and Exchange Board of India (Employee Stock Option Scheme, Employee Stock Purchase Scheme) Guidelines, 1999 and (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time);
  - e) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021 (as amended from time to time);
  - f) <sup>2</sup>The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended from time to time);
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
  - i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period);



## ANNEXURE – II TO BOARD'S REPORT (Contd.)

- j) <sup>3</sup>The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (as amended from time to time) - Not applicable to the Company during the audit period;
- k) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (as amended from time to time)

### Footnotes:

1. <sup>1</sup>The Securities and Exchange Board of India (Employee Stock Option Scheme, Employee Stock Purchase Scheme) Guidelines, 1999 and (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time) have been merged into The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021 (as amended from time to time), provided at point (v) e) to the report.
2. <sup>2 & 3</sup>The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (as amended from time to time) have been merged into Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021(as amended from time to time) provided at point (v) f), k) to the report

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- a) Secretarial Standard- 1 (Meetings of Board of Directors)
- b) Secretarial Standard- 2 (General Meetings)
- (ii) The Listing Regulations, as applicable entered into by the Company with Stock Exchanges as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time.

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

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the mandatory conditions

of the Regulation 27 of the Listing Regulations during the reported year.

### **We further report that,**

Compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit and the same has been subject to review by the Statutory Auditors and others designated professionals.

Based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and on examination of the relevant documents and records in pursuance thereof on test-check basis, we are of the opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance of provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **We further report that**

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

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

We further report that during the year Shri. Vinay Surya has been appointed as Managing Director of the Company w.e.f. 26th October, 2021 for a period of 5 years. Further Sh. Pramod Jain and Ms. Suruchi Aggarwal have been appointed as Independent Directors of the Company w.e.f. 27th November, 2021 and 14th February 2022 respectively. Mrs. Suruchi Mittar, independent woman Director was appointed on 18th December, 2021 who resigned on 13th January, 2022 and Sh. Ravinder Kumar Narang resigned on 12th January, 2022.

We further report that the Nomination and Remuneration Committee of the Company has during the period under review approved grant of outstanding options to employees under SRL-Employee Stock Option Scheme 2018 & options to employees under Surya Roshni Limited-Employees Stock Option Scheme 2021.

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

We further report that during the year, the Company has

## ANNEXURE – II TO BOARD'S REPORT (Contd.)

carried out resolutions through postal Ballots during the audit period on 26th October, 2021 and 14th February, 2022.

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.

For SGS ASSOCIATES LLP  
Firm Regn. No. L2021DE011600  
Company Secretaries

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

Date: 13<sup>th</sup> May 2022 ICSI UDIN No. F002411D000318958  
Place: - New Delhi ICSI PR No 1194 / 2021

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

## ANNEXURE - A

### ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE (UNQUALIFIED)

To,  
The Members  
Surya Roshni Limited  
PRAKASH NAGAR, SANKHOL  
BAHADURGARH, HARYANA-124507

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

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

For SGS ASSOCIATES LLP  
Firm Regn. No. L2021DE011600  
Company Secretaries

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

Date: 13<sup>th</sup> May 2022  
Place: - New Delhi

ICSI UDIN No. F002411D000318958  
ICSI PR No 1194 / 2021

## ANNEXURE – III TO BOARD'S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3) (m) read with Companies (Accounts) Rules 2014 and forming part of the Directors' Report for the year ended 31st March, 2022.

### I. CONSERVATION OF ENERGY

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

#### a) Energy conservation measures taken:

##### At Steel Pipes & Strips Segment – Bahadurgarh Unit:

- Saving of Power through Improving Power factor.
- Saving of energy is achieved by replacement of less efficient compressor with new air compressor of 600 CFM in pipe division
- Replacement of old boiler with New 3 TPH steam boiler of 17.5 kg/cm<sup>2</sup> pressure saves energy

##### At Steel Pipe Unit - Hindupur:

- Saving is achieved by installation of VFD control sensing by the temperature based PID control on the cooling towers to control the water temperature.
- Installation of the VFD on G.P blower motor resulted into saving of electrical power.
- Using of auto fan controller with the mill coolant pump to save energy
- Saving is achieved by replacement of fan aluminium blades with FRP blades.
- Saving by improving the specific CFM Generation capacity of the compressor by effective maintenance of the compressor.
- By minimising the compressed air leakage throughout the plant, saving of energy is achieved.
- Efficiency enhancement of all pumps by Coro – Coating resulted in saving of energy.

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

- Saving of energy through replacement of Halogen lamps with LED Lamps.
- Company gone through the audit of energy

management system for conservation of energy.

- Replaced high energy consuming electrical motor with lower energy consuming motors resulted in saving of energy.
- Saving of energy by optimisation of use of common utilities by interlinking of utilities at various sections
- Developed Heat Recovery System in GI Plant & Boiler by using waste heat energy for drying the pipes after coating

##### At Steel Pipe Unit - Malanour:

- Saving of energy through replacement of Conventional Lights with LED Lights.
- Replaced Aluminium blades with FRP Blades, resulted in saving of energy.
- Saving of energy by optimisation of use of common utilities by interlinking of utilities at various sections.

##### At Malanpur Unit of Lighting Division:

- Saving of Energy is achieved in FTL exhaust oven by converting it from Electrical Heating to Natural Gas.
- Optimisation of Compressor power @ 20 Kw in component section to Optimisation generating pressure from 6.0 to 5.5 bar resulted in saving energy.
- Saving achieved by reduction of compressor power consumption by 150 Kwh/day in lieu of 6.5 bar air required to cut aluminum castings in workshop area.
- Saving of Electrical Energy by Optimisation of Compressor power in LED section at reduced load by 100Kwh/day.
- Reduction of water pumping power at quencher from 10 to 5 Hp, resulted in saving energy.
- Reduction of Power slippage by installing flat belts in tank cooling blower furnace 10 kwh, resulted in saving energy

## ANNEXURE – III TO BOARD'S REPORT (Contd.)

### At Kashipur Unit of Lighting Division:

- Saving of energy is achieved by replacement of conventional window A.C with split inverter A.C.
- Saving of Natural Gas by utilising HID baker heat recover for HID Coating.
- Saving of energy through replacement of T-5 air cooling blower of 30 k.w by cooling blower of 9.5 k.w
- Saving of energy, by replacement of Ductable Conventional A.C with Ductable Inverter A.C in PCB plant.
- Replaced the Kenthal Wire heater in multidraw machine by IR Heater to save energy.

### b) Steps taken by the Company for utilising alternate source of energy:

Company is exploring options to use Solar Based Energy/Wind Power Energy as an alternate source of energy in future.

### c) The Capital Investment on energy conservation equipment's:

Regular investment on energy conservation equipment's are made by the Company.

## II. TECHNOLOGY ABSORPTION

### Efforts made in technology absorption as per Rules:

#### 1. Research and Development (R&D)

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

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

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

Developed / modified energy efficient environment friendly lighting products.

##### c) Future Plan of action:

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

### d) Expenditure on R & D:

**Capital Expenditure** during the year is ₹0.52 crore & **Revenue Expenditure** is ₹2.98 crore.

## 2. Technology absorption, adaptation & innovation:

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

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

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

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

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

## III. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

The Company continued to maintain its focus & avail of export opportunities based on economic considerations.

During the year, the Company has exports (FOB value) worth ₹ 1444.80 crore

### b) Total foreign exchange used and earned (₹ in crore)

**Used:** 467.77      **Earned:** 1234.16

for and on behalf of the Board of Directors

Date: 19<sup>th</sup> May 2022

Place: - New Delhi

J P AGARWAL  
CHAIRMAN  
DIN – 00041119

## ANNEXURE – IV TO BOARD'S REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-2022

#### 1. Brief Outline on CSR Policy of the Company

"Surya Roshni Limited CSR Policy" describes and contains the Company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines, process and mechanisms for undertaking socially useful programmes for welfare and sustainable development of the community at large. The key objective is to eradicating hunger, poverty and malnutrition; promoting health care; making available

safe drinking water & sanitation; promoting education; enhancing vocational skills & livelihood enhancement projects; women empowerment; promoting of home and hostels for women and orphans; reducing inequality faced by socially and economically backward groups; animal welfare /animal care; promoting art & culture; contribution to Prime Minister Relief Fund; rural development projects; and addressing environmental issues.

#### 2. Committee Composition:

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

S. No.	Name	Category	Designation
1	Mr. Jai Prakash Agarwal	Member	Executive Chairman
2	Mr. Raju Bista	Member	Managing Director
3	Mr. Krishan Kumar Narula	Chairman	Independent Director
4	Mr. Kaustubh Narsinh Karmarkar	Member	Non-Independent Director
5	Mr. Pramod Jain §	Member	Independent Director

§ Inducted as the member of the Committee on 20th December, 2021

#### 3. Web-link

The detailed Corporate Social Responsibility Policy of the Company is available at the following link:  
<https://surya.co.in/wp-content/uploads/2022/05/Revised-CSR-Policy.pdf>



#### 4. Impact Assessment

Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is Not Applicable as the average CSR obligation of the Company is less than ₹10 crore in the three immediately preceding financial years on the Company.

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	2021 - 2022	Nil	Nil
	Total	Nil	Nil

6.	Average Net Profit of the Company for last three financial years as per section 135(5)	:	(in ₹) 1,76,61,73,639
7.	(a) Prescribe Amount of CSR expenditure (2% of Average)	:	3,53,23,473
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	:	Nil
	(c) Amount required to be set off for the financial year if any	:	Nil
	(d) Total CSR obligation for the financial year 2021-2022 (7a+7b+7c)	:	3,53,23,473

## ANNEXURE – IV TO BOARD'S REPORT (Contd.)

### 8. (a) CSR amount spent or unspent during the Financial Year 2021-22 in respect of Surya Roshni Limited

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
3,53,24,999	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

### (b) Details of CSR amount spent against ongoing projects for the financial year 2021-22:

(₹ in crore)

1 Sl. No.	2 Name of the Project	3 Items from the list of activities in Schedule VII to the Act	4 Local Area (Yes / No)	5 Location of the Project		6 Project duration	7 Amount Allocated for the Project (in ₹)	8 Amount spent in the Current Financial Year (in ₹)	9 Amount transferred to unspent CSR Account for the Project as per Section 135(6) (in ₹)	10 Mode of Implementation - Direct Yes/No	11 Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No.
Not Applicable												

### (c) Details of CSR amount spent against other than ongoing projects for the financial year 2021-22

1 Sl. No.	2 Name of the Project	3 Items from the list of activities in Schedule VII to the Act	4 Local Area (Yes / No)	5 Location of the Project		6 Amount Spent for the Project (in ₹)	7 Mode of Implementation - Direct Yes/No	8 Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
1	Rural Development Project under Adarsh Gram Yojna	Amrit Mahotsav	No	Uttar Pradesh	GORAKHPUR	3,32,60,928	No	Surya Foundation	CSR00002663
		Bhoomi Suposhan	No	Uttar Pradesh	LAKHIMPUR KHIRI, FATEHPUR, BAREILLY, GORAKHPUR, VARANASI, MATHURA				
			Yes	Madhya Pradesh	SIHORE, VIDISHA, BHIND				
			No	West Bengal	DARJEELING				
			No	Rajasthan	JODHPUR				
			Yes	Andhra Pradesh	ANANTPUR				
			Yes	Uttarakhand	UDHAM SINGH NAGAR				
			Yes	Haryana	JHAJJAR				
			No	Maharastra	NAGPUR				
		Corona Vaccine Jagrupta Abhiyan	No	Chhattisgarh	RAJNAND GAON				
		Dairy Training Camp.	Yes	Haryana	SONIPAT				
		Dakshata Varg Camp	Yes	Haryana	SONIPAT				
		E Personality Development Camp For Kids	Yes	Delhi	DELHI				
		Go Utpaad Tranning Camp	No	Uttar Pradesh	GORAKHPUR, MEERUT				
			Yes	Madhya Pradesh	BHIND				
Yes	Uttarakhand		UDHAM SINGH NAGAR						
Yes	Gujarat		BHUJ						
Yes	Haryana		JHAJJAR						
Yes	Andhra Pradesh	ANANTPUR							

## ANNEXURE – IV TO BOARD'S REPORT (Contd.)

1 Sl. No.	2 Name of the Project	3 Items from the list of activities in Schedule VII to the Act	4 Local Area (Yes/No)	5 Location of the Project		6 Amount Spent for the Project (in ₹)	7 Mode of Implementation - Direct Yes/No	8 Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
		Gram Gaurav Mela	No	Uttar Pradesh	Bareilly, Gorakhpur, Mathura, Hathras, Varanasi, Kaushambi, Pilibhit				
			Yes	Uttarakhand	Udham Singh Nagar,				
			Yes	Madhya Pradesh	Vidisha, Bhind, Indore, Raisen, Sihore, Gwalior				
			Yes	Haryana	Jhajjar, Sonipat, Hissar, Fatehabad, Bhiwani				
			No	West Bengal	Darjeeling, Uttar Dinjpur				
			No	Rajasthan	Bikaner, Jodhpur, Jaipur, Nagaur				
			Yes	Gujarat	Bhuj, Sabarkantha, Aravalli				
			No	Chhattisgarh	Kabirdham, Rajnandgaon, Raipur, Korba				
		Kishan Samellan	No	Uttar Pradesh	Bareilly				
		Muhim Abhiyan	No	West Bengal	Darjeeling				
		Mini Personality Development Camp	No	Uttar Pradesh	Lucknow, Hamirpur, Kanpur, Bareilly, Mathura, Gorakhpur, Varanasi				
			No	West Bengal	Darjeeling				
			No	Rajasthan	Jaipur				
			Yes	Delhi	West Delhi				
		Netra Tranning Camp	No	Uttar Pradesh	Mathura				
		Pashu Tikakaran Plantation	No	Chhattisgarh	Rajnand Gaon				
			No	Uttar Pradesh	Amethi, Fatehpur, Hamirpur, Hardoi, Jalaun, Kanpur, Kanpur Dehat, Lakhimpur Khiri, Lucknow, Seetapur, Bareilly, Pilibhit, Gorakhpur, Mathura, Varanasi, Kaushambi, Meerut, Basti Barabanki				
			Yes	Madhya Pradesh	Vidhisha, Bhind, Indore, Raisen, Sihore, Gwalior				
			Yes	Haryana	Jhajjar, Sonipat, Hissar, Fatehabad, Bhiwani				
			No	Rajasthan	Bikaner, Jodhpur, Jaipur, Nagaur,				
			Yes	Andhra Pradesh	Anantpur,				
			Yes	Delhi	West Delhi				
			Yes	Uttarakhand	Udham Singh Nagar				
			Yes	Gujarat	Bhuj, Sabar Kantha, Aravalli				
			No	Chhattisgarh	Kabirdham, Rajnand Gaon, Raipur, Korba				
			No	Maharashtra	Nagpur, Ramgarh				
			No	Jharkhand	Ranchi				
			No	Karnataka	Bidar				
			No	Assam	Biswanath, Kamrup, Kamrup (R), Majuli				
			No	Odisha	Ganjam, Jagatsinghpur, Khurda, Rourkela, Puri				
			No	Tripura	West Tripura,				
			No	West Bengal	Darjeeling, Uttar Dinajpur				

## ANNEXURE – IV TO BOARD'S REPORT (Contd.)

1 Sl. No.	2 Name of the Project	3 Items from the list of activities in Schedule VII to the Act	4 Local Area (Yes / No)	5 Location of the Project		6 Amount Spent for the Project (in ₹)	7 Mode of Implementation - Direct Yes/No	8 Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
		Poshan Vatika	No	Uttar Pradesh	Meerut, Mathura, Varanasi, Gorakhpur				
			Yes	Madhya Pradesh	Vidisha, Sihore				
			No	Rajasthan	Jodhpur				
			Yes	Andhra Pradesh	Anantpur				
			Yes	Uttarakhand	Udham Singh Nagar				
			Yes	Gujarat	Varli (Bhuj)				
			Yes	Haryana	Jhajjar				
		No	Chhattisgarh	Rajnand Gaon					
		Pt. Deen Dayal Upadhyaya Jayanti Utsav	No	Uttar Pradesh	Mathura				
		Rathutsav Programe at Gullapur	Yes	Andhra Pradesh	Anantpur				
		RO System Donation to Hindupur	Yes	Andhra Pradesh	Anantpur				
		Selai Kendra	No	Uttar Pradesh	Kanpur Dehat, Bareilly, Meerut,				
			Yes	Andhra Pradesh	Anantpur				
			No	Chhattisgarh	Rajnand Gaon				
		Senior Citizen Samman Samorah Sports Tournament	No	Uttar Pradesh,	Mathura, Varanasi				
		Sports Tournament	Yes	Uttar Pradesh	Amethi, Barabanki, Lakhimpur Khiri, Lucknow, Seetapur, Hardoi, Bareilly, Pilibhit, Mathura, Gorakhpur, Basti, Kanpur, Kanpur Dehat, Fatehpur, Hamirpur, Varanasi, Kaushambi, Meerut, Jalaun,				
			Yes	Madhya Pradesh	Vidisha, Bhind, Indore, Raisen, Sihore, Gwalior				
			No	West Bangal	Darjeeling, Uttar Dinajpur				
			No	Rajasthan	Bikaner, Jodhpur, Jaipur, Nagaur				
			Yes	Andhra Pradesh	Anantpur				
			Yes	Uttarakhand	Udham Singh Nagar				
			No	Karnataka	Bidar				
			Yes	Gujarat	Bhuj, Sabarkantha, Aravalli				
			Yes	Haryana	Jhajjar, Sonipat, Hissar, Fatehabad, Bhiwani				
			Yes	Delhi	West Delhi,				
			No	Chhattisgarh	Kabirdham, RajnandGaon, Raipur, Korba				
			No	Maharashtra	Nagpur				
			No	Jharkhand	Ranchi, Ramgarh				
			No	Assam	Biswanath, Kamrup, Kamrup (R), Majuli				
			No	Manipur	Kangpopki, Kakching				
		No	Odisha	Ganjam, Jagatsinghpur, Khurda, Rourkela, Puri					
		Swasthya Camp at Hindupur	Yes	Andhra Pradesh	Anantpur				
		Swastya Shiver	No	Uttar Pradesh	Bareilly				
			Yes	Madhya Pradesh	Sihore				



## ANNEXURE – IV TO BOARD'S REPORT (Contd.)

1 Sl. No.	2 Name of the Project	3 Items from the list of activities in Schedule VII to the Act	4 Local Area (Yes/No)	5 Location of the Project		6 Amount Spent for the Project (in ₹)	7 Mode of Implementation - Direct Yes/No	8 Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
		Thela ( Bag ) Distribution	Yes	Uttrakhand	Udham Singh Nagar				
		Amplifer & Hand Mic	No	Uttar Pradesh	Mathura				
		Tulshi Janamutsav	No	Chhattisgarh	Rajnand Gaon				
		Rural Development Project	No	Uttar Pradesh	Aligarh, Amethi, Ballia, Barabanki, Bareilly, Basti, Kanpur, Kanpur Dehat, Kaushambi, Fatehpur, Gorakhpur, Hamirpur, Hardoi, Lakhimpur Khiri, Lucknow, Mathura, Meerut, Pilibhit, Seetapur, Shamli, Chandauli, Jalaun, Varanasi				
			No	Assam	Majuli, Biswanath, Kamrup, Kamrup (R)				
			Yes	Madhya Pradesh	Bhind, Gwalior, Indore, Sihore, Vidhisha,				
			Yes	Andra Pradesh	Anantapur				
			Yes	Haryana	Bhiwani, Fathehabad, Hissar, Jhajjar, Sonipat				
			No	Bihar	Purvi Champaran				
			No	West Bangal	Darjeeling, Kolkata, Uttar Dinajpur				
			No	Rajasthan	Bikaner, Jaipur, Jodhpur, Nagaur				
			Yes	Gujarat	Aravalli, Bhuj, Sabar Kantha				
			Yes	Uttrakhand	Rajnandgaon, Udham Singh Nagar				
			No	Maharastra	Nagpur				
			No	Jharkhand	Ranchi, Ramgarh				
			No	Chhattisgarh	Korba, Raipur, Kabirdham				
			Yes	Delhi	West Delhi				
			No	Manipur	Kakching, Kalimpong				
			No	Karnataka	Bidar, Chikkaballapur				
			No	Manipur	Kangpopki				
			No	Oddissa	Ganjam, Jagatsinghpur, Khurada, Puri, Rourkela				
			No	Tripura	West Tripura.				
2	Promoting Health Care including Preventive Health Care (Naturopathy)	Promoting Health Care including Preventive Health Care	Yes	Delhi	Central Delhi	20,64,071		Surya Foundation	CSR0002663
<b>Total</b>						<b>3,53,24,999</b>			

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 3,53,24,999/-

### 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial year	Amount transferred to unspent CSR Account for the Project as per Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(6).			Amount remaining to be spent in the succeeding Financial Years (in ₹)
				Name of the Fund	Amount	Date of transfer	
1	2018-19	Nil	Nil	N.A	Nil	N.A	Nil
2	2019-20	Nil	Nil	N.A	Nil	N.A	Nil
3	2020-21	Nil	Nil	N.A	Nil	N.A	Nil
<b>Total</b>				<b>Nil</b>			

## ANNEXURE – IV TO BOARD'S REPORT (Contd.)

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project duration	Total amount to be allocated for the project	Amount spent on the projects in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of the reporting Financial Year (in ₹)	Status of the Project - Completed / Ongoing

**Nil - As no amount left unspent on any project in the preceding three Financial Years**

- 10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details).
- (a) Date of creation or acquisition of the capital asset(s). N.A
- (b) Amount of CSR spent for creation or acquisition of capital assets Nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. N.A
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital assets) N.A
- 11.** Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). – **Not Applicable**

The Company had spent during the year an amount of ₹ 3.53 crore on corporate social responsibility (CSR) activities being not less than 2% of the average net profits of the Company made during the three immediately preceding financial years as required under the provisions of section 135(5) of the Companies Act, 2013. No amount was left unspent during the year under review on corporate social responsibility activities.

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

**Raju Bista**  
Managing Director  
(DIN – 01299297)

**Kaustubh N Karmarkar**  
Whole-time Director  
(DIN – 00288642)

for and on behalf of the Board of Directors

Place: New Delhi  
Dated: 19th May, 2022

**J P AGARWAL**  
CHAIRMAN  
DIN - 00041119

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE

### 1. Corporate Governance Philosophy

The ethical values are the foundation of Company's governance philosophy which over the past 49 years of the Company's existence has become a part of its culture. Corporate Governance at Surya Roshni has been a continuous process and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. The essence of Corporate Governance lies in the maintenance of integrity, transparency and accountability in the management's higher risks. At the heart of Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. Company's commitment towards adoption of best corporate governance practices goes beyond compliance of the law and endeavors to embrace responsibility for corporate actions and impact of its initiatives on all stakeholders.

Your Company confirms the compliance of Corporate Governance requirements specified in Regulation 17 to 27 read with Schedule V and Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (SEBI Listing Regulations), as applicable, with regard to corporate governance, the details of which are given below:

### 2. Board of Directors

#### a. Composition and Category of Directors as on 31st March, 2022

The Board consists of 12 Directors as on 31st March, 2022. The composition of the Board is in conformity with Regulation 17 read with clause C(2) (a) of Schedule V of Listing Regulations. The day to day management of the Company was carried by 4 Executive – Non Independent Directors. Chairman is an Executive Director and the number of Independent Non-Executive Directors on the Board is more or equal to 50% of the Board strength at any point of time.

All Independent Non-Executive Directors possess the requisite qualification and are very experienced in their respective fields and further comply with the legal requirements for being "Independent". Neither Independent Directors nor their relatives do not have any pecuniary relationships or transactions either with the Company or its associate or with the promoters/management that may affect their judgment in any manner. The Independent Directors of the Company satisfied the definition of independent directors as provided in Section 149(6) of the Companies Act, 2013, referred to as "the Act" read with Regulation 16(1)(b) of Listing Regulations.

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

<b>Total No. of Directors</b>	<b>12</b>
<b>Executive Chairman</b>	<b>Mr. Jai Prakash Agarwal</b>
<b>Managing Director</b>	<b>Mr. Raju Bista</b>
<b>Managing Director</b>	<b>Mr. Vinay Surya</b>
<b>No. of Independent Directors (Chairman being Executive)</b>	<b>7 (&gt; 50% of Board Strength)</b>
<b>No. of Non-Executive Directors</b>	<b>8 (&gt; 50% of Board Strength)</b>

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

<b>Name of the Directors</b>	<b>Director Identification No. (DIN)</b>	<b>Category of Directors</b>
<b>Mr. Jai Prakash Agarwal</b> (Executive Chairman)	<b>00041119</b>	Promoter ; Executive ; Non-Independent
<b>Mr. Raju Bista</b> (Managing Director)	<b>01299297</b>	Executive ; Non-Independent
<b>Mr. Vinay Surya</b> (Managing Director)	<b>00515803</b>	Promoter ; Executive ; Non-Independent
<b>Mrs. Urmil Agarwal</b>	<b>00053809</b>	Promoter ; Non-Executive ; Non-Independent
<b>Mr. Krishan Kumar Narula</b>	<b>00098124</b>	Non-Executive ; Independent
<b>Mr. Tara Sankar Sudhir Bhattacharya</b>	<b>00157305</b>	Non-Executive ; Independent
<b>Mr. Sudhanshu Kumar Awasthi</b>	<b>02162923</b>	Non-Executive ; Independent
<b>Mr. Surendra Singh Khurana</b>	<b>02126149</b>	Non-Executive ; Independent
<b>Mr. Sunil Sikka</b>	<b>08063385</b>	Non-Executive ; Independent

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the Directors	Director Identification No. (DIN)	Category of Directors
Mr. Pramod Jain*	00002190	Non-Executive ; Independent
Ms. Suruchi Aggarwal**	09501245	Non-Executive ; Independent
Mr. Kaustubh Narsinh Karmarkar	00288642	Executive ; Non-Independent
Mrs. Bhavna Kasturia <sup>^</sup>	08858309	Non-Executive ; Independent
Mr. Ravinder Kumar Narang <sup>^^</sup>	02318041	Non-Executive ; Independent
Mrs. Suruchi Mittar <sup>^^^</sup>	09432491	Non-Executive ; Independent

\* Appointed on the Board w.e.f. 27th November, 2021 as an Additional Independent Director.

\*\* Appointed on the Board w.e.f. 14th February, 2022 as an Additional Independent Woman Director and subsequently shareholders through Postal Ballot approved her appointment on 12th April, 2022 for her first term for a period of 5 consecutive years w.e.f. 14th February, 2022 to 13th February, 2027.

<sup>^</sup> Resigned from the directorship with effect from close of business on 8th December, 2021 due to her current engagements and some other pre-existing commitments.

<sup>^^</sup> Resigned from the Board of the Company on 12th January, 2022 due to old age and ongoing COVID-19 pandemic situation prevailing in the Country.

<sup>^^^</sup> Appointed on the Board w.e.f. 18th December, 2021 as an Additional Independent Director and later resigned from directorship on 13th January, 2022 due to her current engagements and some other pre-occupations

### b. Attendance of each Director at Board Meetings held during the year 2021-22 and last AGM

The names of the Directors on the Board and their attendance at Board meetings during the year 2021-22 and at the last AGM are as under:

Name of the Director	Director Identification No. (DIN)	No. of Board Meetings attended during 2021-22	Last AGM attendance As on 16.09.2021
Mr. Jai Prakash Agarwal (Executive Chairman)	00041119	5	NO
Mr. Raju Bista (Managing Director)	01299297	5	YES
Mr. Vinay Surya (Managing Director)	00515803	5	YES
Mrs. Urmil Agarwal	00053809	3	NO
Mr. Krishan Kumar Narula	00098124	5	YES
Mr. Tara Sankar Sudhir Bhattacharya	00157305	4	NO
Mr. Sudhanshu Kumar Awasthi	02162923	3	NO
Mr. Surendra Singh Khurana	02126149	5	NO
Mr. Sunil Sikka	08063385	4	NO
Mr. Pramod Jain*	00002190	1	NO
Ms. Suruchi Aggarwal**	09501245	N.A	NO
Mr. Kaustubh Narsinh Karmarkar	00288642	5	No
Mrs. Bhavna Kasturia <sup>^</sup>	08858309	3	YES
Mr. Ravinder Kumar Narang <sup>^^</sup>	02318041	4	NO
Mrs. Suruchi Mittar <sup>^^^</sup>	09432491	1	NO

\* Appointed on the Board w.e.f. 27th November, 2021 as an Additional Independent Director.

\*\* Appointed on the Board w.e.f. 14th February, 2022 as an Additional Independent Woman Director and subsequently shareholders through Postal Ballot approved her appointment on 12th April, 2022 for a period of 5 consecutive years w.e.f. 14th February, 2022 to 13th February, 2027. Further, No Board Meeting of the Company was held since she assumes office of Directorship, accordingly provision of attending the Board Meeting during 2021-22 is not applicable on her.

<sup>^</sup> Resigned from the directorship with effect from close of business on 8th December, 2021 due to her current engagements and some other pre-existing commitments.

<sup>^^</sup> Resigned from the Board of the Company on 12th January, 2022 due to old age and ongoing COVID-19 pandemic situation prevailing in the Country.

<sup>^^^</sup> Appointed on the Board w.e.f. 18th December, 2021 as an Additional Independent Director and later resigned from directorship on 13th January, 2022 due to her current engagements and some other pre-occupations

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

### Information supplied to the Board

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

In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under regulation 17(7) read with Part A of Schedule II to the Listing Regulations.

Based on the recommendations of the Nomination and Remuneration Committee, Independent directors at their meeting held on 31st March, 2022 reviewed and evaluated the performance of Non-Independent Directors including the Chairman and further review and evaluate the Boards Performance, Board Committees performance and submit its report to the Chairman of the Company for assessment. The Independent Directors of the Company at their meeting held on 31st March, 2022 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

### Orderly succession to Board and Senior Management

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

### c. Directorships and Committee Memberships in other companies as on 31st March, 2022

The names of the Directors and the details of chairmanship / directorships and committee memberships of each director in other companies as on 31st March, 2022 is given below:

Name of the Director	Director Identification No. (DIN)	No. of Directorships held in other companies		No. of committee positions held in other companies		Name of the Listed Entity where the person is a Director and category of Directorship	
		Chairman	Director	Chairman	Member	Listed Entity	Category
Mr. Jai Prakash Agarwal (Executive Chairman)	00041119	-	-	-	-	-	-
Mr. Raju Bista (Managing Director)	01299297	-	-	-	-	-	-
Mr. Vinay Surya (Managing Director)	00515803	-	4	-	-	-	-
Mrs. Urmil Agarwal	00053809	-	1	-	-	-	-
Mr. Krishan Kumar Narula	00098124	-	1	1	-	-	-
Mr. Tara Sankar Sudhir Bhattacharya	00157305	-	4	-	3	1. Uflex Limited 2. Nandan Denim Limited	Independent; Non-Executive
Mr. Sudhanshu Kumar Awasthi	02162923	-	1	-	1	-	-
Mr. Surendra Singh Khurana	02126149	-	-	-	-	-	-
Mr. Sunil Sikka	08063385	-	2	-	1	1. Eveready Industries India Limited	Independent; Non-Executive
Mr. Kaustubh N Karmarkar	00288642	-	1	-	-	-	-
Mr. Pramod Jain	00002190	-	4	-	1	-	-
Ms. Suruchi Aggarwal	09501245	-	-	-	-	-	-

### None of the –

- Directors of the Company holds directorship in more than 7 listed entities and
- Independent Directors of the Company serves as an independent director in more than 7 listed entities
- Whole-time Directors / Managing Director of the Company serves as an independent director in more than 3 listed entities.

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

- Directors of the Company were members in more than 10 committees or acted as Chairperson of more than five committees across all listed entities in which they were Directors. (Audit Committee and the Stakeholders' Relationship Committee alone shall be considered for determination of limit)

### d. No. of Board Meetings held in the financial year 2021-2022 and dates on which held

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

The Board meetings held during the financial year 2021-22 are in compliance of the provisions of the Act and Listing Regulations.

During the last financial year, Board met five times, on 25th May, 2021; 31st July, 2021; 26th October, 2021, 30th December, 2021 and 14th February, 2022.

### e. Disclosure of relationship between directors inter-se.

None of the Directors of the Company except Mr. J P Agarwal, Ms. Urmil Agarwal and Mr. Vinay Surya have any inter-se relationship with other directors of the Company. Mr. Vinay Surya is the son of Mr. J P Agarwal and Mrs. Urmil Agarwal.

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

As on 31st March, 2022, no shares or convertible instrument are held by any Non- Executive Director(s) of the Company except Mrs. Urmil Agarwal, Mr. Sunil Sikka and Mr. Surendra Singh Khurana, who are holding 2,92,081, 12,500 and 50 equity shares of the Company, respectively as on 31st March, 2022.

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

A familiarisation programme for Independent Directors was provided during the year to make them update on a web page solution to monitor insider trading. A detailed familiarisation programme was prepared by representative of Corporate Professional, leading firm of Corporate Law Consultants which was circulated to every Director on the Board of the Company who express happiness over the same. The detailed familiarisation programme for Directors was uploaded on the website of the Company at the following link: [https://surya.co.in/wp-content/uploads/2022/07/Presentation\\_-\\_Insilysis-Limited-Version.pdf](https://surya.co.in/wp-content/uploads/2022/07/Presentation_-_Insilysis-Limited-Version.pdf)



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

Company Businesses /Segments	Core skills / expertise / competencies identified in the context of business(es) and sector(s)	Skills available with the Board
Steel Pipes & Strips Segment & Lighting & Consumer Durables Segment	<p>The Company is the largest exporter of ERW Pipes and largest manufacturer of ERW GI pipes in India under Brand "PRAKASH SURYA" and 2nd Largest in Lighting – Marketing under brand "SURYA".</p> <p>Company with strong foothold in energy efficient lighting is moving towards Professional LED Lighting. This technology is transforming from a novelty to an indispensable daily companion through smart control devices. These devices utilise wireless controls for dimming, colour changing and can be managed from anywhere. Together with advanced sensors, smart cameras and other device these smart lighting devices constitute an ecosystem which can enrich the lives of modern consumers who can command and control these device by using simple voice commands or apps.</p>	<p>Surya, with strong brand equity, wide spread distribution network, strategic plant locations and professional management comprises of eminent Independent Directors viz.</p> <p><b>Mr. Tara Sankar Bhattacharya</b> (an ex M.D of State Bank of India),</p> <p><b>Mr. Krishan Kumar Narula</b> (retired as an ex-CGM – SBI),</p> <p><b>Sudhanshu Kumar Awasthi</b> (ex- GM of PNB), <b>possessed banking, administrative, logistic expertise and in particular:</b></p> <p><b>Mr. Surendra Singh Khurana</b> (an ex-Chairman of Railway Board and ex-officio Principal Secretary of GOI),</p> <p><b>Mr. Sunil Sikka</b>, an Independent Director of the Company and an Ex-President of Havells (India) Limited &amp; ELCOMA led multiple initiatives to accelerate growth in marketing of consumer electrical and lighting in India.</p> <p><b>Mr. Pramod Jain</b>, Additional Independent Director of the Company possesses deep rooted knowledge of Income Tax, Corporate Laws, LLP, Audits, Peer Review, Quality Review etc. He is a central council member of ICAI since 2019.</p>

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

Company Businesses /Segments	Core skills / expertise / competencies identified in the context of business(es) and sector(s)	Skills available with the Board
		<p><b>Ms. Suruchi Aggarwal</b>, an Independent Woman Director, a renowned and eminent practicing Advocate in the in the Supreme Court of India, Delhi High Court and other Courts Ms. Suruchi Aggarwal was retained by the Income Tax Department as its Senior Standing Counsel at Delhi High Court for about 8 years since 2008.</p> <p><b>Above all</b></p> <p><b>Mr. Jai Prakash Agarwal. Executive Chairman</b> of the Company, is an inspirational and visionary leader who is awarded with Padma Shri for his distinguished services rendered in the field of Trade and Industry. He is a renowned industrialist whose working approach is simply and truly magnificent, praise worthy and incredible. His efforts are exemplary for the Company and its peers. Mr. Agarwal effective leadership has created strong image of the Company, perception in the industry and among the stakeholders and consumers. He provides diversity and new dimensions to the Company and enhancing Company's Brand value by focuses on Quality Products at Competitive Pricing, Good Marketing Strategies, Market reach, Consumer Services.</p> <p><b>Mr. Raju Bista, Managing Director</b> of the Company, is a strong young dynamic leader who leads from the front with a balanced approach. He is a phenomenal man who blessed with exemplary leadership qualities. His grasp in terms of Industry knowledge is exceptional as he foresee market movements and takes decision well in advance to ensure performance of the Company will not suffer in any scenario.</p> <p><b>Mr. Vinay Surya, Managing Director</b> of the Company, is a young dynamic leader and a man of commitment who performed his duties with sincerity and outmost dedication. He possesses sound knowledge of marketing, export, commercial and Operational fields. With inbuilt inherent qualities, values to run the business as lineage comes from his father and grandfather. His efforts are well applauded for the good work done by him earlier before taking the realm of the Company into his hands.</p> <p><b>Mrs. Urmil Agarwal</b> possess over four decades of experience with sound business acumen and understanding of both the businesses of the company.</p> <p><b>Mr. Kaustubh N Karmakar, whole-time Director</b> of the Company possesses vast experience in the field of Management &amp; Human Resources and Planning.</p>

**i. Confirmation by the Board**

In the opinion of the Board, the Independent directors fulfill the conditions as specified in the Listing Regulations and as per the provisions of the Act and Rules & Schedules made thereunder and are independent of the management.

**j. Detailed Reasons for the resignation of an Independent Directors who resign before the expiry of their respective tenure:**

Mrs. Bhavna Kasturia - (DIN-08858309), an Independent Woman Director, had resigned from the Board of the Company with effect from close of business on 8th December, 2021 due to current engagements and some other pre-existing commitments, which makes difficult to fulfil her responsibilities as a Director on the Board of the Company.

Mr. Ravinder Kumar Narang- (DIN-02318041), an, Independent Director of the Company, had resigned from the Board of the Company w.e.f. 12th January, 2022, due to old age and ongoing COVID-19 Pandemic situation prevailing in the country, that makes difficult to fulfil him the responsibilities as a Director on the Board of the Company.

Mrs. Suruchi Mittar - (DIN-09432491), appointed as an Additional Independent Woman Director of the Company on 18th December, 2021, later resigned from the Board of the Company w.e.f. 13th January, 2022 due to her current engagements and some other pre-occupations.

All the Directors have confirmed that there are no other material reasons in respect to their resignation except to the extent disclose in their respective resignation letters.

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

### 3. AUDIT COMMITTEE

#### i. Terms of Reference

The Audit Committee is, inter-alia, responsible for overseeing of the Company's financial reporting process, reviewing the quarterly/half-yearly/ annual financial statements, reviewing with the management on the financial statements and adequacy of internal audit function, recommending the appointment / re-appointment of statutory auditors and fixation of audit fees along with reviewing and monitoring the auditor's independence and performance, reviewing the significant internal audit findings / related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operation.

The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company. The Committee discussed with the external auditors their audit methodology, audit planning and significant observations / suggestions made by them. The Committee also discussed major issues related to risk management, compliances and review the functioning of Whistle Blower mechanism and approval of appointment of Chief financial officer.

In addition, the Committee has discharged such other role/function as envisaged under Part C of Schedule II of Listing Regulations and the provisions of Section 177(4) of the Act.

#### ii. Composition / Category / Name of Members and Chairperson

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

Names of the Members	Director Identification No.	Category
Mr. Krishan Kumar Narula	00098124	Chairman : Independent – Director
Mr. Tara Sankar Sudhir Bhattacharya	00157305	Member : Independent – Director
Mr. Surendra Singh Khurana	02126149	Member : Independent – Director
Mr. Vinay Surya #	00515803	Member : Executive – Director
Mr. Pramod Jain #	00002190	Member : Additional Independent – Director

# Inducted as the member of the Committee by the Board of Directors on 20th December, 2021

All the members have extensive financial and accounting knowledge and background. The terms of reference of the Audit Committee are in line with Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quorum for the Committee is two independent members. The Audit Committee meetings were attended by the heads of Finance and Internal Audit and the Auditors (including Cost Auditors) as invitees. The members held discussions with the Auditors during the meetings and the Committee reviewed the periodic unaudited and audited financial results of the Company before being considered and approved by the Board of Directors. Mr. B.B. Singal, Company Secretary, acts as the Secretary to the Committee.

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

During the financial year 2021-22, four Audit Committee meetings were held on 25th May, 2021; 31st July, 2021; 26th October, 2021 and 14th February, 2022. The names along with categories of the members and the attendance of members at the meeting was as follows:

Name	Director Identification No.	Category	No. of Meetings Attended
Mr. Krishan Kumar Narula	00098124	Chairman ; Independent – Director	4
Mr. Tara Sankar Sudhir Bhattacharya	00157305	Member ; Independent – Director	3
Mr. Surendra Singh Khurana	02126149	Member ; Independent – Director	4
Mr. Vinay Surya	00515803	Member : Executive – Director	1
Mr. Pramod Jain	00002190	Member : Additional Independent – Director	-

The Audit Committee Chairman Mr. Krishan Kumar Narula was present in the 48th Annual General Meeting of the Company held on 16th September, 2021.



## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

### 4. NOMINATION AND REMUNERATION COMMITTEE

#### i. Terms of Reference

The Nomination and Remuneration Committee is, inter-alia, responsible for:

- identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors and review its implementation and compliances;
- recommend the remuneration of the directors, key managerial personnel (KMP's) and senior management to the Board.
- Responsibility for administering the Employee Stock Option Schemes of the Company.

In addition, the Committee has discharged such other role/function as envisaged under Regulation 19 read with Part D Clause A of Schedule II of Listing Regulations and the provisions of Section 178 of the Act.

#### ii. Composition / Name of Members and Chairperson

The composition of the Committee is as follows:

Name	DIN	Position	Category
Mr. Krishan Kumar Narula	00098124	Chairman	Non-Executive, Independent
Mr. Ravinder Kumar Narang <sup>^</sup>	02318041	Member	Non-Executive, Independent
Mr. Surendra Singh Khurana	02126149	Member	Non-Executive, Independent
Mr. Pramod Jain \$	00002190	Member	Non-Executive;; Additional Independent Director
Mrs. Suruchi Mittar @	09432491	Member	Non-Executive;; Additional Independent Director

<sup>^</sup> Resigned from Directorship / Membership on 12th January, 2022

\$ Inducted as the member of the Committee by the Board of Directors on 20th December, 2021

@ Inducted as the member of the Committee by the Board of Directors on 20th December, 2021 and later resigned from Directorship / Membership on 13th January, 2022.

The scope of the Remuneration Committee also includes finalising the remuneration packages of KMPs and Executive Director(s) of the Company and recommend the same to the Board of Directors. Mr. B. B. Singal, Company Secretary, acts as the Secretary to the Committee.

#### iii. Meetings and Attendance during the year

During the financial year 2021-22, four meetings of the Committee were held on 9th July, 2021, 26th October, 2021, 30th December, 2021 and 31st March, 2022. The attendance of the members at the meeting was as follows:

Name	DIN	Position	Category	No. of Meetings Attended
Mr. Krishan Kumar Narula	00098124	Chairman	Non-Executive; Independent	4
Mr. Ravinder Kumar Narang	02318041	Member	Non-Executive; Independent	3
Mr. Surendra Singh Khurana	02126149	Member	Non-Executive; Independent	4
Mr. Pramod Jain	00002190	Member	Non-Executive ; Additional Independent Director	2
Ms. Suruchi Mittar	09432491	Member	Non-Executive; Additional Independent Director	1

The Nomination and Remuneration Committee Chairman Sh. Krishan Kumar Narula was present in the 48<sup>th</sup> Annual General Meeting of the Company held on 16th September, 2021.

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

### iv. Performance evaluation criteria for Independent Directors

As per the provisions of section 178(2) of the Act and Clause VII & VIII of Schedule IV of the Act read with Listing Regulations, Nomination and Remuneration Committee carried out annual performance evaluation of Independent Directors' according to their roles and duties on the Board of the Company and in particular considered whether Independent Directors shall -

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

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

A structured questionnaire formed key part of the evaluation process for reviewing the functioning and effectiveness of the Board. The evaluation process focused on various aspects of the Board and Committees functioning such as structure, composition, quality, board meeting practices and overall Board effectiveness. The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017.

### PERFORMANCE EVALUATION:

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

The Board was satisfied with the professional expertise and knowledge of each of its Directors. All the Directors effectively contributed to the decision making process by the Board. Further, all the Committees were duly constituted and were functioning effectively. The Board also expressed its satisfaction in relation to the provision of supporting documents to the Board enabling it to assess the policy & procedural requirements for proper functioning of the Company. The Board expressed its satisfaction with the decision making and decision implementing procedure followed by it.

### 5. STAKEHOLDER'S RELATIONSHIP COMMITTEE

#### a) Composition / Name of Members and Chairperson

The Committee headed by Mr. Krishan Kumar Narula (Non-executive – Independent Director) and the composition of the Committee is as follows:

Name	DIN	Position	Category
Mr. Krishan Kumar Narula	00098124	Chairman	Non-Executive, Independent
Mr. Ravinder Kumar Narang <sup>^</sup>	02318041	Member	Non-Executive, Independent
Mr. Raju Bista	01299297	Member	Executive; Non-Independent
Mr. Pramod Jain <sup>§</sup>	00002190	Member	Non-Executive; Additional Independent Director

<sup>^</sup> Resigned from Directorship / Membership on 12th January, 2022

<sup>§</sup> Inducted by re-constitution of the Committee by the Board of Directors on 20th December, 2021

The Committee mandate to review and redress shareholder grievances at regular intervals and to look at the enhanced scope of activities as modified by Securities Exchange Board of India (SEBI) under the Listing Regulations in the interest of stakeholders which includes-

- o To take utmost care that grievances (if any) of the shareholders be redressed expeditiously and promptly.
- o To review adherence to the service standards adopted by the Company in respect of various services rendered by the Company Registrar & Share Transfer Agent.
- o To review measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices to stakeholders,
- o To review measures for effective voting rights to shareholders through e-voting platform.

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

The Committee met 1 time during the year on 17th March, 2022, and the attendance of Members at the Meeting was as follows:

Names of the Members	Director Identification No.	Position	No. of Meetings Attended
Mr. Krishan Kumar Narula	00098124	Chairman	1
Mr. Raju Bista	01299297	Member	1
Mr. Pramod Jain	00002190	Member	1

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

- b) **Name & Designation of Compliance Officer** : **Mr. B.B.Singal**  
(Company Secretary)
- c) **Number of shareholders' complaints received upto 31st March, 2022** : **04**
- d) **Number of complaints not solved to the satisfaction of the shareholders** : **Nil**
- e) **Number of pending complaints** : **Nil**

### 5A. RISK MANAGEMENT COMMITTEE - (CONSTITUTED ON 25TH MAY, 2021)

a) **Brief description and terms of reference:**

The Committee is, inter-alia, responsible to formulate the detailed risk management policy by identifying the internal and external risks faced by the Company including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risk, measures for risk mitigation, business continuity plan. The committee regularly review the methodology, processes and systems to monitor and evaluate risks associated with the business of the Company and proper implementation of the risk management policy. The committee kept updated the board of directors about the nature and content of its discussions, recommendations and actions to be taken.

b) **Composition / Name of Members and Chairperson**

The composition of the Committee is as follows:

Name	DIN	Position	Category
Mr. Krishan Kumar Narula	00098124	Chairman	Non-Executive, Independent
Mr. Sunil Sikka	08063385	Member	Non-Executive, Independent
Mr. Vinay Surya #	00515803	Member	Executive – Non-Independent
Mr. Pramod Jain #	00002190	Member	Non Executive, Additional Independent – Director
Mr. Kaustubh N Karnarkar	00288642	Member	Executive – Non-Independent
Mr. Tarun Baldua	-	Member	ED & CEO - Steel Operations
Mr. Nirupam Sahay	-	Member	ED & CEO (Lighting)

# Inducted by re-constitution of the Committee by the Board of Directors on 20th December, 2021

- Name and Designation of Compliance Officer** : **Mr. B. B. Singal**  
(Company Secretary)
- Name of Chief Risk Officer** : **Mr. Nitin Sahai**  
(Chief Internal Auditor)

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

### c) Meetings and attendance during the year

The Committee met 2 times during the year on 26th October, 2021 and 28th March, 2022, and the attendance of Members at the Meeting was as follows:

Names of the Members	Director Identification No.	Position	No. of Meetings Attended
Mr. Krishan Kumar Narula	00098124	Chairman	2
Mr. Sunil Sikka	08063385	Member	2
Mr. Vinay Surya	00515803	Member	1
Mr. Pramod Jain	00002190	Member	1
Mr. Kaustubh N Karnarkar	00288642	Member	2
Mr. Tarun Baldua (ED & CEO-Steel Operations)	-	Member	1
Mr. Nirupam Sahay(ED & CEO Lighting)	-	Member	1

### 6. DETAILS OF REMUNERATION TO ALL DIRECTORS

#### a) Pecuniary Relationships:

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

#### b) The details of remuneration / sitting fees paid to the Executive Directors/Non- Executive Directors during the financial year 2021-2022 are as under:

(₹ in crore)

Name	Director Identification No. (DIN)	Salary	Perquisites & Allowances	Commission	Bonuses, Stock Options, Pensions	Sitting Fees (excluding GST)
Mr. Jai Prakash Agarwal (Executive Chairman)	00041119	3.750	Nil	4.143	Nil	N.A.
Mr. Raju Bista (Managing Director)	01299297	2.957	Nil	2.762	Nil	N.A.
Mr. Vinay Surya (Managing Director)	00515803	2.185	Nil	Nil	Nil	N.A.
Mr. Kaustubh Narsinh Karmarkar (Whole-time Director)	00288642	0.927	Nil	Nil	Nil	N.A.
Mrs. Urmil Agarwal	00053809	Nil	Nil	Nil	Nil	0.0300
Mr. Krishan Kumar Narula	00098124	Nil	Nil	Nil	Nil	0.1220
Mr. Ravinder Kumar Narang *	02318041	Nil	Nil	Nil	Nil	0.0505
Mr. Tara Sankar Sudhir Bhattacharya	00157305	Nil	Nil	Nil	Nil	0.0650
Mr. Sudhanshu Kumar Awasthi	02162923	Nil	Nil	Nil	Nil	0.0400
Mr. Surendra Singh Khurana	02126149	Nil	Nil	Nil	Nil	0.0940
Mr. Sunil Sikka	08063385	Nil	Nil	Nil	Nil	0.0640
Mrs. Bhavna Kasturia **	08858309	Nil	Nil	Nil	Nil	0.0300
Mrs. Suruchi Mittar ***	09432491	Nil	Nil	Nil	Nil	0.0135
Mr. Pramod Jain ^	0002190	Nil	Nil	Nil	Nil	0.0410
Ms. Suruchi Aggarwal ^^	09501245	Nil	Nil	Nil	Nil	0.0100

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

- \* Resigned from the Board of the Company on 12th January, 2022.  
 \*\* Resigned from the directorship with effect from close of business on 8th December, 2021.  
 \*\*\* Appointed on the Board w.e.f. 18th December, 2021 as an Additional Independent Director and later resigned from directorship on 13th January, 2022  
 ^ Appointed on the Board w.e.f. 27th November, 2021 as an Additional Independent Director.  
 ^^ Appointed on the Board w.e.f. 14th February, 2022 as an Additional Independent Woman Director and subsequently shareholders through Postal Ballot approved her appointment on 12th April, 2022 for a period of 5 consecutive year w.e.f. 14th February, 2022 to 13th February, 2027.

Name	DIN	Performance Linked Incentives	Performance Criteria	Service Contracts	Notice Period	Severance Fees (in ₹)
Mr. J P Agarwal (Executive Chairman)	00041119	N.A	N.A	5 years from 1st January, 2022 (i.e. upto 31st December 2026)	6 Months	Nil
Mr. Raju Bista (Managing Director)	01299297	N.A	N.A	5 years from 14th November, 2018 (i.e. upto 13th November, 2023)	6 Months	Nil
Mr. Vinay Surya (Managing Director)	00515803	N.A	N.A	5 years from 26th October, 2021 (i.e. upto 25th October, 2026)	6 Months	Nil
Mr. Kaustubh Narsinh Karmarkar (Whole-time Director)@	00288642	N.A	N.A	5 years from 10th August, 2018 (i.e. upto 9th August, 2023)	3 Months	Nil

@ 6600 Options (33% of total of 20,000 options granted on 29th October, 2020 under SRL Employee Stock Option Scheme -2018) remained vest as at 31st March, 2022 to be exercisable @ Rs. 75/- per option on or before three years from the date of vesting i.e. up to 29th October, 2024. Further 33% and 34% of total of 20,000 options granted will vest on completion of 2 years and 3 years from the date of grant respectively.

### 7. GENERAL BODY MEETINGS

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

The last three Annual General Meetings were held at the following location and time:

Date & Time	Location
04.09.2019 at 11.00 a.m.	At the Registered Office of the Company at Prakash Nagar, Sankhol, Bahadurgarh-124 507
23.09.2020 at 11.00 a.m.	Video Conferencing ('VC')
16.09.2021 at 11.00 a.m.	Video Conferencing ('VC')

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

Seven Special Resolution were passed in the AGM held on 4th September, 2019, one Special Resolution was passed in the AGM held on 23rd September, 2020 and one Special Resolution was passed in the AGM held on 16th September, 2021.

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

The two special resolutions were passed on 28th December, 2021 through postal ballot (conducted through remote e-voting only) last year under the provisions of Section 108 and 110 of the Act ("Act") read with Rule 20, 21 & 22 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time) and in accordance with the terms of General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021 and 20/2021 dated 8th December, 2021 issued by the Ministry of Corporate Affairs (collectively referred to as the "MCA Circulars") and Listing Regulations, as amended from time to time. Keeping in view of the above said provisions the voting pattern details of the Special Business Items as passed through Special Resolutions on 28th December, 2021 are as follows:

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

**i. Re-Appointment of Mr. Jai Prakash Agarwal (DIN-00041119) as Whole-time Director of the Company – Special Resolution**

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	3,42,57,144	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (Remote E-Voting)		3,42,57,144	100.000	3,42,57,144	-	100.000	-
	<b>Total</b>		<b>3,42,57,144</b>	<b>3,42,57,144</b>	<b>100.000</b>	<b>3,42,57,144</b>	<b>-</b>	<b>100.000</b>
Public-Institutions	E-Voting	23,35,002	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (Remote E-Voting)		17,57,165	75.2533	15,67,432	1,89,733	89.2023	10.7977
	<b>Total</b>		<b>23,35,002</b>	<b>17,57,165</b>	<b>75.2533</b>	<b>15,67,432</b>	<b>1,89,733</b>	<b>89.2023</b>
Public-Non Institutions	E-Voting	1,78,16,828	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (Remote E-Voting)		28,06,048	15.7494	28,04,314	1,734	99.9382	0.0618
	<b>Total</b>		<b>1,78,16,828</b>	<b>28,06,048</b>	<b>15.7494</b>	<b>28,04,314</b>	<b>1,734</b>	<b>99.9382</b>
<b>Total</b>		<b>5,44,08,974</b>	<b>3,88,20,357</b>	<b>71.3492</b>	<b>3,86,28,890</b>	<b>1,91,467</b>	<b>99.5068</b>	<b>0.4932</b>

**Result : Special Resolution Passed with requisite majority**

**ii. Appointment of Mr. Vinay Surya (DIN- 00515803) as the Managing Director of the Company - Special Resolution**

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	3,42,57,144	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (Remote E-Voting)		3,42,57,144	100.000	3,42,57,144	-	100.000	-
	<b>Total</b>		<b>3,42,57,144</b>	<b>3,42,57,144</b>	<b>100.000</b>	<b>3,42,57,144</b>	<b>-</b>	<b>100.000</b>

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
Public-Institutions	E-Voting	23,35,002	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (Remote E-Voting)		17,57,165	75.2533	9,65,589	7,91,576	54.9515	45.0485
	<b>Total</b>	<b>23,35,002</b>	<b>17,57,165</b>	<b>75.2533</b>	<b>9,65,589</b>	<b>7,91,576</b>	<b>54.9515</b>	<b>45.0485</b>
Public-Non Institutions	E-Voting	1,78,16,828	-	-	-	-	-	-
	Poll		-	-	-	-	-	-
	Postal Ballot (Remote E-Voting)		28,06,048	15.7494	28,03,908	2,140	99.9237	0.0763
	<b>Total</b>	<b>1,78,16,828</b>	<b>28,06,048</b>	<b>15.7494</b>	<b>28,03,908</b>	<b>2,140</b>	<b>99.9237</b>	<b>0.0763</b>
	<b>Total</b>	<b>5,44,08,974</b>	<b>3,88,20,357</b>	<b>71.3492</b>	<b>3,80,26,641</b>	<b>7,93,716</b>	<b>97.9554</b>	<b>2.0446</b>

**Result** : **Special Resolution Passed with requisite majority**

**d) Person who conducted the Postal Ballot exercise:**

**CS D. P. Gupta, FCS:1509, SGS Associates (FRN: S2002DE058200)**, First Floor, 14, Rani Jhansi Road, New Delhi – 110 015, acted as scrutiner had conducted the postal ballot (conducted through remote e-voting only). The Company had completed the dispatch of Notice by e-mail on 25th November, 2021. In accordance with the MCA Circulars, no physical copy of the Notice of Postal Ballot was dispatched to the Members in view of ongoing situation of COVID 19 as the Company was not required to provide the facility of voting through physical Postal Ballot in terms of above referred MCA Circulars.

**e) Whether any Special Resolution is proposed to be conducted through Postal Ballot:**

One special resolution for appointment of Ms. Suruchi Aggarwal (DIN 09501245) as the Independent Women Director of the Company for a period of 5 years w.e.f. 14th February, 2022 is proposed on 14th February, 2022 through postal ballot (conducted through remote e-voting only) and the same was passed through the Postal Ballot by the members of the Company on 12th April, 2022.

**f) Procedure for Postal Ballot**

The notices containing the proposed resolutions and explanatory statement were sent to the shareholders by email in accordance with General Circular No. 14/2020 dated 8<sup>th</sup> April 2020, the General Circular No. 17/2020 dated 13<sup>th</sup> April 2020, General Circular No. 22/2020 dated 15<sup>th</sup> June 2020, General Circular No. 33/2020 dated 28<sup>th</sup> September 2020, General Circular No. 39/2020 dated 31<sup>st</sup> December 2020 and General Circular No. 10/2021 dated 23<sup>rd</sup> June 2021 issued by the Ministry of Corporate Affairs ('MCA Circulars'). The e-voting period was for 30 days after dispatch of notice.

The Scrutinizer submitted the report to the Company within due timeline(s) and voting results were announced within due timeline(s). For e-voting, the Company is having agreement with National Securities Depository Limited ('NSDL') for providing e-voting facility to its members. Under this facility, members are provided an electronic platform to participate and vote on the resolutions to be passed through Postal Ballot. As on the date of this report, no business is proposed to be conducted through postal ballot.

During the financial year 2021-22, an Extra-Ordinary General Meeting of the shareholders was also held on 19th June, 2021 at 11.30 a.m. conducted through Video Conferencing (VC) /Other Audio Visual Means ('OAVM') in which three Special Resolutions are passed by the shareholders as mentioned below:



## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

### 1. Approval of Surya Roshni Limited Employees Stock Option Scheme-2021.

#### Voting Result

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	3,42,57,144	3,39,30,644	99.0469	3,39,30,644	-	100.000	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	<b>Total</b>		<b>3,42,57,144</b>	<b>3,39,30,644</b>	<b>99.0469</b>	<b>3,39,30,644</b>	<b>-</b>	<b>100.000</b>
Public-Institutions	E-Voting	17,00,221	10,45,840	61.512	7,43,856	3,01,984	71.1252	28.8748
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	<b>Total</b>		<b>17,00,221</b>	<b>10,45,840</b>	<b>61.512</b>	<b>7,43,856</b>	<b>3,01,984</b>	<b>71.1252</b>
Public-Non Institutions	E-Voting	1,84,51,609	39,36,707	21.3353	39,34,386	2321	99.941	0.059
	Poll		50	0.0003	50	-	100.00	0.00
	Postal Ballot (if applicable)		-	-	-	-	-	-
	<b>Total</b>		<b>1,84,51,609</b>	<b>39,36,757</b>	<b>21.3356</b>	<b>39,34,436</b>	<b>2321</b>	<b>99.941</b>
<b>Total</b>	<b>5,44,08,974</b>	<b>3,89,13,241</b>	<b>71.5199</b>	<b>3,86,08,936</b>	<b>3,04,305</b>	<b>99.218</b>	<b>0.782</b>	

**Result** : **Special Resolution Passed with requisite majority**

### 2. Approval for acquisition of equity shares by way of secondary acquisition under Surya Roshni Limited Employees Stock Option Scheme-2021. – Voting Result

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	3,42,57,144	3,39,30,644	99.0469	3,39,30,644	-	100.000	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	<b>Total</b>		<b>3,42,57,144</b>	<b>3,39,30,644</b>	<b>99.0469</b>	<b>3,39,30,644</b>	<b>-</b>	<b>100.000</b>

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
Public-Institutions	E-Voting	17,00,221	10,45,840	61.512	7,43,856	3,01,984	71.1252	28.8748
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	<b>Total</b>	<b>17,00,221</b>	<b>10,45,840</b>	<b>61.512</b>	<b>7,43,856</b>	<b>3,01,984</b>	<b>71.1252</b>	<b>28.8748</b>
Public-Non Institutions	E-Voting	1,84,51,609	39,36,222	21.3327	39,33,900	2,322	99.941	0.059
	Poll		50	0.0003	50	-	100.00	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	<b>Total</b>	<b>1,84,51,609</b>	<b>39,36,272</b>	<b>21.3329</b>	<b>39,33,950</b>	<b>2,322</b>	<b>99.941</b>	<b>0.059</b>
	<b>Total</b>	<b>5,44,08,974</b>	<b>3,89,12,756</b>	<b>71.519</b>	<b>3,86,08,450</b>	<b>3,04,306</b>	<b>99.218</b>	<b>0.782</b>

**Result** : **Special Resolution Passed with requisite majority**

3. **Approval for provision of money by the Company for purchase of its own shares by the Trust for the benefit of employees under Surya Roshni Limited Employees Stock Option Scheme- 2021. – Voting Result**

Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2) / (1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	3,42,57,144	3,39,30,644	99.0469	3,39,30,644	-	100.000	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	<b>Total</b>	<b>3,42,57,144</b>	<b>3,39,30,644</b>	<b>99.0469</b>	<b>3,39,30,644</b>	<b>-</b>	<b>100.000</b>	<b>-</b>
Public-Institutions	E-Voting	17,00,221	10,45,840	61.512	7,43,856	3,01,984	71.1252	28.8748
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	<b>Total</b>	<b>17,00,221</b>	<b>10,45,840</b>	<b>61.512</b>	<b>7,43,856</b>	<b>3,01,984</b>	<b>71.1252</b>	<b>28.8748</b>
Public-Non Institutions	E-Voting	1,84,51,609	39,36,222	21.3327	39,33,900	2322	99.941	0.059
	Poll		50	0.0003	50	-	100.00	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	<b>Total</b>	<b>1,84,51,609</b>	<b>39,36,272</b>	<b>21.3329</b>	<b>39,33,950</b>	<b>2322</b>	<b>99.941</b>	<b>0.059</b>
	<b>Total</b>	<b>5,44,08,974</b>	<b>3,89,12,756</b>	<b>71.519</b>	<b>3,86,08,450</b>	<b>3,04,306</b>	<b>99.218</b>	<b>0.782</b>

**Result** : **Special Resolution Passed with requisite majority**

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

### 8. MEANS OF COMMUNICATION

The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically. The Company has complied with filing submissions with BSE through BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal. A separate dedicated section under "Investors", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public are also displayed on website of the Company i.e. www.surya.co.in along with official news releases, if any. Business Standard / Economic Times are the Newspapers in which quarterly results normally published. All other vital information are also placed on the website of the Company.

The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) are filed electronically. The Company has complied with filing submissions with BSE through BSE Listing Centre. Likewise, the said information is also filed electronically at NSE portal digital platform.

### 9. GENERAL SHAREHOLDER INFORMATION

- a) **AGM:** Date, Time & Venue : **To be decided by the Board**
- b) **Financial Year** : 1st April, 2021 to 31st March, 2022
- c) **Dividend payment date** : **To be decided by the Board**
- d) **Listing on Stock Exchanges** : The securities of the Company are listed on the following Stock Exchanges:

#### The Stock Exchange, Mumbai

Rotunda Building, Dalal Street,  
Fort, Mumbai – 400 001.

#### The National Stock Exchange of India Limited

Exchange Plaza, Bandra- Kurla  
Complex, Bandra, Mumbai – 400 051.

The Company has paid the Annual Listing Fees to the Stock Exchanges for the Financial Year 2021-22 and 2022-23.

#### e) Stock Code

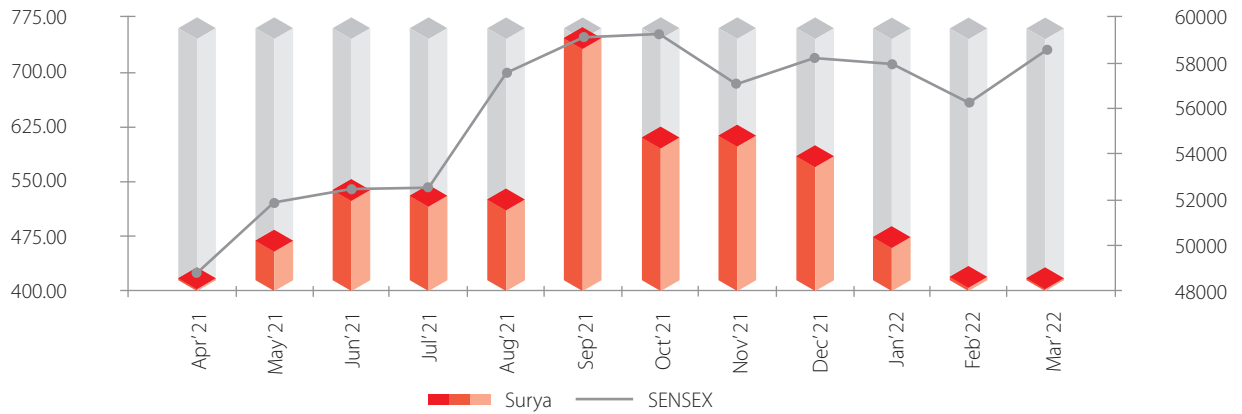
	National Stock Ex-change (NSE)	The Stock Ex-change Mumbai (BSE)	ISIN
Equity Shares- Symbol / Code	SURYAROSNI	500336	INE335A01012

#### f) Market Price Data:

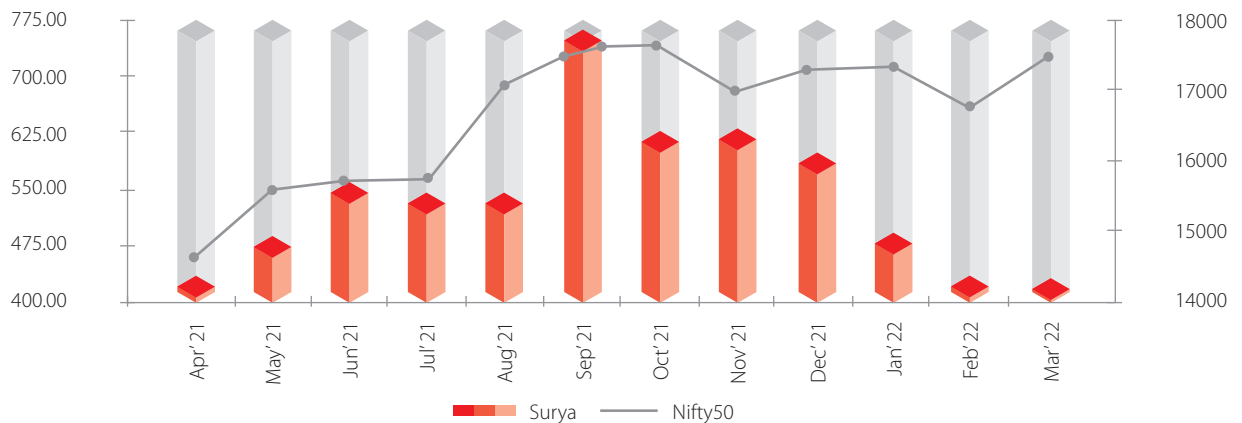
MONTH	NSE		BSE	
	HIGH (₹)	LOW (₹)	HIGH (₹)	LOW (₹)
April, 2021	431.40	340.00	431.25	341.85
May, 2021	512.00	408.05	512.00	412.00
June, 2021	573.00	462.00	568.05	462.00
July, 2021	555.90	501.80	555.95	502.00
August, 2021	610.25	495.30	610.05	495.00
September, 2021	840.00	507.20	840.45	506.00
October, 2021	867.40	583.55	868.40	584.00
November, 2021	674.80	551.25	674.40	552.30
December, 2021	673.00	576.95	672.30	576.95
January, 2022	599.00	472.55	599.90	472.00
February, 2022	513.00	394.85	512.95	395.20
March, 2022	453.00	391.50	452.55	391.70

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

### g) Performance in comparison to BSE SENSEX



### Performance in comparison to NSE Nifty



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

NIL

i) Registrar :

MAS Services Limited

(Common for both Physical and Electronic share registry)

T-34, 2nd Floor, Okhla Industrial Area, Phase – II, New Delhi – 110 020

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

Fax : (011) 2638 7384

E-Mail : [info@masserv.com](mailto:info@masserv.com)

j) Share Transfer System

As per SEBI Notification No. SEBI/LAD-NRO/ GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/ GN/2018/49 dated 30th November, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in dematerialised form with the depositories. All requests for transmission or transposition of securities are handled and disposed off by Company's Registrar & Share Transfer Agent within fifteen days from the date of receipt of request, provided the documents are found to be in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

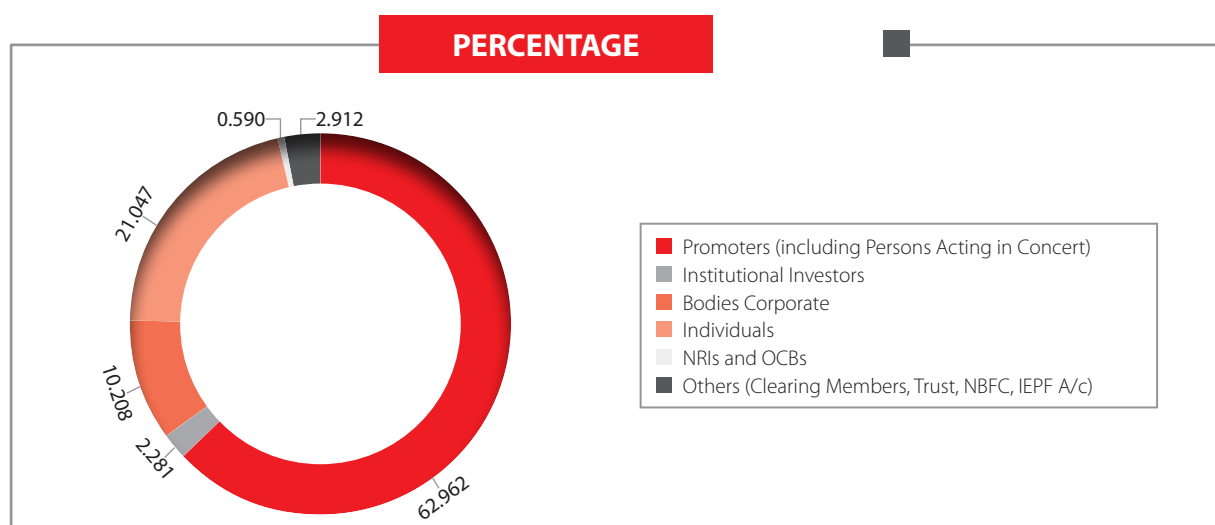
### k) Distribution of Shareholding

Share Holding of Nominal Value of `.	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 - 5000	41,545	92.164	34,61,093	6.361
5001 - 10000	1,905	4.226	14,42,775	2.652
10001- 20000	850	1.886	12,38,496	2.276
20001- 30000	289	0.641	7,26,674	1.336
30001- 40000	113	0.251	3,96,635	0.729
40001- 50000	88	0.195	4,12,676	0.758
50001- 100000	146	0.324	10,59,084	1.947
100001 & Above	141	0.313	4,56,71,541	83.941
<b>TOTAL</b>	<b>45077</b>	<b>100.000</b>	<b>5,44,08,974</b>	<b>100.000</b>

### Shareholding Pattern as at 31st March, 2022

Share Holding of Nominal Value of `.	No. of Shares held	% age of Paid-up Capital
Promoters (including Persons Acting in Concert)	3,42,57,244	62.962
Institutional Investors	12,40,990	2.281
Bodies Corporate	55,53,797	10.208
Individuals	1,14,51,680	21.047
NBC Registered with RBI	20,000	0.037
NRIs and OCBs	3,20,821	0.590
Others - Clearing Members	85,677	0.157
Trust	12,51,863	2.301
IEPF A/c	2,26,902	0.417
<b>TOTAL</b>	<b>5,44,08,974</b>	<b>100.000</b>

### Graphical presentation of the Shareholding



## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

- l) Dematerialisation of Shares & Liquidity** : The Company has obtained electronic connectivity with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for demat facility (ISIN: INE335A01012). As on 31st March, 2022, 5,40,67,195 equity shares, being 99.37% of the Company's total paid-up equity shares had been dematerialised. The shares of Company are regularly traded at NSE & BSE
- m) Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date & likely impact on equity** : Nil
- n) Commodity price risk or Foreign Exchange risk and hedging activities** : Please refer to Management Discussion and Analysis Report for the same.
- o) Plant Locations**
- Steel Pipes & Strips Units**
- : Prakash Nagar, Sankhol, Bahadurgarh, Haryana – 124 507.
- : Plot No.P-1 to P-20, Ghirongi Industrial Area Malanpur Dist. Bhind (M.P)
- : Golapuram Industrial Area, Hindupur, Dist. Anantpur (A.P.)
- : Survey No. 188,189 & 190/1 Village- Bhuvad Taluka – Anjar, Dist.-Kutch Anjar – (Bhuj) Gujarat -370130
- Lighting Units**
- : 7 km Stone, Kashipur-Moradabad Road, Kashipur – 244 713 (Uttarakhand)
- : J-7,8 & 9, Malanpur Industrial Area, Malanpur, Distt.Bhind (M.P).
- p) Address for correspondence** : Chief Financial Officer & Company Secretary  
Surya Roshni Limited  
Padma Tower –I, 5 Rajendra Place,  
New Delhi – 110 008.  
Tel. - (011) 47108000  
Fax - (011) 25789560  
E-Mail - [cs@surya.in](mailto:cs@surya.in)  
[investorgrievances@sroshni.com](mailto:investorgrievances@sroshni.com)
- q) Credit Ratings obtained along with any revision thereto for all debt instruments.** : **CARE A1+ for Short term Bank Facilities**  
**CARE AA- for Long term Bank Facilities**  
**CARE A1+ for Commercial Papers**  
**ICRA A1+ for Commercial Papers**

### 10. Other Disclosures

- a. The senior management has made disclosures to the board relating to all material financial and commercial transactions. There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Company has formulated a policy on dealing with the Related Party transactions for determining the Material Related Party Transactions and necessary approval of the Audit Committee and the Board of Directors were taken whenever required in accordance with the policy.
- b. The Company has complied with all applicable requirements prescribed by the regulatory and statutory authorities including Stock Exchanges and SEBI during the preceding three financial years on all matters related to capital market and no penalties / strictures in this respect had been imposed on the Company except the unjust fine of ₹ 7,70,000 imposed by NSE vide their letter Ref. No. NSE/LIST/SOP/SURYAROSNI dated 13th April, 2021 for delayed compliance of Regulation 17(1) caused due to COVID 19 Pandemic during the first half of the 2020-21 by rejecting Company's waiver application and for the same said delay BSE had approved the Company's waiver of fine application on merits and had not imposed any fine.

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

- c. Personnel of the Company have direct access to the management as the Company has established Vigil Mechanism for directors and employees to report concerns about unethical behavior, actual fraud or suspected fraud or violation of the Company's code of conduct or ethics policy. No personnel have been denied access to the Audit Committee. The Whistle Blower Policy was duly posted on the Website of the Company at the following link: [https://surya.co.in/wp-content/uploads/2022/05/162928\\_whistle-blower-policy.pdf](https://surya.co.in/wp-content/uploads/2022/05/162928_whistle-blower-policy.pdf)



- d. The Company has complied with all mandatory requirements.
- e. **Web link where policy for determining 'material' subsidiaries is disclosed :** The policy for determining material subsidiaries has been posted on the website of the Company at the following link: [https://surya.co.in/wp-content/uploads/2022/05/144606\\_Policy-for-Determining-Material-Subsidiary.pdf](https://surya.co.in/wp-content/uploads/2022/05/144606_Policy-for-Determining-Material-Subsidiary.pdf)



- f. **Web link where policy on dealing with related party transactions:** The Company has formulated a policy on dealing with the Related Party transactions for determining the Material Related Party Transactions and necessary approval of the audit committee and the Board of Directors were taken whenever required in accordance with the policy. The details of Related Party Transaction Policy are disseminated on the website at the following link: [https://surya.co.in/wp-content/uploads/2022/06/RPT\\_Revised\\_Policy\\_19.05.2022.pdf](https://surya.co.in/wp-content/uploads/2022/06/RPT_Revised_Policy_19.05.2022.pdf)



- g. **Commodity price risks and commodity hedging activities:** Please refer to Management Discussion and Analysis Report for the same
- h. **Utilisation of funds raised through Preferential Allotment or qualified institutions placements:** Not Applicable
- i. **Certificate from Company Secretary in Practice in respect of Directors disqualification:** A Certificate from Anjali Yadav & Associates, Practicing Company Secretary Firm dated 25th April, 2022 confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such other Statutory Authorities.
- j. **Acceptance of Recommendations of the Board Committees:** No recommendations or submissions of any committee as constituted by the Board which is mandatorily required has been turned down by the Board of Directors during the financial year 2021-22.
- k. **Total Fees paid to Statutory Auditor for services rendered during the financial year 2021-22:** The total fees of ₹ 24,00,000- had been paid / payable to M/s Ashok Kumar Goyal & Co., Chartered Accountants Firm having Registration No. 002777N for all the services rendered by them in respect of its services to the Company during the financial year 2021-22 on consolidated basis.
- l. **Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**
- |  |   |     |
|--|---|-----|
| a) Number of complaints received upto 31st March, 2022           | : | Nil |
| b) Number of complaints disposed of during the financial year    | : | Nil |
| c) Number of complaints Pending at the end of the financial year | : | Nil |
- m. The Company and its subsidiary have not given loans and advances in the nature of loans to firms/companies in which directors are interested.

### 11. Compliances of Corporate Governance Requirements

Company has complied all the requirements of Corporate Governance Report as envisaged in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations during the financial year 2021-22.

## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

### 12. Adoption of Corporate Governance Discretionary Requirements

Company has adopted the following Discretionary Requirements of Corporate Governance as during the financial year 2021-22:

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

### 13. Disclosures of Compliances of Corporate Governance Requirements

Company has complied all the mandatory requirements of Corporate Governance Report as specified in Regulation 17 to 27, Regulation 46 of the Listing Regulations during the financial year 2021-22.

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

Year	Total No. of Shareholders at the beginning of the year	Outstanding Shares in IEPF demat suspense account at the beginning of the year	Total No. of Shareholders whose shares are transferred to IEPF demat suspense account during the year	Total No. of Shares transferred to IEPF suspense account during the year	Total No. of Shareholders who approached the Company for transfer of shares from IEPF suspense account during the year	No. of Shares Transferred from IEPF Suspense Account during the year	Outstanding Shares in demat suspense account lying at the end of the year.	Voting Rights Frozen
2014-15	1850	2,13,399	143	14,615	4	1112	2,26,902	Yes

**Dealing with Corporate Benefits (in terms of securities accruing) and Voting Rights on such Shares:** Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., shall be transferred in accordance with provisions of Section 124(5) and 124 (6) of the Act and rules made thereunder.

**Disclosure with respect to demat suspense account / unclaimed suspense account**

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

### SURYA CODE OF CONDUCT

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

#### DECLARATION

We hereby confirm that all the Board Members and senior management personnel of the Company have affirmed their compliance of the 'Code of Conduct for Members of the Board and Senior Management' for the year ended 31st March, 2022 in terms of clause D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

Place: New Delhi	J P Agarwal Chairman	Raju Bista Managing Director	Vinay Surya Managing Director	Tarun Baldua ED & CEO	Nirupam Sahay ED & CEO
Date: 19th May, 2022	DIN -00041119	DIN -01299297	DIN – 00515803	(Steel-Operations)	(Lighting)



## ANNEXURE – V TO BOARD'S REPORT ON CORPORATE GOVERNANCE (Contd.)

### INDEPENDENT AUDITORS' CERTIFICATE

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

To the Members

**Surya Roshni Limited**

1. The Corporate Governance Report prepared by Surya Roshni Limited ("the Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations') ('applicable criteria') with respect to Corporate Governance for the year ended 31st March, 2022. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

#### Management's Responsibility

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

#### Auditor's Responsibility

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

#### Opinion

8. Based on the procedures performed by us as referred in paragraph 6 and 7 and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March, 2022, referred to in paragraph 1 above.

#### Other Matters and Restriction on Use

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

**For Ashok Kumar Goyal & Co.**  
**Chartered Accountants**  
**Firm Registration No. 002777N**  
**CA. Ashok Kumar**  
**Partner, FCA**  
**Membership No. 017644**  
**UDIN: 22017644AJGHKZ8182**

Place: New Delhi

Dated: 19th May, 2022

## ANNEXURE – VI TO BOARD'S REPORT BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION OF THE COMPANY

1.	Corporate Identity Number	L31501HR1973PLC007543
2.	Name of the Company	Surya Roshni Limited
3.	Registered Address	Delhi Rohtak Road, Prakash Nagar, Sankhol, Bahadurgarh – 124507, Dist. Jhajjar, Haryana
4.	Website	<a href="http://www.surya.co.in">www.surya.co.in</a>
5.	Email id	<a href="mailto:cs@surya.in">cs@surya.in</a>
6.	Financial Year Reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise) Industrial Group & Description	Steel Pipes & Strips and Lighting & Consumer Durables Please refer Annual Return as uploaded
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1) Steel Pipes & Tubes 2) Cold Rolled (CR) Strips 3) Lighting Products
9.	Total number of locations where business activity is undertaken by the Company	Manufacturing Locations: 6
	a) Number of International locations (provide details of major 5)	Nil
	b) Number of National Locations	Total 6 locations: <b>Steel Pipes &amp; Strips Unit Locations:</b> Bahadurgarh (Haryana), Malanpur (M.P), Hindupur (A.P) & Anjar (Gujarat) <b>Lighting Unit Locations:</b> 7km Stone, Kashipur Moradabad Road, Kashipur (Uttarakhand) and Malanpur (M.P.)
10.	Markets served by the Company	Sales presence in over 50 countries

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital	₹ 53.33 crore
2.	Total turnover	₹ 7,730.07 crore
3.	Total Profit after taxes	₹ 204.57 crore
4.	Total spending on Corporate Social Responsibility (CSR) As percentage of Profit after tax(%)	₹ 3.53 crore (In 2021-22) 2.26%
5.	List of activities in which Corporate Social Responsibility (CSR) expenditure was incurred	1. Rural Development Projects under Adarsh Gram Yojna 2. Promoting Health Care including preventive health care (Naturopathy) as specified in Schedule VII of the Companies Act, 2013

### SECTION C: OTHER DETAILS

#### 1. Does the Company have any Subsidiary Company/Companies?

Yes, the Company has one wholly-owned subsidiary company, namely Surya Roshni LED Lighting Projects Limited.

#### 2. Do the Subsidiary Company/Companies participate in the BR initiatives of the present Company? If yes, then indicate the number of such Subsidiary Company(ies):

The Code of Conduct and Vigil Mechanism and Whistle Blower Policy of the Company is also followed by the subsidiary.

#### 3. Do any other entity/entities (e.g. suppliers and distributors, among others), that the Company does business with, participate in the Company BR initiatives? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30-60%, more than 60%)

The Company has long-lasting relationship with its suppliers/vendors. Awareness on sustainability is being created amongst vendors while training and awareness on energy, health and safety is also being imparted to strategic vendors.

For enhancing skills at the vendors end, focused drive in the following areas have been undertaken and organisation work structure for the same has been put in place. The areas covered are vendor capability building, vendor evaluation standard, supply risk mitigation and management.

## ANNEXURE – VI TO BOARD'S REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR:

##### a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

DIN Number	:	01299297	00515803
Name	:	Raju Bista	Vinay Surya
Designation	:	Managing Director	Managing Director

##### b) Details of the BR head:

Name	:	Kaustubh Narsinh Karmarkar
Designation	:	HR-Director
Telephone No.	:	011-47108000
E-mail id	:	<a href="mailto:ved@surya.in">ved@surya.in</a>

#### 2. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N):

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility:

Principle 1	Business should conduct and govern itself with ethics, transparency and accountability
Principle 2	Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	All the policies have been developed considering relevant national and international standards including, but not limited to, Companies Act, Factories Act, ISO Standards, UN Global Compact and GRI Standards
Principle 4	Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
Principle 5	Business should respect and promote human rights
Principle 6	Business should respect, protect and make efforts to restore the environment
Principle 7	Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8	Business should support inclusive growth and equitable development
Principle 9	Business should engage with and provide value to their customers in a responsible manner

#### 2(a). Details of Compliances (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with relevant stakeholders? (Note 1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on, and are in compliance with, the applicable regulatory requirements.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	All statutory policies are approved by the Board of Directors, whereas other policies are signed by the respective business/functional head								

## ANNEXURE – VI TO BOARD'S REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The implementation and adherence to the Code of Conduct, for employees, is overseen by the Human Resources Department. The Corporate Social Responsibility Policy is administered by the CSR Committee, in-line with requirements of the Companies Act, 2013 and Rules framed thereunder. The Environment, Health & Safety (EHS) Policy is overseen by the Chief Executive Officer of the respective segments. The Company has separate after-sales service centers that look at customer service/customer complaints.								
6.	Indicate the link for the policy to be viewed online?	Please Refer the links of the policies below								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Code of Conduct, CSR Policy, Vigil Mechanism, Whistle Blower Policy and Prevention of Sexual Harassment Policy are available on the website of the Company. The EHS Policy has been communicated to all relevant stakeholders.								
8.	Does the Company have in-house structure to implement the policy/policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	The Whistle Blower Mechanism provides employees a mechanism to report any concerns or grievances pertaining to any potential or actual violation of Code of Conduct. An investor grievance mechanism is in place to respond to investor grievances. The customer complaint mechanism records the grievances of customers on product and service quality and other issues. The Company has an exclusive e-mail id <a href="mailto:investorgrievances@sroshni.com">investorgrievances@sroshni.com</a> for redressal of investor grievances. Consumers can register their complaint at e-mail id <a href="mailto:consumercare@surya.in">consumercare@surya.in</a>								
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	All policies are evaluated internally.								

Note 1: While there may not be formal consultation with all stakeholders, the relevant policies have been drafted after taking inputs from concerned internal stakeholders.

### Linkages of various Company policies with BR Principles as per National Voluntary Guidelines (NVGs)

Principle No.	Principle	Reference Documents	Reference Links
1	Business should conduct and govern itself with ethics, transparency and accountability	1) Code of Conduct 2) Whistle Blower Policy (Vigil Mechanism) 3) Code of Practices and Procedure for Fair Disclosure of UPSI. 4) Prevention of Sexual Harassment Policy	<a href="https://surya.co.in/code-of-conduct/">https://surya.co.in/code-of-conduct/</a> <a href="https://surya.co.in/wp-content/uploads/2022/05/162928_whistle-blower-policy.pdf">https://surya.co.in/wp-content/uploads/2022/05/162928_whistle-blower-policy.pdf</a> <a href="https://surya.co.in/wp-content/uploads/2022/05/143920_Surya-Roshni-Ltd_Fair-Disclosure-Code-on-Insider-Trading.pdf">https://surya.co.in/wp-content/uploads/2022/05/143920_Surya-Roshni-Ltd_Fair-Disclosure-Code-on-Insider-Trading.pdf</a> <a href="https://surya.co.in/wp-content/uploads/2022/05/POLICY-ON-PREVENTION-OF-SEXUAL-HARASSMENT-OF-WOMEN.pdf">https://surya.co.in/wp-content/uploads/2022/05/POLICY-ON-PREVENTION-OF-SEXUAL-HARASSMENT-OF-WOMEN.pdf</a>
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	• Environment, health and safety policy	<a href="https://surya.co.in/wp-content/uploads/2022/05/EOHS-Policy.pdf">https://surya.co.in/wp-content/uploads/2022/05/EOHS-Policy.pdf</a>

## ANNEXURE – VI TO BOARD'S REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle No.	Principle	Reference Documents	Reference Links
3	Businesses should promote the well-being of all employees	1) Code of Conduct 2) Environment, health and safety policy 3) Diversity policy	<a href="https://surya.co.in/code-of-conduct/">https://surya.co.in/code-of-conduct/</a> <a href="https://surya.co.in/wp-content/uploads/2022/05/EOHS-Policy.pdf">https://surya.co.in/wp-content/uploads/2022/05/EOHS-Policy.pdf</a> <a href="https://surya.co.in/wp-content/uploads/2022/05/Diversity-Policy.pdf">https://surya.co.in/wp-content/uploads/2022/05/Diversity-Policy.pdf</a>
4	Business should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.	1) Code of Conduct 2) Corporate Social Responsibility Policy	<a href="https://surya.co.in/code-of-conduct/">https://surya.co.in/code-of-conduct/</a> <a href="https://surya.co.in/wp-content/uploads/2022/05/Revised-CSR-Policy.pdf">https://surya.co.in/wp-content/uploads/2022/05/Revised-CSR-Policy.pdf</a>
5	Business should respect and promote human rights	• Code of Conduct	<a href="https://surya.co.in/code-of-conduct/">https://surya.co.in/code-of-conduct/</a>
6	Business should respect, protect and make efforts to restore the environment	1) Corporate Social Responsibility Policy 2) Environment, health and safety policy	<a href="https://surya.co.in/wp-content/uploads/2022/05/Revised-CSR-Policy.pdf">https://surya.co.in/wp-content/uploads/2022/05/Revised-CSR-Policy.pdf</a> <a href="https://surya.co.in/wp-content/uploads/2022/05/EOHS-Policy.pdf">https://surya.co.in/wp-content/uploads/2022/05/EOHS-Policy.pdf</a>
7	Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner	• Code of Conduct	<a href="https://surya.co.in/code-of-conduct/">https://surya.co.in/code-of-conduct/</a>
8	Business should support inclusive growth and equitable development	• Corporate Social Responsibility Policy	<a href="https://surya.co.in/wp-content/uploads/2022/05/Revised-CSR-Policy.pdf">https://surya.co.in/wp-content/uploads/2022/05/Revised-CSR-Policy.pdf</a>
9	Business should engage with and provide value to customers in a responsible manner	• Code of Conduct	<a href="https://surya.co.in/code-of-conduct/">https://surya.co.in/code-of-conduct/</a>

### 2(b). If answer to Sr. No. 1 against any principles, is 'No', please explain why:

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles.	NA	NA	NA	NA	NA	NA	NA	NA	NA
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3.	The Company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4.	It is planned to be done within next six months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5.	It is planned to be done within next one year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6.	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

### 3. Governance related to BR

- (a) Indicate the frequency in which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. **Annually**
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

**The Company publishes the information on BR in the Annual Report which is available on the Company website.**

## ANNEXURE – VI TO BOARD'S REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Business should conduct and govern itself with ethics, transparency and accountability.

- 1) Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company is committed to adhere to the highest standards of ethical, moral and legal code of conduct for business operations. In order to maintain these standards, the Company has formalised the 'Code of Conduct' for Directors as well as all employees of the Company. This lays down the principles and standards that govern the actions of the employees in the course of Conduct of Business of the Company. It covers all dealings with vendors, customers and other business partners. Any actual or potential violation of the Code, however insignificant or perceived as such, would be a matter of serious concern for the Company. All such policies are communicated to employees on joining.

The Company conducts its relationships and dealings in business, and otherwise, in accordance with the Code of Conduct. It mainly focusses on five values i.e. Personal Leadership, Courage, People Development, Innovation and Execution Excellence.

The Company has in place, different mechanisms for receiving and dealing with complaints from different stakeholders.

The Company has established a vigil mechanism for employees, Directors and vendors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy facilitates employees and vendors to report without fear, any wrongdoings or unethical or improper practice.

There is a separate Stakeholders Relationship Committee for shareholder grievances.

The Company has an exclusive e-mail id for redressal of investor grievances. Investors can email at [investorgrievances@sroshni.com](mailto:investorgrievances@sroshni.com) to lodge their complaints. All shareholder complaints received during the reporting year have been resolved successfully as on 31st March, 2022.

The Company has an exclusive e-mail id [consumercare@surya.in](mailto:consumercare@surya.in) for consumer care. Consumer can lodge their complaints/ suggestions/feedback accordingly.

In order to address workplace related issues, the senior management team has periodic interactions, with employees at different locations. The Managing Director regularly receives feedback from employees across the country through specially instituted mechanisms.

The Company has complied all statutory compliances well before/as close as possible to the actual due dates of compliances. Any deviations are highlighted for prompt corrective actions. Functional owners take responsibility for putting in preventive steps.

This compliance management system not only helps adhere to the regulatory requirements, but also develops a culture of self-regulation and accountability within the organisation. In the present times, when governance is looked upon as a critical aspect of sustainability, the Company believes that its compliance management system plays a significant role in ensuring good corporate governance practices.

- 2) How many stakeholder complaints have been received in the past financial year? What percentage was satisfactorily resolved by the management?

All stakeholders' complaints received and replied to their satisfaction during the year 2021-22.

#### Principle 2: Product Life Cycle Sustainability

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List three products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:

Company being the largest exporter of ERW pipes and largest producer of ERW GI Pipes in India manufactures ERW Steel Pipes (GI Black, Hollow section), API & Spiral Pipes, 3LPE Coated Pipes and CR Strips and is also the Second Largest Manufacturing Lighting Company in India manufactures world class LED bulbs. LED Street Lights, LED Luminaire, Lighting products and provide Fans and Home appliances.

2. For each such product, provide the following details in respect of resource use (energy, water and raw material, among others) per unit of product (optional):

A.	Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?	The Company continues to give major emphasis on conservation of energy and the measures taken during the previous years in the said regard were continued.
B.	Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Steel Pipes & Strips manufactured by the Company is used by diverse consumer range and therefore it is not possible to measure the usage (energy, water) by them. Exact saving figures are not ascertainable.

## ANNEXURE – VI TO BOARD'S REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company focuses on environmental impacts of sourcing and continually works with the vendors and suppliers to reduce the same. We are aware that most of the vendors/suppliers for key raw material are working on sustainable basis. Transportation and logistics optimisation is an ongoing activity to reduce the relative environmental impacts.

4. Steps taken to procure goods and services from local and small producers, including communities and capability building initiatives, undertaken for local and small vendors.

The Company is always been committed to provide skill development and employment to local businesses in rural areas recruitment of rural youth for local sales operations. A major portion of the procured goods and services are de-centralised to local offices in states.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste separately as 10%. Also, provide details thereof, in about 50 words or so.

The Environment Management Practices of the Company focus on the conservation of natural resources. It has stringent waste management policies for internally generated wastes. Solid waste/sludge from water and waste treatment plants and process waste from the factories is disposed in a controlled manner as per policy.

### Principle 3: Employees' well-being

#### Businesses should promote the well-being of all employees.

The Company has made concerted efforts towards creating, learning and development opportunities that continually enhance the employee value in line with the organisational objectives. The Company focusses on ensuring well-being of all its employees. Safety and health of employees is extremely important to the Company and it is committed to building and maintaining a safe and healthy workplace.

1.	Please indicate the total number of permanent employees	3357		
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis	4786		
3.	Please indicate the Number of permanent women employees	18		
4.	Please indicate the Number of permanent employees with disabilities	3		
5.	Do you have an employee association that is recognised by management	Presently, the Company have an employee association at Bahadurgarh unit only.		
6.	What percentage of your permanent employees is members of this recognised employee association	100% workers of Bahadurgarh unit		
7.	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year			
	<b>No.</b>	<b>Category</b>	<b>No. of complaints filed during the financial year</b>	<b>No of complaints pending as on end of the financial year.</b>
	1.	Child labour / Forced labour / involuntary labour	Nil	Nil
	2.	Sexual harassment	Nil	Nil
	3.	Discriminatory employment	Nil	Nil
8.	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?			
	(a)	Permanent Employees		As Required
	(b)	Permanent Women Employees		As Required
	(c)	Casual/Temporary/Contractual Employees		As Required
	(d)	Employees with disability		As Required

## ANNEXURE – VI TO BOARD'S REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

### Principle 4: Stakeholder engagement

- 1) Has the Company mapped its internal and external stakeholders?

Yes, the Company has mapped its internal and external stakeholders and has identified - employees, customers, business partners/suppliers, government and government agencies, lenders, shareholders/investors and society, as its stakeholders. The Company has various mechanism in place for engagement with these stakeholders such as employee satisfaction surveys, customer satisfaction surveys, organising plant visits for the suppliers and for the investors, regular dealers' meet and lenders' meet, among others. Investors base being large, as required, the Company has a dedicated email id for them to engage with the Company. The Company has also been engaging with the society, particularly in the areas around its manufacturing plants through its various community service initiatives.

- 2) Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders.

Yes, the Company has identified the disadvantaged and vulnerable stakeholders in and around the Company's plants.

- 3) Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders.

The CSR programmes/projects/activities of the Company are aimed at serving the local community and socio-economically disadvantaged sections of the society.

### Principle 5 - Human rights

Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company respects human rights of all relevant stakeholders and groups within and beyond the workplace including that of communities, consumers and marginalised groups. All the practices and policies of the Company, including engagement with suppliers and contractors, among others, ensure that human rights are honored and protected.

2. How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the management?

The Company did not receive any stakeholder's complaint in the financial year 2021-22 for violation of human rights.

### Principle 6 – Environment

Business should respect, protect and make efforts to restore the environment.

1. Coverage of the policy related to Principle 6 and its extension to the group/joint ventures/suppliers/contractors/NGO's/others

The Company is committed to improve health and safety of the society and protection of the environment. This policy applies to the entire Company and doesn't extend to other entities.

The Company focusses on four major areas related to climate change i.e. energy conservation, water conservation, use of renewable energy and waste minimisation. The Company's Environment, Health and Safety (EHS) Policy covers all employees and stakeholders across all manufacturing units. In Lighting manufacturing processes, high energy consumption equipment had been replaced with cost-effective energy-efficient equipment.

The Company regularly monitors the operations and capacity optimisation of pumps, motors and cooling tower operations, to take corrective actions.

2. The Company's strategies/initiatives to address global environmental issues, such as climate change, global warming and more.

The Company is contributing towards global environment by complying with ISO Certification i.e., ISO 9001, ISO 14001 & OHSAS 18001 under the Integrated Management System, in each and every process of the Company.

3. Does the Company identify and assess potential environmental risks?

Yes, the Company regularly assesses various environmental risk associated with its activities and its likely impact. The purpose of this procedure is to establish and maintain procedures for identifying environmental/hazard aspects of activities.

4. Does the Company have any project related to Clean Development Mechanism?

Protecting the natural environment is an important facet of Company's aim to enrich lives. The Company does this by continually seeking opportunities to make its processes more resource-efficient, using renewable energy sources and minimising the release of wastes in the environment.

At a strategic level, the Company has embedded various Environment, Health & Safety (EHS) considerations in all aspects of its existing operations. All manufacturing locations are certified for IMS QMS



## ANNEXURE – VI TO BOARD'S REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

9001:2015 (Quality Management System), ISO 14001 (Environmental Management Systems) requirements and OHSAS 18001 (Occupational Health and Safety Management Systems) requirements.

The Company has adhered to the applicable standards and limits for emissions and waste prescribed by the respective State Pollution Control Board (SPCB)/ Central Pollution Control Board (CPCB)

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency and renewable energy, among others.

Yes. The manufacturing units have embraced initiatives on clean technology and energy efficiency. Innovative technologies have been implemented to reduce the impact on the environment.

The Company has installed solar panel at its manufacturing facilities at Bahadurgarh, Malanpur-Steel Plant and Anjar Bhuj and will be installing solar panel at all its other manufacturing units in time to come.

In the longer term, the Company aims to reduce CO2 emissions and generate energy at a lower cost at its factories in India. This, is in-sync with the Company's approach towards 'building a sustainable ecosystem through efficient energy consumption and optimum utilisation of natural resources such as solar power and wind energy.

Furthermore, this project will also enable significant operating cost-savings for the Company such as lower energy loss, reduced electricity bills and maintenance costs.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, all of the Company's emissions/waste generated during the reporting period were within the regulatory defined limits.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

This is to confirm that no show cause/legal notices were received from the Pollution Control Boards (PCB) during the last financial year and nothing is pending.

### Principle 7 - Policy Advocacy

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Representation in any trade and chamber/association

The Company has its representation in several business and industrial associations such as the electrical lamp and component manufacturer's association (ELCOMA), Indian fan manufacturers association (IFMA), confederation of Indian Industry (CII).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas.

The Company has been extensively using platforms of the above Trade Association/ Chambers and has been taking advocacy positions from time to time in the areas of Corporate Legal Reforms, Economic Reforms, Social Security, Water Conservation and Sustainable business principles.

### Principle 8 - Inclusive Growth

Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes. The Company has a well drafted CSR policy in line with Section 135/Schedule VII of the Companies Act, 2013. The CSR policy, inter alia, deals with the objectives of the Company's CSR initiatives, the guiding principles, the thrust areas of CSR, the responsibilities of the CSR Committee, the implementation plan and reporting framework.

Based on needs of the community around the projects, either observed or on the basis of requests, the initiatives for the benefit of society are chosen and implemented.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?

The CSR programmes /projects of the Company are run by its own foundation/organisation namely Surya Foundation (an NGO).

3. Have you done any impact assessment of your initiative?

The CSR Programmes/projects and their progress/ impacts/outcomes are monitored and reviewed periodically by the Corporate Social Responsibility Committee and by the Board of Directors.

## ANNEXURE – VI TO BOARD'S REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

4. What is your company's direct contribution to community development projects - Amount and the details of the projects undertaken.

Please refer to ANNEXURE - IV to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The Company is committed to improve the quality of life of the communities around its plant locations and communities at large, through need-based CSR initiatives in the areas of healthcare, education, livelihood enhancement and environment. The Company encourages participation by the community in various CSR initiatives of the Company. Extensive engagement with the community helps in identifying needs of the stakeholders and leads to greater sense of ownership among the people, ensuring sustained outcomes. This ensures successful adoption by communities to the extent possible.

### Principle 9 - Customer Value

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. Percentage of customer complaints/consumer cases pending as on the end of financial year

The Company has a designated email id for customer complaints i.e. [consumercare@surya.in](mailto:consumercare@surya.in) and call centre toll free no. 1800 102 5657. No customer complaints/consumer cases were pending as on end of financial year 2021-22.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes, the Company adheres to all product labeling and product information requirements as per the local laws/Statutory and relevant acts.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour, during the last five years and pending as on end of financial year.

No court case has been filed by any stakeholders against the Company regarding unfair trade practices and/or irresponsible advertising during the last five years or pending as on end of the financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, we carry out consumer surveys to identify needs of consumers and use this information for product development.

for and on behalf of  
the Board of Directors

Place: New Delhi  
Dated: 19th May, 2022

J P AGARWAL  
CHAIRMAN  
DIN- 00041119

## ANNEXURE – VII TO BOARD'S REPORT

### **Certification by Chairman, Managing Directors and Chief Financial Officer (CFO) of the Company**

- A. We hereby certify that for the financial year ending 31st March, 2022 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:
- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - 2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2021-2022 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware, and that we have taken the required steps to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that:
- 1) There have been no significant changes in internal control over financial reporting during this year.
  - 2) There have been no significant changes in accounting policies during this year.
  - 3) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi  
Dated: 19th May, 2022

**J P Agarwal**  
Chairman  
DIN-00041119

**Raju Bista**  
Managing Director  
DIN- 01299297

**Vinay Surya**  
Managing Director  
DIN- 00515803

**B B Singal**  
Chief Financial Officer  
& Company Secretary

## ANNEXURE – VIII TO BOARD'S REPORT

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

- (i) The Percentage increase in remuneration of each Director, Chief Financial officer and Company Secretary during the financial year 2021-22, ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22.

Sr. No	Name of the Director / KMP and Designation	Remuneration of Director / KMP for the financial year 2021-22 (₹ in crore)	% increase in Remuneration in the 2021-22	Ratio of remuneration of each Director / to median remuneration of employees
1	Jai Prakash Agarwal (Executive Chairman)	7.893	*	187.10
2	Raju Bista (Managing Director)	5.719	**	135.80
3.	Vinay Surya (Managing Director)	2.185	***	52.92
4.	Kaustubh N Karmarkar (Whole-time Director)	0.927	#	22.46
5	Tarun Baldua (ED & CEO – Steel Operations)	1.753	49.57 <sup>^</sup>	Not Applicable
6	Nirupam Sahay (ED & CEO–Lighting)	2.466	\$	Not Applicable
7	R N Maloo (Ex-ED & Group CFO)	1.303	@	Not Applicable
8	B B Singal (Sr. V.P & Company Secretary)	0.593	34.16 <sup>^^</sup>	Not Applicable

\* Increase in salary of Jai Prakash Agarwal during the FY 2021-22 is as per the terms of agreement i.e. he is entitled for ₹ 30 lakhs per month salary from 1st April, 2021 to 31st December, 2021 and ₹ 35 lakhs per month from 1st January, 2022 to 31st March, 2022. He is also entitled for commission @ 1.5% of the Profit before tax (PBT) derived on the basis of Audited Financial Statements of the Company for the concerned financial year per annum basis for the period served under the agreement accordingly commission entitled for the FY 2021-22 stands to ₹ 4.143 crore.

\*\* Increase in salary of Raju Bista during the FY 2021-22 is as per agreement i.e. he is entitled for ₹ 22 lakhs per month basic salary from 1st April, 2021 to 31st March, 2022. He is also entitled for commission @ 1% of the Profit before tax (PBT) derived on the basis of Audited Financial Statements of the Company for the concerned financial year per annum basis for the period served under the agreement accordingly commission entitled for the FY 2021-22 stands to ₹ 2.762 crore.

\*\*\* Increase in salary of Vinay Surya during the FY 2021-22 is as per agreement entered between him and the Company on becoming the Managing Director of the Company from 26<sup>th</sup> October, 2021 onwards. He is entitled for a Remuneration of ₹ 15,00,800 per month from 1<sup>st</sup> April, 2021 to 25<sup>th</sup> October, 2021 and a basic salary of ₹ 20 lakhs s per month from 26<sup>th</sup> October, 2021 onwards till 31<sup>st</sup> March, 2022

# Voluntarily draws less salary from the entitled ₹ 12.00 lakhs p.m as per agreement.

<sup>^</sup> Remuneration includes ₹ 57.07 lakhs ESOP perquisite value exercised during the year

\$ As appointed w.e.f. 29th October, 2020 hence figures are not comparable.

@ As superannuated on the close of business hours from 23rd December, 2021, figures are not comparable

<sup>^^</sup> Remuneration includes ₹14.10 lakhs ESOP perquisite value exercised during the year

- (ii) In the 2021-22, there was an increase of 7.09% in the median remuneration of employees;
- (iii) There were 3357 number of permanent employees on the rolls of company;
- (iv) An average percentile increase in the salaries / remuneration of employees other than managerial personnel in the last year was 7.73% while the increase in the managerial personnel in the last financial year i.e. 2021-22 is 15.42%. and the justification for the increase was that based on the recommendation of the Nomination and Remuneration Committee and Board approval, the shareholders of the Company through Postal Ballot process approved the resolutions on 28th December, 2021 related to reappointment of Mr. Jai Prakash Agarwal as an Executive Chairman from 1st January, 2022 and appointed Mr. Vinay Surya as the Managing Director of the Company w.e.f. 26th October, 2021 for a period of five

## ANNEXURE – VIII TO BOARD'S REPORT (Contd.)

years on the terms and conditions as approved by them We affirmed that the remuneration paid / payable is as per remuneration policy of the Company.

### STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY

		Mr. Jai Prakash Agarwal	Mr. Raju Bista	Mr. Vinay Surya	Mr. Kaustubh N Karmarkar	Mr. Nirupam Sahay	Mr. Tarun Baldua	Mr. R.N Maloo
(i)	Designation of the employee;	Executive Chairman	Managing Director	Managing Director	Whole-time Director	E.D & CEO (Lighting)	ED & CEO- Steel Operations	Ex-ED & GCFO
(ii)	Remuneration received; (in crore)	7.893	5.719	2.185	0.927	2.466	1.753	1.303
(iii)	Nature of employment, whether contractual or otherwise;	As per Agreement from 1st January, 2022 to 31st December, 2026	As per Agreement from 14th November, 2018 to 13th November, 2023	As per Agreement from 26th October, 2021 to 25th October, 2026	As per Agreement from 10th August, 2018 to 9th August, 2023	Whole-time employee	Whole-time employee	Whole-time employee - Superannuated
(iv)	Qualifications and experience of the employee;	B.Com	M.B.A	M.B.A from Australia	M.B.A	M.B.A from NMIMS Mumbai and AMP Wharton	C.A	C.A
(v)	Date of commencement of employment;	1st April, 1986	1st August, 2004	1st January, 2018	11th January, 2018	29th October, 2020	5th January, 2013	14th December, 2014
(vi)	The age of such employee;	71 years	36 years	48 years	43 years	51 years	60 years	60 years
(vii)	The last employment held by such employee before joining the Company;	Jindal Industries Limited (Executive Director)	Not Applicable	Not Applicable	Not Applicable	Philips Lighting (now called Signify)	Maral Overseas Limited	Parsvnath Developers Limited
(viii)	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) above; and	1.54%	Nil	0.98%	Nil	Nil	0.02	-
(ix)	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager:	Mrs. Urmil Agarwal & Mr. Vinay Surya	No	Mr. J P Agarwal & Mrs. Urmil Agarwal	No	No	No	No
	The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One crore two lakhs rupees;	Yes	Yes	Yes	Yes #	Yes	Yes	Not Applicable

# Voluntarily draws less salary from the entitled ₹ 12.00 lakhs pm. as per agreement.

**STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY**

	Mr. Jai Prakash Agarwal	Mr. Raju Bista	Mr. Vinay Surya	Mr. Kaustubh N Karmarkar	Mr. Nirupam Sahay	Mr. Tarun Baldua	Mr. R.N Maloo
The employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakhs fifty thousand rupees per month;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Yes
The employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

**for and on behalf of  
the Board of Directors**

**Place: New Delhi**  
**Dated: 19th May, 2022**

**J P AGARWAL**  
**CHAIRMAN**  
**DIN- 00041119**

# FINANCIAL STATEMENTS

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SURYA ROSHNI LIMITED

### REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the standalone financial statements of SURYA ROSHNI LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2022 and the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022 and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	Auditor's Response
1	<p><b>Warranty Provisions</b></p> <p>The Company offers warranties on certain products sold in lightning and consumer durable segment and accordingly company has recorded warranty provisions which are judgemental in nature. These provisions are required to be recorded based on appropriate estimates of the cost of repair and replacements of the products. Warranty provisions of ₹ <b>26.25 crores</b> as on 31st March, 2022.</p> <p>Refer <b>Note 44</b> to the Standalone Financial Statement</p>	<p><b>Principal Audit Procedures</b></p> <p>We have</p> <ul style="list-style-type: none"> <li>examined the products categories where the Company has offered warranties and also its tenure so as to determine the warranty provisions.</li> <li>reviewed the sales, volume of the respective product categories and the outstanding warranty commitments their against.</li> <li>gone through the procedures of issuance of the credit notes and replacement for warranties/repairs of the products.</li> <li>reviewed the historical trends and cost estimates considering the agreement with customers and back to back arrangement with vendors, for requirement of warranty provisions.</li> </ul> <p>Based on evidence obtained, we concluded that management's process for identifying and quantifying warranty provisions was appropriate and that the resulting provision was reasonable.</p>



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SURYA ROSHNI LIMITED (Contd.)

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of changes in equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 43 to the standalone financial statements.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SURYA ROSHNI LIMITED (Contd.)

- ii. The Company did not have any long-term derivative contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay and in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
  - iv. (a) The management has represented that, to the best of its knowledge and belief as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether, recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in the writing or otherwise, that the Company shall, whether directly, or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
3. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

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

**Place: New Delhi  
Dated: 19<sup>th</sup> May, 2022**

**Membership No. 017644  
UDIN: 22017644AJGGIZ8155**

## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure as referred in paragraph (1) ‘Report on Other Legal and Regulatory Requirements’ of our Independent Auditors’ Report to the members of **SURYA ROSHNI LIMITED** the standalone financial statements for the year ended 31 March, 2022, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
  - (B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any Intangible Assets.
- (b) According to the information and explanations given to us, the Company has a phased program of physical verification of its Property, Plant and Equipment which in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. In accordance with this program, certain Property, Plant and Equipment were physically verified by the Management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets).
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) On the basis of the information and explanations given to us, inventory have been physically verified at reasonable intervals during the year, the coverage and procedure of such verification by the management is reasonable and appropriate in relation to the size and nature of its business and the discrepancies noticed between the physical stock as compared to book records were not 10% or more in aggregate for each class of inventory.
  - (b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account of the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has not made investment in, provided any guarantee or security or granted any loans or advances in the nature of loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly reporting under clause 3(iii) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not made any investment or granted any loans, guarantees or security to any party. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, during the year the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, custom duty, Goods and Service Tax (GST), Cess and any other material statutory dues with the appropriate authorities

## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT (Contd.)

to the extent applicable and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31<sup>st</sup> March, 2022.

- (b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of excise, duty of custom, or value added tax, Goods and Service Tax (GST), Cess which have not been deposited on account of any dispute except as given below:

Name of Statute	VAT & CST	
Nature of Disputed Dues	Tax & Interest	
Forum where disputes are pending	Tribunal	Additional Commissioner / Joint Commissioner
Amount (in Crore)	2.00	0.87

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) On the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or other borrowing or in payment of interest thereon to any lender during the year.
- (b) On the basis of audit procedures and according to the information and explanations given to us, the Company is not declared willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- (d) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, no funds raised on short term basis have been utilised for long term purposes.
- (e) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly reporting under clause 3x(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly reporting under clause 3x(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor we have been informed of any such case by the Management. Accordingly, reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) According to information and explanation given to us, no whistle-blower complaints has been received during the year by the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and relevant details of such transactions have been disclosed in the Financial Statements, etc., as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT (Contd.)

- (b) The reports of the Internal Auditors for the period under audit were considered by us.
- 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 any non-cash transactions with directors or persons connected with him during the year. Accordingly, reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us and based on our examination of the record of the Company, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CIC as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) The company has not undertaken any ongoing project during the financial year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

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

**Membership No. 017644**  
**UDIN: 22017644AJGGIZ8155**

**Place: New Delhi**  
**Dated: 19<sup>th</sup> May, 2022**

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

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

We have audited the internal financial controls with reference to financial statements of **SURYA ROSHNI LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial

controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 WITH REFERENCE TO FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference

## “ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT (Contd.)

to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal

control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: New Delhi  
Dated: 19<sup>th</sup> May, 2022

Membership No. 017644  
UDIN: 22017644AJGGIZ8155



## STANDALONE BALANCE SHEET AS AT 31st MARCH, 2022

Particulars		Note No.	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)				
<b>I ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>			
a	Property, plant and equipment	5	931.83	1,015.39
b	Capital work-in-progress	5	52.97	9.66
c	Right of use Assets	5	11.04	13.77
d	Financial assets			
i	Investment in Subsidiary	6	3.85	3.85
ii	Other financial assets	7	32.22	33.82
e	Other non-current assets	8	16.47	27.99
			<b>1,048.38</b>	<b>1,104.48</b>
<b>2</b>	<b>Current assets</b>			
a	Inventories	9	987.09	868.22
b	Financial assets			
i	Trade receivables	10	885.42	753.23
ii	Cash and cash equivalents	11	0.19	0.25
iii	Bank balances other than (ii) above	12	0.60	0.68
iv	Other financial assets	13	38.28	44.68
c	Current tax assets (net)	14	11.62	11.43
d	Other current assets	15	140.59	156.11
			<b>2,063.79</b>	<b>1,834.60</b>
	<b>Total Assets</b>		<b>3,112.17</b>	<b>2,939.08</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
	Equity share capital	16	53.33	53.61
	Other equity	17	1,491.82	1,311.59
			<b>1,545.15</b>	<b>1,365.20</b>
<b>LIABILITIES</b>				
<b>1</b>	<b>Non-current liabilities</b>			
a	Financial liabilities			
i	Borrowings	18	60.67	172.22
ia	Lease liabilities	19	7.02	13.76
ii	Other financial liabilities	20	12.10	11.59
b	Provisions	21	63.48	60.16
c	Deferred tax liabilities (net)	22	56.80	63.85
			<b>200.07</b>	<b>321.58</b>
<b>2</b>	<b>Current liabilities</b>			
a	Financial liabilities			
i	Borrowings	23	519.35	544.37
ia	Lease liabilities	24	6.05	1.68
ii	Trade payables			
	A) Total outstanding dues of micro enterprises and small enterprises;	25	44.01	49.34
	B) Total outstanding dues of creditors other than micro enterprises and small enterprises;	25	549.55	431.12
iii	Other financial liabilities	26	144.60	120.69
b	Other current liabilities	27	50.82	50.88
c	Provisions	28	36.61	52.80
d	Current tax liabilities (net)	29	15.96	1.42
			<b>1,366.95</b>	<b>1,252.30</b>
	<b>Total Equity and liabilities</b>		<b>3,112.17</b>	<b>2,939.08</b>

See accompanying notes to the standalone financial statements

As per our report of even date

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

**Vinay Surya**  
Managing Director  
DIN: 00515803

For and on behalf of the Board

**Raju Bista**  
Managing Director  
DIN: 01299297

**J P Agarwal**  
Chairman  
DIN: 00041119

**CA. Ashok Kumar**  
Partner FCA  
Membership no. 017644

**Tarun Baldua**  
Executive Director & CEO (Steel Operations)

**Nirupam Sahay**  
Executive Director & CEO (Lighting)

**B B Singal**  
Chief Financial Officer & Company Secretary

Place : New Delhi  
Dated : 19th May, 2022

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in crore)

Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>I REVENUE FROM OPERATIONS</b>	31	7,730.07	5,554.37
<b>II OTHER INCOME</b>	32	5.72	4.67
<b>III TOTAL INCOME (I+II)</b>		<b>7,735.79</b>	<b>5,559.04</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	33	5,889.70	4,057.75
Purchases of stock-in-trade	34	340.09	264.77
Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	(39.46)	15.66
Employee benefits expense	36	339.97	307.12
Finance costs	37	63.63	69.79
Depreciation and amortisation expense	38	108.38	102.70
Other expenses	39	757.29	532.11
<b>Total expenses</b>		<b>7,459.60</b>	<b>5,349.90</b>
<b>V PROFIT BEFORE TAX (III-IV)</b>		<b>276.19</b>	<b>209.14</b>
<b>VI TAX EXPENSE</b>			
Current Tax	30	78.82	50.29
Deferred Tax	22	(7.20)	2.35
		<b>71.62</b>	<b>52.64</b>
<b>VII PROFIT FOR THE YEAR (V-VI)</b>		<b>204.57</b>	<b>156.50</b>
<b>VIII OTHER COMPREHENSIVE INCOME</b>	40		
(i) Items that will not be reclassified to profit or loss		0.57	1.67
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.15)	(0.42)
<b>Total other comprehensive income</b>		<b>0.42</b>	<b>1.25</b>
<b>IX TOTAL COMPREHENSIVE INCOME (VII + VIII)</b>		<b>204.99</b>	<b>157.75</b>
<b>Earnings per equity shares (face value of ₹ 10/-each)</b>	41		
1) Basic (in ₹)		38.33	29.01
2) Diluted (in ₹)		37.60	28.76

See accompanying notes to the standalone financial statements

As per our report of even date

**For Ashok Kumar Goyal & Co.**

Chartered Accountants  
(Firm Registration No. ICAI: 02777N)

**CA. Ashok Kumar**

Partner FCA  
Membership no. 017644

Place : New Delhi  
Dated : 19th May, 2022

**Vinay Surya**  
Managing Director  
DIN: 00515803

**Tarun Baldua**  
Executive Director & CEO (Steel  
Operations)

For and on behalf of the Board

**Raju Bista**  
Managing Director  
DIN: 01299297

**Nirupam Sahay**  
Executive Director & CEO  
(Lighting)

**J P Agarwal**  
Chairman  
DIN: 00041119

**B B Singal**  
Chief Financial Officer &  
Company Secretary

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

Particulars	(₹ in crore)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>a. Net operating profit before tax</b>	276.19	209.14
<b>Adjustment for :</b>		
Re-measurement gain / loss on defined benefit plans routed through OCI	0.57	1.68
Depreciation and amortisation of Property, Plant and Equipment	108.38	102.70
(Profit)/Loss on Sale/Retirement of Property Plant and Equipment (Net)	3.81	0.40
Allowance for doubtful debts	0.56	3.00
ESOS Expenses	6.53	1.37
Lease Rent Paid	(7.38)	(6.57)
Finance cost	63.63	69.79
<b>b. Operating profit before Working Capital changes</b>	<b>452.29</b>	<b>381.51</b>
<b>Adjustment for :</b>		
(Increase) / Decrease in Trade receivables	(132.75)	(58.42)
(Increase) / Decrease in Other financial assets	8.00	(8.24)
(Increase) / Decrease in Other assets	15.58	22.73
(Increase) / Decrease in Inventories	(118.87)	44.59
Increase / (Decrease) in Trade payables	113.10	185.71
Increase / (Decrease) in provisions	(12.87)	(5.98)
Increase / (Decrease) in Other financial liabilities	25.01	12.34
Increase / (Decrease) in Other liabilities	(0.06)	18.79
	<b>(102.86)</b>	<b>211.52</b>
<b>c. Cash generated from Operations before tax (a+b)</b>	<b>349.43</b>	<b>593.03</b>
<b>d. Net Direct Taxes paid</b>	<b>(64.47)</b>	<b>(53.11)</b>
<b>Net cash flow from operating activities A = (c+d)</b>	<b>284.96</b>	<b>539.92</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(57.58)	(67.80)
Sale of Property, Plant and Equipment	3.96	1.92
<b>Net cash flow used in investing activities</b>	<b>(53.62)</b>	<b>(65.88)</b>
<b>Net cash from operating and investing activities (A+B)</b>	<b>231.34</b>	<b>474.04</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowing (Non Current)	(162.86)	(130.08)
Proceeds from borrowings(Non Current)	-	25.00
Short term borrowings Increase /(Decrease) during the year (net)	26.29	(268.70)
Purchase of Company's Shares for ESOS through trust	(24.56)	(13.83)
ESOS Exercise amount received	1.16	-
Payment of dividend	(8.16)	(19.04)
Finance cost	(63.27)	(68.14)
<b>Net cash used in financing activities</b>	<b>(231.40)</b>	<b>(474.79)</b>
<b>Net cash (used) in/from operating, investing and financing activities (A+B+C)</b>	<b>(0.06)</b>	<b>(0.75)</b>
<b>Net increase/(decrease) in Cash &amp; Cash equivalent</b>	<b>(0.06)</b>	<b>(0.75)</b>
Opening balance	0.25	1.00
<b>Closing balance of Cash &amp; Cash equivalent (refer note no.11)</b>	<b>0.19</b>	<b>0.25</b>

As per our report of even date

For and on behalf of the Board

**For Ashok Kumar Goyal & Co.**

Chartered Accountants  
(Firm Registration No. ICAI: 02777N)

**Vinay Surya**  
Managing Director  
DIN: 00515803

**Raju Bista**  
Managing Director  
DIN: 01299297

**J P Agarwal**  
Chairman  
DIN: 00041119

**CA. Ashok Kumar**  
Partner FCA  
Membership no. 017644

**Tarun Baldua**  
Executive Director & CEO (Steel  
Operations)

**Nirupam Sahay**  
Executive Director & CEO  
(Lighting)

**B B Singal**  
Chief Financial Officer &  
Company Secretary

Place : New Delhi  
Dated : 19th May, 2022

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022

### A. EQUITY SHARE CAPITAL

#### (1) Year ended 31st March, 2022

(₹ in crore)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
53.61	-	-	(0.28)	53.33

#### (2) Year ended 31st March, 2021

(₹ in crore)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
54.41	-	-	(0.80)	53.61

### B. OTHER EQUITY

#### (1) Year ended 31st March, 2022

(₹ in crore)

Particulars	Reserves and Surplus						Share Option Outstanding Account	Other items of Other Comprehensive Income	Total
	Capital Reserve	Securities premium	General reserve	Retained earnings	Capital Redemption Reserve	Forfeiture Reserve			
Balance at the beginning of the current reporting period	124.69	129.68	110.36	937.52	3.00	17.63	1.37	(12.66)	1,311.59
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	204.57	-	-	5.79	0.42	210.78
Dividends	-	-	-	(8.16)	-	-	-	-	(8.16)
Transfer to retained earnings	-	-	21.00	(21.00)	-	-	-	-	-
Impact of ESOP Trust Consolidation	-	(22.39)	-	-	-	-	-	-	(22.39)
Balance at the end of the current reporting period	124.69	107.29	131.36	1,112.93	3.00	17.63	7.16	(12.24)	1,491.82

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

(2) Year ended 31st March, 2021

(₹ in crore)

Particulars	Reserves and Surplus						Share Option Outstanding Account	Other items of Other Comprehensive Income	Total
	Capital Reserve	Securities premium	General reserve	Retained earnings	Capital Redemption Reserve	Forfeiture Reserve			
<b>Balance at the beginning of the previous reporting period</b>	<b>124.69</b>	<b>142.71</b>	<b>94.36</b>	<b>816.06</b>	<b>3.00</b>	<b>17.63</b>	-	<b>(13.91)</b>	<b>1,184.54</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the previous year</b>	-	-	-	<b>156.50</b>	-	-	<b>1.37</b>	<b>1.25</b>	<b>159.12</b>
Dividends	-	-	-	(19.04)	-	-	-	-	(19.04)
Transfer to retained earnings	-	-	16.00	(16.00)	-	-	-	-	-
Impact of ESOP Trust Consolidation	-	(13.03)	-	-	-	-	-	-	(13.03)
<b>Balance at the end of the previous reporting period</b>	<b>124.69</b>	<b>129.68</b>	<b>110.36</b>	<b>937.52</b>	<b>3.00</b>	<b>17.63</b>	<b>1.37</b>	<b>(12.66)</b>	<b>1,311.59</b>

As per our report of even date

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

**CA. Ashok Kumar**  
Partner FCA  
Membership no. 017644

**Vinay Surya**  
Managing Director  
DIN: 00515803

**Tarun Baldua**  
Executive Director & CEO (Steel Operations)

For and on behalf of the Board

**Raju Bista**  
Managing Director  
DIN: 01299297

**Nirupam Sahay**  
Executive Director & CEO (Lighting)

**J P Agarwal**  
Chairman  
DIN: 00041119

**B B Singal**  
Chief Financial Officer & Company Secretary

Place : New Delhi  
Dated : 19th May, 2022

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2022

### 1 CORPORATE AND GENERAL INFORMATION

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

SRL is more than four decade old manufacturing conglomerate with business interest spanning Steel Pipes, cold rolled sheets and 3LPE Coated API Pipes, LED and conventional Lighting Products, Fans, electric Appliances, PVC pipes etc. Besides enjoying market presence across the length and breadth of India, it also export products to more than 50 countries globally.

### 2 BASIS OF PREPARATION OF STANDALONE FINANCIAL STATEMENTS AND USE OF ESTIMATES

#### 2.1 Basis of preparation of standalone financial statements

The separate financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Assets held for sale – measured at fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- Employee share-based payments – measured at fair value

In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

#### Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

a) An asset is classified as current when it satisfies any of the following criteria:-

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

b) A liability is classified as current when it satisfies any of the following criteria:-

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current only

#### 2.2 Statement of compliance

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

#### 2.3 Use of estimates

The preparation of the standalone financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimate, judgements and assumptions affect the application of accounting policies and the reported balances of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

financial statements and reported amounts of revenues and expenses during the period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

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

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of Measurement

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

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

#### 3.2 Property, Plant and Equipment (PPE)

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

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

Capital work-in-progress includes cost of property, plant and equipment under installation and not put to use

as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

#### 3.3 Depreciation and Amortisation

i Depreciation on the property, plant and equipment is provided over the useful life of assets which is coincide with the life specified in Schedule II to the Companies Act, 2013. The range of useful lives of the Property, Plant and Equipment are as follows:

Property, plant and equipment	Useful life in Years
Plant and equipments	08 – 15
Buildings	05-60
Office equipment's	05
Vehicles	08
Furniture and fixtures	10
Computers	03 – 06

However, in case of the following category of plant and equipments, the depreciation has been provided, based on the technical evaluation of the remaining useful life as under :-

Plant and Equipments - Pipe and cold rolling Mills and 3 LPE Plant in Steel Pipe and Strip Division.	25 years
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The useful lives of assets as mentioned above is on single shift basis, if an asset is used for any time during the year for double shift, the depreciation increased by 50% and for triple shift by 100% for that period.

- ii Property, plant and equipment (PPE) which are added/ disposed- of during the year, depreciation is provided on pro-rata basis from (up-to) the date on which the PPE is available for use (disposed-off).
- iii The residual values and useful lives of PPE are reviewed in every financial year considering the physical condition, benchmarking analysis or indicators for review of residual value and useful life of the respective assets and the same is adjusted prospectively. Lease hold land is amortised over the period of lease.
- iv Free-hold land are not subject to amortisation.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

- v The "Right of use Assets" arising from Leases are amortised on straight-line method basis over the life of the respective leases.

### 3.4 Impairment of PPE and other non-financial assets

Property, plant and equipment and other non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset and recognised in the statement of Profit and Loss. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in Statement of Profit and Loss.

### 3.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and Cheques / drafts in hand, balances with banks, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS) 7 statement of cash flows.

### 3.6 Inventories

Inventories are carried in the balance sheet as follows:

Raw material	At lower of cost and net realisable value
Work-in Progress	At lower of cost and net realisable value
Finished Goods / Stock in trade	At lower of cost and net realisable value
Stores, spares and consumable	At lower of cost and net realisable value

The cost of inventories comprises of cost of purchase, cost of conversion and other related costs incurred in bringing the inventories to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 3.7 Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS 19 – Employee Benefits.

#### a) Defined contribution plan

- i Provident Fund: Contribution to the provident fund with the government at pre-determined rates is a defined contribution scheme and is charged to the statement of Profit and Loss when employees have rendered services entitling them to such benefit.
- ii National pension scheme : Contribution to the national pension scheme with the at pre-determined rates is a defined contribution scheme and is charged to the statement of Profit and Loss when employees have rendered services entitling them to such benefit.

#### b) Defined benefit plan

**Gratuity** : The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

The Company recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognised in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognised in Other Comprehensive Income. The effect of any plan amendments are recognised in net profits in the Statement of Profit and Loss.

- c) **Long term employee benefits:** Provisions for other long term employee benefits-compensated absences, a defined benefit scheme, is made on the basis of actuarial valuation at the end of each financial year and are charged to the statement of profit and loss. All actuarial gains or losses are recognised immediately in the statement of profit and loss.
- d) **Other Short-term employee benefits:** All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

### 3.8 Foreign currency reinstatement and translation

#### a) Functional and presentation currency

The standalone financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

#### b) Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date and exchange gain and losses arising on settlement and restatement are recognised in statement of profit and loss. Non-monetary items are measured in terms of historical cost in foreign currencies and are therefore not retranslated.

### 3.9 Financial instruments –

**Initial recognition:** The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

#### Subsequent measurement:

- i) **Financial assets carried at amortised cost:** A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii) **Financial assets carried at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- iii) **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of (i) & (ii) above categories are subsequently fair valued through profit or loss.
- iv) **Financial Liabilities:** Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### De-recognition

The Company de-recognises of financial assets when the contractual rights to receive cash flows from the financial asset expire or transfer the financial asset and transfer qualifies for de-recognition under IND AS 109. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished is recognised in profit or loss as other income.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure - Financial assets measured at amortised cost; - Financial assets measured at fair value through other comprehensive income (FVTOCI); ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### 3.10 Investments in subsidiary :

The investments in subsidiary is carried in these standalone financial statements at historical 'cost'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

### 3.11 Derivative financial instruments:

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency exposure. The recognising of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### 3.12 Borrowing costs

a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready

for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

b) All other borrowing costs are recognised as expense in the period in which they are incurred.

### 3.13 Taxation

Income tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

#### Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet approach for all taxable temporary differences to the extent that it is probable that future taxable profits will be available. Deferred tax assets and liabilities are measured at the applicable tax rates and tax laws those are enacted or substantively enacted. Deferred tax assets and deferred tax liabilities are set-off, and presented on net basis. The carrying amount of deferred tax is reviewed at each balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3.14 Revenue recognition and other income

The Company is in the business of sale of Steel Pipes and 3LPE Coated API Pipes and Colled Rolled Sheets, LED and conventional lighting Products, fans, appliances, PVC pipes and fittings etc. The Company also provide extended warranties for its LED street lighting.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

Revenue from contracts with customers is recognised when control of the promised goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

### a) Sale of Product/Goods

Revenue from sale of Product/Goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the Product/Goods and there is no uncertainty in receiving the same and there is reasonable assurance that the Company will comply with the conditions attached to them in recognition of revenue from sale of goods. The Company also considers the effects of sales returns, volume rebates, schemes discount, incentives, price concessions and financing components.

Extended warranty:- The extended warranties provided to the customers having separate performance obligation are considered as the separate contract and revenue from these contracts recognised accordingly.

Volume rebates and schemes discounts: The Company provides volume rebates and schemes discounts to its customers based on quantity of products sold to them during the period. To estimate for the expected future outgo for revenue recognition, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

Financing component: In case of extended trade credit agreed with the customers containing significant financing component, the transaction price for such contract are discounted, using the effective interest rate that would be considered separate financing transaction at transaction inception, to take into consideration the significant financing component.

### b) Rendering of Service

Revenue from Services is recognised as per terms of the contract with customers based on

stage of completion when the outcome of the transaction involving rendering of services can be estimated reliably.

### c) Export incentives:

Export benefits are accounted for in the year of exports based on eligibility as well as reasonable assurance that the Company will comply with the conditions attached to them and when there is no uncertainty in receiving the same.

### d) Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding, the rate applicable and reasonable certainty of receiving the same.

### 3.15 Government grants / Assistance

Government grants/Assistance recognised in profit and loss account on a systematic basis where there is reasonable assurance that the same will be received and the eligibility criteria is met out. The same are periodically reviewed and adjusted for changes in policies and regulations.

### 3.16 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution, if leviable, is recognised directly in equity.

### 3.17 Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

Level 3: Inputs which are not based on observable market data.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.18 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the Net profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

### 3.19 Provisions

#### a) Provisions

Provisions (excluding employee benefits) are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

#### b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the standalone financial statements.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, it is recognised as an asset.

#### c) Warranty Provisions

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

### 3.20 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- b) Its intention to complete and its ability and intention to use or sell the asset
- c) How the asset will generate future economic benefits
- d) The availability of resources to complete the asset
- e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

### 3.21 Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before

the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date by discounting the lease payment by using the Company's incremental borrowing rate.

#### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term up to 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3.22 Share based payments

Equity-settled share-based payments to employees are measured at fair value of the equity instrument as at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest to the employees

At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. However, fair value of options is not remeasured subsequently.

Company has created an Employee Benefit Trust for the share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee Stock option schemes. The Trust buys shares of the Company from

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

the market, for granting shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are fulfilled with treasury shares.

### 3.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker which comprises of the Board of Directors, Chairman, Executive Director and Chief financial officer which assesses the financial performance and position of the Company and makes strategic decisions. The Company primarily operates in the steel Pipe and lighting segment. The reportable segments are Steel pipes & strips and Lighting & consumer durable.

### 4.1 Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the standalone financial statement:

#### a) Property, plant and equipment - Useful lives of assets

The Company reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation expenses in future periods.

#### b) Warranties

The Company generally offers Warranties for its consumer products and the liability towards warranty-related costs are recognised in the year of sales or service provided to the customers. Management ascertain and measure the liability for warranty claims based on historical experience and trend. The assumptions made in

relation to current year are consistent of those are in prior years.

#### c) Provision

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

#### d) Contingent Liabilities and Contingent Assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the standalone financial statements.

#### e) Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, associates and joint venture and impairment losses/ write down in value of investment in subsidiaries, associates and joint venture and significant disposal of Property, plant and equipment etc.

### 4.2 Recent accounting pronouncements

On 23rd March, 2022, the Ministry of Corporate Affairs ("MCA") through a notification amended inter alia Ind AS 103- Business Combinations, Ind AS 109- Financial Instruments, Ind AS 16 - Property, Plant and Equipment, Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets, which are applicable to the Company from 1st day of April, 2022.

**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

**5 PROPERTY, PLANT AND EQUIPMENT**

Particulars	Land-Freehold	Land-Leasehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment's	Computers	Total	Capital work in progress
<b>GROSS CARRYING VALUE</b>										
As at 1st April, 2020	27.34	10.97	215.71	1,203.57	6.65	9.63	3.63	7.53	1,485.03	14.99
Additions	5.42	-	19.14	36.38	0.17	2.27	0.83	0.93	65.14	38.45
Disposals	-	-	-	4.68	0.25	0.09	0.09	1.08	6.19	43.78
As at 31st March, 2021	32.76	10.97	234.85	1,235.27	6.57	11.81	4.37	7.38	1,543.98	9.66
Additions	-	-	0.63	21.22	0.60	1.37	1.06	0.91	25.79	52.62
Disposals	-	-	0.04	21.23	0.79	0.73	0.18	0.18	23.15	9.31
As at 31st March, 2022	32.76	10.97	235.44	1,235.26	6.38	12.45	5.25	8.11	1,546.62	52.97
<b>DEPRECIATION</b>										
As at 1st April, 2020	-	1.73	37.87	380.67	3.67	3.85	2.09	5.95	435.83	-
Depreciation for the year	-	0.34	8.33	84.98	0.63	1.02	0.93	0.41	96.64	-
Disposals	-	-	-	2.41	0.25	0.06	0.09	1.07	3.88	-
As at 31st March, 2021	-	2.07	46.20	463.24	4.05	4.81	2.93	5.29	528.59	-
Depreciation for the year	-	0.34	8.93	89.18	0.53	1.11	0.27	1.22	101.58	-
Disposals	-	-	0.01	13.68	0.72	0.64	0.16	0.17	15.38	-
As at 31st March, 2022	-	2.41	55.12	538.74	3.86	5.28	3.04	6.34	614.79	-
<b>Net carrying value</b>										
As at 1st March, 2021	32.76	8.90	188.65	772.03	2.52	7.00	1.44	2.09	1,015.39	9.66
As at 31st March, 2022	32.76	8.56	180.32	696.52	2.52	7.17	2.21	1.77	931.83	52.97

**Explanatory Notes:**

- The above property plant and equipment are under charge as security against borrowing see note no.18 & 23
- The Company has acquired exclusive used right for certain premises being used for its offices and classified them as Right to use assets.

Particulars	(₹ in crore)
<b>Right to use Assets</b>	
Gross carrying value	18.31
As at 1st April, 2020	7.91
Additions	-
Disposals	-
As at 31st March, 2021	26.22
Additions	4.07
Disposals	-
As at 31st March, 2022	30.29
<b>Depreciation</b>	
As at 1st April, 2020	6.39
Additions(Depreciation)	6.06
Disposals	-
As at 31st March, 2021	12.45
Additions(Depreciation)	6.80
Disposals	-
As at 31st March, 2022	19.25
<b>Net carrying value</b>	
As at 31st March, 2021	13.77
As at 31st March, 2022	11.04

**As at 31st March, 2022**

**Capital-Work-in Progress (CWIP) ageing schedule**

Capital-Work-in-Progress	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	44.93	7.58	0.46	52.97

No capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

**As at 31st March, 2021**

**Capital-Work-in Progress (CWIP) ageing schedule**

Capital-Work-in-Progress	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	9.20	0.46	-	9.66

No capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 6 INVESTMENT IN SUBSIDIARY

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
<b>Investment carried at cost</b>		
<b>Unquoted</b>		
38,50,000 (previous year 38,50,000) Equity shares of Surya Roshni LED Lighting projects Limited of ₹ 10/- each fully paid-up (100% holding -38,49,940 equity shares held in the name of Company and balance 60 equity shares held through six nominees)	3.85	3.85
	<b>3.85</b>	<b>3.85</b>
Aggregate amount of quoted investments Market value of ₹ Nil (Previous year ₹ Nil)	-	-
Aggregate amount of unquoted investments	3.85	3.85

### 7 OTHER FINANCIAL ASSETS AT AMORTISED COST (NON CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured, considered good</b>		
Deferred Receivable	3.97	5.49
Contract Assets	17.78	18.60
Security deposits	10.47	9.73
	<b>32.22</b>	<b>33.82</b>

### 8 OTHER NON CURRENT ASSETS

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Capital Advances	16.47	27.99
	<b>16.47</b>	<b>27.99</b>

### 9 INVENTORIES (CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Raw materials	381.54	302.03
Work-in-progress	133.45	124.87
Finished goods	452.41	421.53
Stores, spares and consumables	19.69	19.79
	<b>987.09</b>	<b>868.22</b>

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

Inventories are hypothecated as security against borrowings see note no.18 & 23



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 10 TRADE RECEIVABLES (CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	876.76	749.47
Trade receivables considered good-unsecured from wholly owned subsidiary ( refer note 49)	8.66	3.76
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables-credit impaired	7.03	7.08
Less : Allowance for credit impairment	7.03	7.08
Net Trade receivables-credit impaired	-	-
	<b>885.42</b>	<b>753.23</b>

(₹ in crore)

As at 31st March, 2022	Trade Receivables ageing schedule						
Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade Receivables- considered good	732.27	107.19	13.07	11.10	7.65	4.89	<b>876.17</b>
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	0.01	0.56	1.56	1.23	<b>3.36</b>
(iv) Disputed Trade Receivables- considered good	-	0.09	0.22	0.29	1.23	7.42	<b>9.25</b>
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	0.07	0.49	3.11	<b>3.67</b>
<b>Total (A)</b>	<b>732.27</b>	<b>107.28</b>	<b>13.30</b>	<b>12.02</b>	<b>10.93</b>	<b>16.65</b>	<b>892.45</b>
<b>Allowance for credit impairment (B)</b>							<b>7.03</b>
<b>Total [(A)-(B)]</b>							<b>885.42</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

(₹ in crore)

As at 31st March, 2021 Particulars	Trade Receivables ageing schedule						Total
	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade Receivables- considered good	505.03	190.45	24.91	17.37	4.82	2.97	745.55
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	0.02	1.67	0.83	1.03	3.55
(iv) Disputed Trade Receivables- considered good	-	-	0.04	0.63	1.41	5.60	7.68
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	0.01	0.16	0.56	2.80	3.53
<b>Total (A)</b>	<b>505.03</b>	<b>190.45</b>	<b>24.98</b>	<b>19.83</b>	<b>7.62</b>	<b>12.40</b>	<b>760.31</b>
<b>Allowance for credit impairment (B)</b>							<b>7.08</b>
<b>Total [(A)-(B)]</b>							<b>753.23</b>

### 11 CASH AND CASH EQUIVALENTS

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
a. Balance with banks		
In Current Accounts	0.01	0.04
b. Cash on hand	0.18	0.21
<b>Cash and cash equivalents as per statement of cash flow</b>	<b>0.19</b>	<b>0.25</b>

### 12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Fixed deposits	0.17	0.23
<b>Earmarked Balances with banks</b>		
Unpaid dividend account (Earmarked against the corresponding provision refer note 26)	0.43	0.45
	<b>0.60</b>	<b>0.68</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 13 OTHER FINANCIAL ASSETS (CURRENT)

	As at 31st March, 2022	As at 31st March, 2021
Contract Assets	5.32	5.05
Forward Contract Receivable	1.61	-
Other recoverables	31.35	39.63
	<b>38.28</b>	<b>44.68</b>

### 14 CURRENT TAX ASSETS (NET)

	As at 31st March, 2022	As at 31st March, 2021
Current Tax Asset	11.62	11.43
	<b>11.62</b>	<b>11.43</b>

### 15 OTHER CURRENT ASSETS

	As at 31st March, 2022	As at 31st March, 2021
Considered good, unless otherwise stated		
Recoverable from government authorities	82.48	108.65
Balances with statutory authorities	12.70	12.27
Prepaid expenses	4.94	3.91
Advances to Supplier	40.47	31.28
	<b>140.59</b>	<b>156.11</b>

### 16 SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
<b>I Equity Share Capital</b>		
<b>Authorised</b>		
26,13,00,000 (Previous year 26,13,00,000) Equity Shares of ₹ 10/- each with voting rights	261.30	261.30
<b>Issued, subscribed and fully paid up Equity share capital</b>		
5,44,08,974 (previous year 5,44,08,974) Equity Shares of ₹ 10/- each with voting rights	54.41	54.41
Less: Treasury Shares held	1.08	0.80
	<b>53.33</b>	<b>53.61</b>
<b>Movement of Equity Shares</b>		
Balance at the beginning of the reporting period	5,36,08,974	5,44,08,974
Less: Treasury Shares acquired by the Surya Roshni Employees Welfare Trust ( refer note no. 48)	4,36,700	8,00,000
Add: Treasury Shares transferred to Employees by the Surya Roshni Employees Welfare Trust ( refer note no. 48)	1,54,770	-
<b>Balance at the end of the reporting period</b>	<b>5,33,27,044</b>	<b>5,36,08,974</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
<b>Treasury Shares</b>		
<b>Balance at the beginning of the reporting period</b>	<b>8,00,000</b>	-
Add: Treasury Shares acquired by the Surya Roshni Employees Welfare Trust (refer note no. 48)	4,36,700	8,00,000
Less: Treasury Shares transferred to Employees by the Surya Roshni Employees Welfare Trust (refer note no. 48)	1,54,770	-
<b>Balance at the end of the reporting period</b>	<b>10,81,930</b>	<b>8,00,000</b>
<b>II Preference share capital</b>		
<b>Authorised</b>		
6,20,000 (previous year 6,20,000) Preference shares of ₹ 100/- each	6.20	6.20
(There are no issued, subscribed and paid up preference share capital)		

### Terms / rights attached to equity shares

The Company has one class of equity shares having at par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
<b>Cash dividends on equity shares declared and paid</b>		
Dividend for the year ended 31st March, 2021: ₹ 1.50 per share (Previous year ₹ 2.00 per share)	8.16	10.88
Interim Dividend Paid for the Financial Year 2021-22: NIL (Previous Year - ₹ 1.50 per share)	-	8.16
<b>Proposed dividends on equity shares</b>		
Dividend for the year ended 31st March, 2022: ₹ 4.00 per share (Previous year ₹ 1.50 per share)	21.76	8.16

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

Names	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Diwakar Marketing Private Limited	56,37,500	10.36	56,37,500	10.36
Cubitex Marketing Private Limited	48,61,000	8.93	48,61,000	8.93
Shreyansh Mercantile Private Limited	31,78,000	5.84	31,78,000	5.84
Sahaj Tie-Up Private Limited	31,25,087	5.74	31,25,087	5.74

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### Shares held by promoters at the end of the year ended 31st March, 2022

S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Diwakar Marketing Private Limited	56,37,500	10.36%	-
2	Cubitex Marketing Private Limited	48,61,000	8.93%	-
3	Shreyansh Mercantile Private Limited	31,78,000	5.84%	-
4	Sahaj Tie-Up Private Limited	31,25,087	5.74%	-
5	Dicord Commodeal Private Limited	22,65,610	4.16%	-
6	Shirin Commodeal Private Limited	21,16,189	3.89%	-
7	S M Vyapaar Private Limited	19,83,920	3.65%	-
8	Goel Die Cast Limited	19,27,962	3.54%	-
9	Zatco Vyapaar Private Limited	14,03,455	2.58%	-
10	Sadabahr Tradecomm Private Limited	12,78,179	2.35%	-
11	Jits Courier and Finance Private Limited	10,01,499	1.84%	-
12	Pankaj Investments Limited	9,69,348	1.78%	-
13	B M Graphics Private Limited	9,61,078	1.77%	-
14	Jai Prakash Agarwal	8,36,628	1.54%	(0.50%)
15	Vinay Surya	5,32,831	0.98%	0.50%
16	Gargiya Finance and Investment Private Limited	5,22,487	0.96%	-
17	Urmil Agarwal	2,92,081	0.54%	-
18	Viksit Trading and Holding Private Limited	2,37,346	0.44%	-
19	Vasudha Surya	1,90,100	0.35%	-
20	Jaivardhan Kaartik Surya	1,81,400	0.33%	-
21	Parinistha Surya	1,81,300	0.33%	-
22	Puja Surya	1,75,250	0.32%	-
23	Padmini Agarwal	1,63,250	0.30%	-
24	Bharti Bangur	1,63,250	0.30%	-
25	Lustre Merchants Private Limited	72,394	0.13%	-
26	Basu Dev Agarwal	100	0.00%	-
<b>Total</b>		<b>3,42,57,244</b>	<b>62.96%</b>	<b>0.00%</b>

### Shares held by promoters at the end of the year ended 31st March, 2021

S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Diwakar Marketing Private Limited	56,37,500	10.36%	-
2	Cubitex Marketing Private Limited	48,61,000	8.93%	-
3	Shreyansh Mercantile Private Limited	31,78,000	5.84%	-
4	Sahaj Tie-Up Private Limited	31,25,087	5.74%	-
5	Dicord Commodeal Private Limited	22,65,610	4.16%	-
6	Shirin Commodeal Private Limited	21,16,189	3.89%	-
7	S M Vyapaar Private Limited	19,83,920	3.65%	-
8	Goel Die Cast Limited	19,27,962	3.54%	-
9	Zatco Vyapaar Private Limited	14,03,455	2.58%	-
10	Sadabahr Tradecomm Private Limited	12,78,179	2.35%	-
11	Jits Courier and Finance Private Limited	10,01,499	1.84%	-
12	Pankaj Investments Limited	9,69,348	1.78%	-
13	B M Graphics Private Limited	9,61,078	1.77%	-
14	Jai Prakash Agarwal	8,36,628	1.54%	(1.20%)

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

Shares held by promoters at the end of the year ended 31st March, 2021				
S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year
15	Vinay Surya	5,32,831	0.98%	0.17%
16	Gargiya Finance and Investment Private Limited	5,22,487	0.96%	-
17	Urmil Agarwal	2,92,081	0.54%	0.15%
18	Viksit Trading and Holding Private Limited	2,37,346	0.44%	-
19	Vasudha Surya	1,90,100	0.35%	0.02%
20	Jaivardhan Kaartik Surya	1,81,400	0.33%	-
21	Parinistha Surya	1,81,300	0.33%	-
22	Puja Surya	1,75,250	0.32%	0.32%
23	Padmini Agarwal	1,63,250	0.30%	0.30%
24	Bharti Bangur	1,63,250	0.30%	0.30%
25	Lustre Merchants Private Limited	72,394	0.13%	-
	<b>Total</b>	<b>3,42,57,144</b>	<b>62.96%</b>	<b>0.06%</b>

### 17 OTHER EQUITY

		(₹ in crore)	
		As at 31st March, 2022	As at 31st March, 2021
a.	Capital redemption reserve	3.00	3.00
b.	Capital Reserve	124.69	124.69
c.	Securities premium	107.29	129.68
d.	Share Option Outstanding Account	7.16	1.37
e.	Forfeiture reserve	17.63	17.63
f.	General reserve	131.36	110.36
g.	Retained earnings	1,112.93	937.52
h.	Other comprehensive income	(12.24)	(12.66)
<b>Balance at the end of the Financial year</b>		<b>1,491.82</b>	<b>1,311.59</b>

**Notes : For movements in reserves refer statement of change in equity**

#### Nature and purpose of reserves

##### a. Capital Redemption Reserve

Capital Redemption Reserve was created on redemption of preference share capital. The Company may issue fully paid-up bonus share to its members out of the capital redemption reserve

##### b. Capital Reserve

Capital reserve has been created on Business Combination on appointed date i.e.1st April, 2016 Pursuant to the Scheme of Arrangement amongst Company and its associate e-Surya Global Steel Tubes Limited as per order of NCLT dated 11th December, 2017.

##### c. Securities premium

Securities premium is used to record the premium on issue of shares. The premium should be utilised in accordance with the provisions of the Companies Act.

##### d. Share Option Outstanding Account

The Share option outstanding account relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 48.

##### e. Forfeiture reserve

Forfeiture Reserve represents the forfeiture of amount of consideration received on allotment of warrants of the cases where option to take equity shares were not exercised within the prescribed time in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

f. **General reserve**

The general reserve is created time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another equity, hence items included in general reserve will not be reclassified subsequently to profit and loss.

g. **Dividend**

During the Year 2021-22, Dividend of ₹ 21.76 crore for the Year 2021-22 ( Final Dividend of ₹ 8.16 crore for the Year 2020-21) is accounted in the year of approval by the shareholders

### 18 BORROWINGS (NON CURRENT)

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
<b>Secured measured at amortised cost</b>		
<b>Term loans from banks</b>		
Rupee loans	35.67	39.43
Foreign currency loans	-	98.30
<b>Term loans from financial institutions</b>		
Rupee loans	25.00	25.00
Foreign currency loans	-	60.80
	<b>60.67</b>	<b>223.53</b>
Less: Current maturities of Long term borrowings (refer note 23)	-	51.31
	<b>60.67</b>	<b>172.22</b>

A Term Loans of NIL (₹ 159.10 crore as at 31st March, 2021) are secured by way of first pari-passu charge on all Property, plant & equipment including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present and future and personal guarantee of the Chairman of the Company.

- a Foreign Currency Term Loan from banks aggregating ₹ NIL (₹ 98.30 crore as at 31st March, 2021).
- b Foreign Currency Term Loans from financial institution aggregating ₹ NIL (₹ 60.80 crore as at 31st March, 2021).

B Term Loans of ₹ 60.67 crore (₹ 64.43 crore as at 31st March, 2021) are secured by way of first pari-passu charge on all Property, plant and equipment including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present and future.

- a Rupee Term Loan from one bank of ₹ 35.67 crore (₹ 39.43 crore as at 31st March, 2021) is payable in 21 quarterly instalments, with last repayment date 31st May, 2028, carrying floating interest rate of 6.25% p.a. LINKED WITH REPO RATE with periodical interest reset.
- b Rupee Term Loan from one financial institution aggregating ₹ 25.00 crore (₹ 25.00 crore as at 31st March, 2021) is payable in 29 quarterly instalments, with last repayment date 1st April, 2030, carrying fixed interest rate of 6.50% p.a. with periodical interest reset.

#### Change in Liability arising from financing activities

	1st April, 2021	Receipts	Payments	31st March, 2022
(₹ in crore)				
Current Borrowings ( Net Basis) (refer note 23)	493.06	26.29	-	519.35
Non-Current Borrowings including Loan repayment within one year	223.53	-	162.86	60.67
<b>Total</b>	<b>716.59</b>	<b>26.29</b>	<b>162.86</b>	<b>580.02</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

(₹ in crore)

	1st April, 2020	Receipts	Payments	31st March, 2021
Current Borrowings ( Net Basis) (refer note 23)	761.75	-	268.69	493.06
Non-Current Borrowings including Loan repayment within one year	328.61	25.00	130.08	223.53
<b>Total</b>	<b>1,090.36</b>	<b>25.00</b>	<b>398.77</b>	<b>716.59</b>

### 19 LEASE LIABILITIES (NON CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Lease liabilities	7.02	13.76
	<b>7.02</b>	<b>13.76</b>

The Company's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

**The movement in Lease liabilities (Non-current and Current) is as follows:**

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
<b>Balance as at beginning of the year</b>	15.44	12.94
Add: Addition	4.07	7.91
Add: Accretion of interest	0.94	1.17
Less: Payments	7.38	6.58
<b>Closing balance as at 31st March</b>	<b>13.07</b>	<b>15.44</b>

### 20 OTHERS FINANCIAL LIABILITIES (NON CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Security deposits	12.10	11.59
	<b>12.10</b>	<b>11.59</b>

### 21 PROVISION (NON CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Gratuity (refer note 47)	49.78	47.29
Compensated absences (refer note 47)	13.70	12.87
	<b>63.48</b>	<b>60.16</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 22 DEFERRED TAX LIABILITIES (NET)

(₹ in crore)

	As at 31st March, 2021	Recognised in P & L	Recognised in OCI	As at 31st March, 2022
Deferred tax liabilities / assets are attributable to the following items;				
<b>Deferred tax liabilities</b>				
Property, Plant and Equipment	88.12	(6.04)	-	82.08
<b>Sub-(a)</b>	<b>88.12</b>	<b>(6.04)</b>	-	<b>82.08</b>
<b>Deferred tax assets</b>				
Gratuity and Compensated absences	17.63	1.15	(0.15)	18.63
Trade Receivables	2.90	0.01	-	2.91
Others	3.74	-	-	3.74
<b>Sub-(b)</b>	<b>24.27</b>	<b>1.16</b>	<b>(0.15)</b>	<b>25.28</b>
<b>Net deferred tax liability (a-b)</b>	<b>63.85</b>	<b>(7.20)</b>	<b>0.15</b>	<b>56.80</b>

(₹ in crore)

Deferred tax liabilities (Net)	As at 1st April, 2020	Recognised in P & L	Recognised in OCI	As at 31st March, 2021
Deferred tax liabilities / assets are attributable to the following items;				
<b>Deferred tax liabilities</b>				
Property, Plant and Equipment	90.84	(2.72)	-	88.12
<b>Sub-(a)</b>	<b>90.84</b>	<b>(2.72)</b>	-	<b>88.12</b>
<b>Deferred tax assets</b>				
Gratuity and Compensated absences	22.39	(4.34)	(0.42)	17.63
Trade Receivables	2.65	0.25		2.90
Others	4.72	(0.98)		3.74
<b>Sub-(b)</b>	<b>29.76</b>	<b>(5.07)</b>	<b>(0.42)</b>	<b>24.27</b>
<b>Net deferred tax liability (a-b)</b>	<b>61.08</b>	<b>2.35</b>	<b>0.42</b>	<b>63.85</b>

### 23 BORROWINGS (CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
<b>Secured</b>		
Loans repayable on demand		
From banks		
Rupee loans	519.35	413.06
Current maturities of Long term borrowings	-	51.31
	<b>519.35</b>	<b>464.37</b>
<b>Unsecured</b>		
Commercial paper	-	80.00
	<b>519.35</b>	<b>544.37</b>

The above working Capital borrowings of ₹ 519.35 crore are secured against current assets both present and future and further secured by way of second charge on all Property, plant and equipment including equitable mortgage of Land and Building and personal guarantee of the Chairman of the Company. The Rupee Loans of Rs 123.78 crore (EPC) linked with T Bill carrying interest rate of 2.19% ~ 2.60% (net of 2% Interest Subvention), ₹ 370.48 crore (WCDL) linked with T Bill carrying interest rate of 4.18 ~ 4.60 and ₹ 25.09 crore (Cash Credit) linked with 1 Year / 6 Month MCLR of respective banks plus spread (spread ranging from Nil ~ 70 bps)

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 24 LEASE LIABILITIES (CURRENT)

	As at 31st March, 2022	As at 31st March, 2021
Lease liabilities	6.05	1.68
	<b>6.05</b>	<b>1.68</b>

### 25 TRADE PAYABLES

	As at 31st March, 2022	As at 31st March, 2021
outstanding dues of micro enterprises and small enterprises	44.01	49.34
outstanding dues other than micro enterprises and small enterprises	549.55	431.12
	<b>593.56</b>	<b>480.46</b>
I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company as under		
I The Principal amount and the interest due thereon remaining unpaid to any supplier.		
Principal Amount :	55.03	60.08
Interest :	Nil	Nil
ii The amount of interest paid by the Company along with the amount of the payment made to the supplier beyond the appointed day for the year ending.	Nil	Nil
iii The amount of Interest due and payable for the period of delay in making payment (beyond the appointed day during the year.	Nil	Nil
iv The amount of interest accrued and remaining unpaid for the year ending	Nil	Nil
v The amount of further interest remaining due and payable for the earlier years.	Nil	Nil

The Information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information submitted to the Company.

As at 31st March, 2022 Particulars	Trade Payables ageing schedule					
	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) MSME	55.03	-	-	-	-	55.03
(ii) Others	523.91	14.33	0.27	0.01	0.01	538.53
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>578.94</b>	<b>14.33</b>	<b>0.27</b>	<b>0.01</b>	<b>0.01</b>	<b>593.56</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

As at 31st March, 2021 Particulars	Trade Payables ageing schedule					Total
	Not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) MSME	60.08	-	-	-	-	60.08
(ii) Others	412.75	7.26	0.33	0.04	-	420.38
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>472.83</b>	<b>7.26</b>	<b>0.33</b>	<b>0.04</b>	<b>-</b>	<b>480.46</b>

### 26 OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Interest accrued but not due on borrowings	0.27	0.85
Unpaid dividends* (refer note 12 )	0.44	0.45
Forward Contract payable	-	12.00
Payable to employees	41.11	34.75
Expenses Payable	102.78	72.64
	<b>144.60</b>	<b>120.69</b>

\*There are no amount due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2022

### 27 OTHER LIABILITIES (CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Advances from customers	30.94	33.02
Statutory dues payables	19.88	17.86
	<b>50.82</b>	<b>50.88</b>

### 28 PROVISIONS (CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Gratuity (refer note 47)	7.31	6.80
Compensated Absences (refer note 47)	3.05	2.85
	<b>10.36</b>	<b>9.65</b>
Other payables		
Warranty Payable (refer note 44)	26.25	43.15
	<b>26.25</b>	<b>43.15</b>
	<b>36.61</b>	<b>52.80</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 29 CURRENT TAX LIABILITY

	As at 31st March, 2022	As at 31st March, 2021
Current Tax Liability(Net)	15.96	1.42
	<b>15.96</b>	<b>1.42</b>

### 30 INCOME TAX

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>a Income tax recognised in profit or loss</b>		
Current tax expense	78.82	50.29
Deferred tax expense		
Origination and reversal of temporary differences	(7.20)	2.35
<b>Total tax expenses</b>	<b>71.62</b>	<b>52.64</b>
<b>b Reconciliation of effective tax rate</b>		
Profit before tax	276.19	209.14
Domestic tax rate	25.168%	25.168%
Tax using the Company's domestic tax rate	69.51	52.64
Increase / reduction in Taxes on account of		
Deduction / exemptions in taxable income/ Other non deductible expenses (Net)	2.11	-
<b>Income tax expenses charged to statement of profit and loss</b>	<b>71.62</b>	<b>52.64</b>
<b>Effective tax rate</b>	<b>25.93%</b>	<b>25.17%</b>

### 31 REVENUE FROM OPERATIONS

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>a. Sale of products</b>		
i. Steel pipe and strips	6,378.18	4,308.83
ii. Lighting and consumer durables	1,320.49	1,228.14
	<b>7,698.67</b>	<b>5,536.97</b>
Less Inter Segment Sales	4.17	6.85
	<b>7,694.50</b>	<b>5,530.12</b>
<b>b. Other operating revenue;</b>		
i. Export incentives and claims	19.11	18.30
	<b>19.11</b>	<b>18.30</b>
<b>c. Sale of services</b>	16.46	5.95
	<b>16.46</b>	<b>5.95</b>
	<b>7,730.07</b>	<b>5,554.37</b>

### 32 OTHER INCOME

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Interest Income from financial assets	5.50	4.05
b. Profit on sale of property, plant and equipment	0.13	0.05
c. Miscellaneous income	0.09	0.57
	<b>5.72</b>	<b>4.67</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 33 COST OF MATERIALS CONSUMED

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
i. Steel pipe and strips		
a. Raw materials (Imported)	241.28	204.12
b. Raw materials (Indigenous)	5,088.35	3,415.90
ii. Lighting and consumer durables		
a. Raw materials (Imported)	153.90	141.54
b. Raw materials (Indigenous)	369.76	265.72
c. Packing materials consumed	40.58	37.32
	<b>5,893.87</b>	<b>4,064.60</b>
Less Inter Segment Consumption	4.17	6.85
	<b>5,889.70</b>	<b>4,057.75</b>

### 34 PURCHASE OF STOCK-IN-TRADE

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Lighting and consumer durables (outsourced)	340.09	264.77
	<b>340.09</b>	<b>264.77</b>

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

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Inventories at the end of the year</b>		
Finished goods	452.41	421.53
Work in Progress	133.45	124.87
	<b>585.86</b>	<b>546.40</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	421.53	413.85
Work in Progress	124.87	148.21
	<b>546.40</b>	<b>562.06</b>
	<b>(39.46)</b>	<b>15.66</b>

### 36 EMPLOYEE BENEFIT EXPENSES

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Salaries, wages and bonus	313.74	286.80
b. ESOS Expenses (refer note 48)	6.53	1.37
c. Contribution to provident and other funds	13.43	12.82
d. Staff welfare expenses	6.27	6.13
	<b>339.97</b>	<b>307.12</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 37 FINANCE COST

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Interest expenses	53.71	62.49
b. Interest on Lease Liability	0.94	1.17
c. Other borrowing cost	8.98	6.13
	<b>63.63</b>	<b>69.79</b>

### 38 DEPRECIATION AND AMORTISATION EXPENSES

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Depreciation (refer note 5)	101.58	96.64
b. Right of Use Assets (refer note 5)	6.80	6.06
	<b>108.38</b>	<b>102.70</b>

### 39 OTHER EXPENSES

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Consumption of stores and spares	45.17	35.03
b. Power, fuel and water charges	116.71	91.77
c. Repairs and maintenance :		
- plant and machinery	3.17	2.33
- buildings	1.28	0.80
- others	1.19	0.78
d. Product warranties	16.77	35.70
e. Sales promotion expenses	29.35	33.33
f. Commission on sales	16.77	12.67
g. Advertisement and publicity	18.05	12.94
h. Freight and forwarding expenses	378.78	199.54
i. Allowance for doubtful debts / bad debts W/off	0.94	3.43
j. Rent	6.49	3.33
k. Rates and taxes	0.79	0.31
l. Insurance	5.05	3.25
m. Postage, telegraph and telephone	2.31	2.38
n. Travelling and conveyance	21.93	16.61
o. Loss on discard / disposal of property, plant and equipment	3.94	0.45
p. Corporate social responsibility expenses (refer note 42)	3.53	3.17
q. Legal and professional expenses	4.10	3.45
r. Auditor's remuneration		
for audit	0.21	0.19
for tax audit	0.06	0.06
for certification work	0.07	0.03
for reimbursement of out of pocket expenses	0.01	0.01
s. Miscellaneous expenses	80.62	70.55
	<b>757.29</b>	<b>532.11</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 40 OTHER COMPREHENSIVE INCOME

(₹ in crore)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>i Items that will not be reclassified to profit or loss</b>		
- Remeasurements of the defined benefit plans	0.57	1.67
<b>ii Income tax relating to items that will not be reclassified to profit or loss</b>		
- Related to remeasurements of the defined benefit plans	(0.15)	(0.42)
	<b>0.42</b>	<b>1.25</b>

### 41 EARNING PER SHARE

		For the year ended 31st March, 2022	For the year ended 31st March, 2021	
The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:				
A	Issued equity shares	No's	5,44,08,974	5,44,08,974
	Less :- Treasury Shares held by the Surya Roshni Employees welfare Trust		10,81,930	8,00,000
	Issued equity shares after taking effect of Treasury Shares		5,33,27,044	5,36,08,974
B	Weighted average equity shares outstanding - Basic	No's	5,33,64,134	5,39,47,511
C	Weighted average equity shares outstanding - Diluted	No's	5,44,08,974	5,44,08,974
D	Net profit after tax		204.57	156.50
	Basic Earning per equity share (D/B)	Per / ₹	38.33	29.01
	Diluted Earning per equity share (D/C)	Per / ₹	37.60	28.76
	Face Value per Equity Share	₹	10.00	10.00

### 42 EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 read with schedule III are as below: The said amount has been spent through Surya Foundation.

(₹ in crore)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021	
A	Gross amount required to be spent by the Company during the year	3.53	3.17
B	Amount spent during the year		
	i Construction/ acquisition of asset	NIL	NIL
	ii On purpose other than (i) above –		
	(a) Rural Development	3.33	2.87
	(b) Naturopathy	0.20	0.19
	(c) Other administrative expenses	-	0.11
		<b>3.53</b>	<b>3.17</b>
C	Short fall at the end of the Year	NIL	NIL
D	Total of Previous Year Shortfall	NIL	NIL
E	Reason of Shortfall	Not applicable	Not applicable

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
F Nature of CSR Activities	Rural Development Project under Adarsh Gram Yojna and Promoting Health Care Including Preventive Health Care (Naturopathy)	Rural Development Project under Adarsh Gram Yojna and Promoting Health Care Including Preventive Health Care (Naturopathy)
G Details of Related party transaction	Nil	Nil

### 43 CONTINGENT LIABILITIES

	(₹ in crore)	
	As at 31st March, 2022	As at 31st March, 2021
<b>I Guarantees</b>		
Bank Guarantees issued by banks for which counter guarantee given by the Company	281.76	385.69
<b>II Other contingent liabilities</b>		
a) Export obligation under EPCG Scheme (Duty involved on imports made by the Company)	3.35	1.83
Bonds to customs (₹ 8.64 crore (₹ 3.89 crore in previous year))		
b) Estimated amount of contract remaining to be executed on capital account and not provided for	5.91	29.30
c) Claims against the Company not acknowledged as debt	3.10	2.87

#### III Entry of Goods into Local Area Act, 2008 :

The Haryana Government levied Local Area Development Tax by (The LADT Act) w.e.f. 5th May, 2000, The said act was declared ultra vires by the Hon'ble Punjab & Haryana High Court on 14th March, 2007. Later on, the Haryana Government has repealed the LADT Act w.e.f. 8th April, 2008 and introduced in its place, 'The Haryana Tax on Entry of Goods into local Areas Act, 2008', which was also held ultra vires by the Hon'ble High Court on 1st October, 2008 (Rules not yet notified). Both these Acts were declared unconstitutional on the ground of non-compensatory. but Subsequently, on the SLP of the Haryana Government, the Hon'ble Supreme Court Constitutional Bench vide its judgment dated 11th November, 2016 held the applicability of entry tax valid on compensatory grounds. However, directed its Divisional bench for examining the provisions on the other issues of discrimination, local area etc. The divisional bench remanded back the matters to the Hon'ble Punjab & Haryana High Court on 21st March, 2017 with a direction to file fresh writ petitions in this regard for factual backgrounds and other constitutional statutory issues. The matter is still pending in the Hon'ble Punjab & Haryana High Court, hence no provision has been made.

#### IV Income Tax Act

In respect of Income-tax assessments of the Company (for the year 2009-10, 2010-11 & 2012-13) demands of ₹ 56.34 Crore were raised wherein, Company had appealed and the cases were decided in favour of the Company by CIT (A). However revenue has preferred an appeal before ITAT. Based on the decision in favour of the Company, interpretations and decisions of appellate authorities and Courts in similar cases and as per the consultations made, the Company is not liable for such demand and accordingly no provision has been made.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 44 MOVEMENT IN WARRANTY PROVISION

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
<b>Movement in warranty provision during the financial year are provided below:</b>		
Opening Balance	43.15	50.72
Provision Made	16.77	35.70
Utilised during the year	33.67	43.27
Closing Balance	26.25	43.15

The Company gives warranties on certain products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of expected cost of meeting such obligation on account of repair/ replacement. It is expected that significant portion of these cost is to be incurred within a period of two years.

### 45 GOVERNMENT GRANTS (INVESTMENT PROMOTION ASSISTANCE)

The Company has made investments of ₹ 362.35 crore up to 31st March, 2022 in the State of Madhya Pradesh, Andhra Pradesh and Gujarat for establishing manufacturing facilities at Malanpur, Hindupur and Anjar respectively as per provisions of the Industrial Investment Promotion Assistance Schemes/ Policy of these states. The Company has been eligible for periodical Grants during the specified period by way of assistance/ reimbursement of VAT/ CST/ SGST/ Power Cost and recognised the same in revenue on satisfying the conditions mentioned under the respective schemes/policies. These incentive claims are periodically evaluated and necessary adjustments /reversals have been made time to time for deductions made or expected in processing, verifications, clarifications or change in policies/guidelines. Accordingly, The Company has recognised grants of ₹ 105.58 crore up to 31st March, 2022 (₹ 122.33 crore up to 31st March, 2021 (Out of which ₹ 70.11 crore remained outstanding as on 31st March, 2022 ₹ 86.86 crore as on 31st March, 2021).

### 46 PROJECT FOR SUPPLY, IMPLEMENTATION, OPERATION AND MAINTENANCE OF ORISSA GREENFIELD STREET LIGHTING SYSTEM THROUGH SPV COMPANY

The Company has been awarded project by Directorate of Municipal Administration(DMA), Orissa for designing, implementing, operating, maintaining the Greenfield Pubic Street Lighting System along with other infrastructure including CCMS and automation. The project is required to be executed through Special Purpose Vehicle Company (SPV) as per terms of LOA and accordingly Company has incorporated a wholly-owned subsidiary namely SURYA ROSHNI LED LIGHTING PROJECTS LIMITED on 21st January, 2019. Further, Company has executed Supply Installation Operation and Maintenance (SIOM) Agreement on 29th December, 2018 with the DMA and 21 Urban Local Bodies. As per terms of SIOM, the Company had executed shareholder agreement with the SPV Company on 30th August, 2019 and novation agreement with the DMA and the SPV Company . Company has committed the funding requirement of SPV for project completion including enhancement in the value of project. The Company has also committed to compensate the losses/ damages, if any. The required funding has been mandatory provided by the Company and project is being implemented efficiently.

### 47 EMPLOYEE BENEFITS

Disclosures pursuant to Ind AS -19 "Employee Benefits" (Specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 ( as amended from time to time) and other relevant provision of the Act) are given below

**Contribution to Defined Contribution Plan, recognised as expenses are as under :**

	For the Year Ended	
Particulars	31st March, 2022	31st March, 2021
Employer's Contribution to defined contribution plans	13.43	12.82

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

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

Particulars	Valuation as at	
	31st March, 2022	31st March, 2021
Attrition rate for various ages in %	1.00 to 5.00	1.00 to 5.00
Discount Rate in %	7.16	6.80
Expected Rate of increase in salary in %	5.35	5.35
Mortality rate - Indian Assured Lives Mortality (2006-08)	IALM (2012-14)	IALM (2012-14)
Expected Average remaining working lives of employees (years)	14.73	15.19

- a) Discount rate is based on the prevailing market yields of Indian Government securities as at the balances sheet date for the estimated term of obligations.
- b) The assumption of future salary increase takes into account the inflation, seniority, promotion, business plan, HR Policy and other relevant factors such as supply and demand in employment market.

**II Movement in Obligation**

(₹ in crore)

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Gratuity (partly funded)	Compensated absences (Unfunded)	Gratuity (partly funded)	Compensated absences (Unfunded)
<b>Present value of obligation as at the beginning of the period</b>	54.11	15.72	52.70	15.55
Current Service cost	3.79	1.82	3.68	1.75
Past Service Cost including curtailment Gain/Losses	-	-	-	-
Interest cost	3.68	1.07	3.58	1.06
Benefits paid	(3.89)	(1.27)	(4.18)	(1.34)
Actuarial loss / (gain) arising from changes in Demographic assumptions	-	-	-	-
Actuarial loss / (gain) arising from changes in Financial assumptions	(1.61)	-	-	-
Actuarial loss / (gain) arising from experience adjustment	1.04	(0.59)	(1.67)	(1.30)
<b>Present value of obligation as at the end of the period</b>	<b>57.12</b>	<b>16.75</b>	<b>54.11</b>	<b>15.72</b>

**III Amount recognised in the statement of Profit and Loss:**

(₹ in crore)

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current Service cost	3.79	1.82	3.68	1.75
Interest cost	3.68	1.07	3.58	1.06
Remeasurement - Actuarial loss/(gain)	-	(0.59)	-	(1.30)
<b>Expenses recognised in the statement of Profit and Loss</b>	<b>7.47</b>	<b>2.30</b>	<b>7.26</b>	<b>1.51</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### IV Component of defined benefit costs recognised in other comprehensive income

(₹ in crore)

Particulars	Gratuity	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising from changes in Financial assumptions	(1.61)	-
Actuarial loss / (gain) arising from experience adjustment	1.04	(1.67)
Actuarial loss / (gain) arising on plan asset	-	-
<b>Component of defined benefit costs recognised in other comprehensive income</b>	<b>(0.57)</b>	<b>(1.67)</b>

### V Current and non-current provision for Gratuity and Compensated absences

(₹ in crore)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current provision	7.32	3.05	6.80	2.85
Non-current provision	49.78	13.70	47.29	12.87
<b>Total provision</b>	<b>57.10</b>	<b>16.75</b>	<b>54.09</b>	<b>15.72</b>

### VI Maturity profile of Defined Benefit Obligation are as under :-

(₹ in crore)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Gratuity	Compensated absences	Gratuity	Compensated absences
0 to 1 Year	7.32	3.05	6.80	2.85
1 to 5 Years	12.95	2.92	11.16	2.42
5 Year Onwards	36.85	10.78	36.15	10.45

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

(₹ in crore)

Gratuity	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening fair value of plan assets	0.02	0.02
Interest income	-	-
Return on plan assets (excluding amounts included in net interest expenses)	-	-
Benefits paid	-	-
<b>Closing fair value of the plan assets</b>	<b>0.02</b>	<b>0.02</b>

Note: The Company has invested the plan assets in India only with Life insurance corporation of India & SBI Life and closing value of the plan assets are the fair value of plan assets

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### VIII Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

(₹ in crore)

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Effect on Gratuity Obligation	Effect on Compensated absences Obligation	Effect on Gratuity Obligation	Effect on Compensated absences Obligation
One percentage point increase in discount rate	(4.25)	(1.37)	(4.25)	(1.35)
One percentage point decrease in discount rate	4.55	1.45	4.55	1.46
One percentage point increase in salary growth rate	4.61	1.49	4.59	1.47
One percentage point decrease in salary growth rate	(4.34)	(1.40)	(4.32)	(1.37)
One percentage point increase in attrition rate	0.45	0.19	0.43	0.17
One percentage point decrease in attrition rate	(0.47)	(0.20)	(0.45)	(0.16)

#### Note :

- The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.
- There was no change in the method and assumptions used in preparing the sensitivity analysis from prior years.

### 48 INFORMATION IN RESPECT OF OPTIONS GRANTED UNDER THE COMPANY'S EMPLOYEE STOCK OPTION SCHEME ('SCHEME'):

S. No.	Particulars (during the financial year ended 31st March, 2022)		SRL- ESOS (2018)
1	Date of Shareholders' approval	:	28th September, 2018
2	Total number of Options approved under the Scheme	:	8,00,000
3	Vesting Schedule	:	The vesting period for conversion of Options is as follows: On completion of 1 year from the date of grant of the Options: 33% vests On completion of 2 years from the date of grant of the Options: 33% vests On completion of 3 years from the date of grant of the Options: 34% vests
4	Exercise price	:	The exercise price has been fixed at ₹ 75/- per share of 6,44,000 options granted on 29th October, 2020 by Nomination and Remuneration Committee ("Compensation Committee") The exercise price has been fixed at ₹ 150/- per share of 1,63,500 options granted on 9th July, 2021 by Nomination and Remuneration Committee ("Compensation Committee")
5	Maximum term of Options granted	:	3 years from the date of vesting
6	Source of Shares	:	Secondary - Market purchase by Surya Roshni Employees Welfare Trust (Trust)
7	Variation in terms of Options	:	None

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

S. No.	Particulars (during the financial year ended 31st March, 2022)	SRL- ESOS (2018)		
			As at 31st March, 2022	As at 31st March, 2021
8	Method used for accounting of share based payment plans	:	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Scheme. The employee compensation cost as per fair value method for the financial year 2021-22 is ₹ 3.50 crore (Previous Year – 1.37 crore)	
9	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	:	Each Option entitles the holder thereof to apply for and be allotted one Equity Share of the Company of ₹ 10/- each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from the date of vesting. The above is in addition to the other terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore	
10	Weighted average exercise prices and weighted average fair values of Options whose exercise price either equals or exceeds or is less than the market price of the stock	:		
			Weighted average exercise price per Option in ₹	75.00
			Weighted average fair value per Option in ₹	152.61
11	Option movements during the year		<b>ended 31st March, 2022</b>	<b>ended 31st March, 2021</b>
	(a) Number of options outstanding at the beginning of the year	:	6,44,000	NIL
	(b) Number of options granted during the year	:	1,63,500	6,44,000
	(c) Number of options forfeited / lapsed/ surrendered during the year	:	1,67,450	NIL
	(d) Number of options vested and exercisable during the year (net of Options lapsed and exercised)	:	1,75,230	NIL
	(e) Number of options exercised during the year	:	1,54,770	NIL
	(f) Number of shares arising as a result of exercise of options	:	1,54,770	NIL
	(g) Number of options outstanding at the end of the year	:	4,85,280	6,44,000
	(h) Number of options exercisable at the end of the year	:	20,460	NIL
	(i) Money realised by exercise of options (₹ In crore), if scheme is implemented directly by the Company	:	Not Applicable since the scheme is implemented through Trust	
12	Loan repaid by the Trust during the year from exercise price received in (₹ in crore)	:	1.16	NIL

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

S. No.	Particulars (during the financial year ended 31st March, 2022)	SRL- ESOS (2018)				
		As at 31st March, 2022		As at 31st March, 2021		
13	Summary of the status of Options					
	<b>Particulars</b>	<b>No. of Options</b>	<b>Weighted average Exercise Prices (in ₹)</b>	<b>No. of Options</b>	<b>Weighted average Exercise Prices (in ₹)</b>	
	Outstanding at the beginning of the year	6,44,000	75.00	NIL	-	
	Add: Granted during the year	1,63,500	150.00	6,44,000	75.00	
	Less: Lapsed/ surrendered during the year	1,67,450	88.88	NIL	-	
	Less: Exercised during the year	1,54,770	75.00	NIL	-	
	Outstanding at the end of the year	4,85,280	95.48	6,44,000	75.00	
	Options exercisable at the end of the year	20,460	75.00	NIL	-	
14	Weighted average share price of Shares arising upon exercise of Options	₹ 606.61		Not Applicable since Exercise of options is to be commenced on or after 29th October, 2021		
15	Summary of Options outstanding, scheme-wise:					
	<b>Particulars</b>	<b>As at 31st March, 2022</b>			<b>As at 31st March, 2021</b>	
		<b>No. of Options outstanding</b>	<b>Range of Exercise Price (₹)</b>	<b>Weighted average remaining contractual life</b>	<b>No. of Options outstanding</b>	<b>Range of Exercise Price (₹)</b>
	Grant date - 29th October, 2020	3,52,780	75	3.59 Years	6,44,000	75
	Grant date - 9th July, 2021	1,32,500	150	4.27 Years	-	-
16	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted	The fair value of each Option is estimated using the Black Scholes Option Pricing model Weighted average exercise price per Option : ₹ 150.00 Weighted average fair value per Option : ₹ 376.49			The fair value of each Option is estimated using the Black Scholes Option Pricing model Weighted average exercise price per Option : ₹ 75.00 Weighted average fair value per Option : ₹ 152.61	
	The significant assumptions used to ascertain the above	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:				
		<b>Particulars</b>		<b>During the Financial year 2021-22</b>	<b>During the Financial year 2020-21</b>	
		(i) Risk-free interest rate		4.83% to 5.67%	4.66% to 5.17%	
		(ii) Expected life		2.5 to 4.5 years	2.5 to 4.5 years	
		(iii) Expected volatility		49.19% to 52.63%	47.33% to 50.96%	
		(iv) Expected dividends		1.61%	1.50%	
		(v) The price of the underlying shares in market at the time of Option grant		₹ 522.65	₹ 222.90	
17	Methodology for determination of expected volatility	The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.				
		The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements and the movement due to abnormal events if any gets evened out. Estimates of expected future long term volatility should be based on historical volatility for a period that approximates the expected life of the options being valued.				

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

S. No.	Particulars (during the financial year ended 31st March, 2022)	SRL- ESOS (2018)			
18	Options granted to :	<b>As provided below:</b>			
		<b>Name</b>	<b>Designation</b>	<b>During the financial year 2021-22</b>	<b>During the financial year 2020-21</b>
		1 Raju Bista	Managing Director	NIL	1,00,000
		2 Kaustubh Narsinh Karmarkar	Whole-time Director	NIL	20,000
		3 Roop Narain Maloo	EX- ED & Group CFO	NIL	35,000
		4 Tarun Baldua	ED & CEO- Steel Operations	NIL	35,000
		5 Nirupam Sahay	ED & CEO- Lighting	NIL	30,000
		6 Bharat Bhushan Singal	Sr. V.P. & Company Secretary	NIL	7,500
	The Optionees were granted Options on :	9th July, 2021 at the exercise price of ₹ 150.00 per Option	29th October, 2020 at the exercise price of ₹ 75.00 per Option		
	(b) Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year.	None	None		
	(c) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	None		

S. No.	Particulars (during the financial year ended 31st March, 2022)	Surya Roshni Limited Employees Stock Option Scheme - 2021 (SRL ESOS-2021)	
1	Date of Shareholders' approval	:	19th June, 2021
2	Total number of Options approved under the Scheme	:	8,00,000
3	Vesting Schedule	:	The vesting period for conversion of Options is as follows: On completion of 1 year from the date of grant of the Options: 33% vests On completion of 2 years from the date of grant of the Options: 33% vests On completion of 3 years from the date of grant of the Options: 34% vests
4	Exercise price	:	The exercise price has been fixed at ₹ 150/- per share of options granted on 9th July, 2021 by Nomination and Remuneration Committee ("Compensation Committee")
5	Maximum term of Options granted	:	3 years from the date of vesting
6	Source of Shares	:	Secondary - Market purchase by Surya Roshni Employees Welfare Trust (Trust)
7	Variation in terms of Options	:	None
8	Method used for accounting of : share based payment plans	:	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Scheme. The employee compensation cost as per fair value method for the financial year 2021-22 is ₹ 3.03 crore (Previous Year – NIL)

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

S. No.	Particulars (during the financial year ended 31st March, 2022)	Surya Roshni Limited Employees Stock Option Scheme - 2021 (SRL ESOS-2021)				
		No. of Options	Weighted average Exercise Prices (in ₹)	No. of Options	Weighted average Exercise Prices (in ₹)	
9	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	:	Each Option entitles the holder thereof to apply for and be allotted one Equity Share of the Company of ₹ 10/- each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from the date of vesting. The above is in addition to the other terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore			
10	Weighted average exercise prices and weighted average fair values of Options whose exercise price either equals or exceeds or is less than the market price of the stock	:	Weighted average exercise price per Option : ₹ 150.00 Weighted average fair value per Option : ₹ 376.49			
11	Option movements during the year					
	(a) Number of options outstanding at the beginning of the year	:	NIL			
	(b) Number of options granted during the year	:	7,53,420			
	(c) Number of options forfeited / lapsed/surrendered during the year	:	4,20,045			
	(d) Number of options vested and exercisable during the year (net of Options lapsed and exercised)	:	NIL			
	(e) Number of options exercised during the year	:	NIL			
	(f) Number of shares arising as a result of exercise of options	:	NIL			
	(g) Number of options outstanding at the end of the year	:	3,33,375			
	(h) Number of options exercisable at the end of the year	:	NIL			
	(i) Money realised by exercise of options (₹ In crore), if scheme is implemented directly by the group.	:	Not Applicable since the scheme is implemented through Trust			
12	Loan repaid by the Trust during the year from exercise price received	:	NIL			
13	Summary of the status of Options		As at 31st March, 2022		As at 31st March, 2021	
	<b>Particulars</b>		<b>No. of Options</b>	<b>Weighted average Exercise Prices (in ₹)</b>	<b>No. of Options</b>	<b>Weighted average Exercise Prices (in ₹)</b>
	Outstanding at the beginning of the year	:	NIL	-	NIL	-
	Add: Granted during the year	:	7,53,420	150	NIL	-
	Less: Forfeited/ Lapsed/surrendered during the year	:	4,20,045	150	NIL	-
	Less: Exercised during the year	:	NIL	-	NIL	-
	Outstanding at the end of the year	:	3,33,375	150	NIL	-
	Options exercisable at the end of the year	:	NIL	-	NIL	-
14	Weighted average share price of Shares arising upon exercise of Options	:	Not Applicable since Exercise of options is to be commenced on or after 9th July, 2022			



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

S. No.	Particulars (during the financial year ended 31st March, 2022)	Surya Roshni Limited Employees Stock Option Scheme - 2021 (SRL ESOS-2021)											
		As at 31st March, 2022			As at 31st March, 2021								
	Particulars	No. of Options outstanding	Range of Exercise Price (₹)	Weighted average remaining contractual life	No. of Options outstanding	Range of Exercise Price (₹)	Weighted average remaining contractual life						
15	Summary of Options outstanding, scheme-wise:												
	SRL- ESOS (2021)	: 3,33,375	150	4.27 Years	NIL	-	-						
16	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model Weighted average exercise price per Option : ₹ 150.00 Weighted average fair value per Option : ₹ 376.49										
	The significant assumptions used to ascertain the above	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis: (i) Risk-free interest rate - 4.83% to 5.67% (ii) Expected life – 2.5 to 4.5 years (iii) Expected volatility -49.19% to 52.63% (iv) Expected dividends 1.61% (v) The price of the underlying shares in market at the time of Option grant – ₹ 522.65										
17	Methodology for determination of expected volatility	:	The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements and the movement due to abnormal events if any gets evened out. Estimates of expected future long term volatility should be based on historical volatility for a period that approximates the expected life of the options being valued.										
18	Options granted to : (a) Senior managerial personnel	:	As provided below:										
			<table border="1"> <thead> <tr> <th>Name</th> <th>Designation</th> <th>During the financial year 2021-22 \$</th> </tr> </thead> <tbody> <tr> <td>1 Bharat Bhushan Singal</td> <td>Sr. V.P. &amp; Company Secretary</td> <td>3,000</td> </tr> </tbody> </table>		Name	Designation	During the financial year 2021-22 \$	1 Bharat Bhushan Singal	Sr. V.P. & Company Secretary	3,000			
Name	Designation	During the financial year 2021-22 \$											
1 Bharat Bhushan Singal	Sr. V.P. & Company Secretary	3,000											
			\$ (net off of forfeited/ lapsed/ surrendered)										
			The Optionees were granted Options on 9th July, 2021 at the exercise price of ₹ 150.00 per Option.										
	(b) Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year.	:	None										
	(c) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Group at the time of grant.	:	None										

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 49 RELATED PARTY TRANSACTIONS

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

#### List of related parties

#### 1 Related parties where control exists.

Subsidiary Company:-Surya Roshni LED Lighting projects Limited (Wholly owned subsidiary)

#### 2 Key Management Personnel

S.No.	Name	Designation
1	Mr. Jai Prakash Agarwal	Executive Chairman
2	Mr. Raju Bista	Managing Director
3	Mr. Vinay Surya	Managing Director w.e.f. 26th October, 2021
4	Mr. Kaustubh N Karmarkar	Whole Time Director
5	Mrs. Urmil Agarwal	Director
6	Mr. Krishan Kumar Narula	Independent Director
7	Mr. Ravinder Kumar Narang (up to 12th January, 2022)	Independent Director
8	Mr. Tara Shankar Sudhir Bhattacharya	Independent Director
9	Mr. Sudhanshu Kumar Awasthi	Independent Director
10	Mr. Surendra Singh Khurana	Independent Director
11	Mr. Sunil Sikka	Independent Director
12	Mrs. Bhavna Kasturia (up to 8th December, 2021)	Independent Director
13	Mr. Pramod Jain (w.e.f. 27th November, 2021)	Independent Director
14	Mrs. Suruchi Mittar (from 18th December, 2021 to 13th January, 2022)	Independent Director
15	Ms. Suruchi Agarwal (w.e.f. 14th February, 2022)	Independent Director
16	Mr. R.N. Maloo (superannuated on 23rd December, 2021)	ED & Group CFO
17	Mr. Tarun Baldua	ED and CEO- Steel Operations
18	Mr. Ramanjit Singh (superannuated on 29th October, 2020)	Ex CEO- Lighting Operations
19	Mr. Nirupam Sahay (w.e.f. 29th October, 2020)	ED & CEO Lighting
20	Mr. Bharat Bhushan Singal	Sr. VP & Company Secretary

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

S.No.	Name of Relatives	Relationship
1	Mr. Rajesh Bista	Brother of Mr. Raju Bista
2	Mrs. Puja Surya	Spouse of Mr. Vinay Surya
3	Master Jaivardhan Surya	Son of Mr. Vinay Surya
4	Ms. Parinistha Surya	Daughter of Mr. Vinay Surya
5	Ms. Vasudha Surya	Daughter of Mr. Vinay Surya
6	Mrs. Bharti Bangur	Daughter of Mr. Jai Prakash Agarwal
7	Mrs. Padmini Agarwal	Daughter of Mr. Jai Prakash Agarwal

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

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

**i With the Subsidiary Company**

- Surya Roshni LED Lighting projects Limited

(₹ in crore)

S.No.	Nature of transaction/ relationship	For the year ended 31st March, 2022	For the year ended 31st March, 2021
i	<b>Sales of Goods and others</b>	13.85	24.14
ii	<b>Balances at year end</b>		
	- Receivables	8.66	3.76

**ii Compensation of Key Management Personnel of the Company**

(₹ in crore)

S.No.	Nature of transaction/ relationship	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a)	Short Term Benefit (See notes below)	15.94	13.14
b)	Directors commission	6.90	5.23
	<b>Total Short-Term benefits</b>	<b>22.84</b>	<b>18.37</b>
c)	Director sitting Fee's	0.56	0.36

**Notes:**

- Short-term benefits comprises the expenses recorded under the head employee benefit expenses (eg. Salary and wages, contribution to provident fund, NPS, Leave encashment payments, and taxable value of perquisites etc.
- The liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.
- The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.
- The Company has granted Stock Options to eligible employees, including Executive Directors and KMPs, under its Employee Stock Option Schemes [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. However, in accordance with Ind AS -102, the Company has recorded employee benefits expense by way of share based payments to employees at ₹ 6.53 crore for the year ended 31st March, 2022 [2021 - ₹ 1.37 crore].

(₹ in crore)

S.No.		For the year ended 31st March, 2022	For the year ended 31st March, 2021
iii	<b>Advance made to Key Management Personnel for Purchase of his Property</b>		
	Balance at the beginning of the year	-	-
	Transaction during the year - advance given	-	3.25
	Transaction during the year - advance returned back	-	(3.25)
	Balance at year end	-	-
iv	<b>Dividend paid to Key Management Personnel</b>	0.25	0.65
v	<b>Payment of Salaries and perquisites to relatives of Key Management Personal</b>	0.55	0.48
vi	<b>Dividend paid to relatives of Key Management Personnel</b>	0.16	0.31

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

Disclosure under Regulation 53(f) and 34(3) read together with Para A Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Loans and Advances in the nature of loans given to Subsidiary or outstanding investment in Subsidiary :**

**Surya Roshni LED Lighting Projects Limited**

Particulars	(₹ in crore)	
	Amount Outstanding as at the year ended on 31st March, 2022	Maximum Principal Amount Outstanding during the year ending 31st March, 2022
Investment	3.85	3.85

Particulars	(₹ in crore)	
	Amount Outstanding as at the year ended on 31st March, 2021	Maximum Principal Amount Outstanding during the year ending 31st March, 2021
Investment	3.85	3.85

### 50 SEGMENT INFORMATION

#### Description of segments and principal activities

The Chief operational decision makers (CODM) monitor the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products/ services and have been identified as per the quantitative criteria specified in the Ind AS.

Specifically, the Company's reportable segments under Ind AS are as follows:

- 1 Steel Pipe and Strips (comprises Steel pipes and cold rolled strips)
- 2 Lighting and consumer durables (comprises Lamps, fittings, street light, fans, electric appliances and allied items)

#### Identification of Segments:

For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment after taking into consideration the similar nature of the products, production processes and other risk factors. For financial statements presentation purposes, these individual operating segment's have been aggregated into a single operating segment taking into account the following factors:

- i. These operating segments have similar long-term gross profit margins;
- ii. The nature of the products and production processes are similar; and
- iii. The methods used to distribute the products to the customer are same

The additional factors taken into consideration for aggregation into a single operating segment are as follows:

- i. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.
- ii. Finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.
- iii. Segment assets represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial assets, deferred tax assets and income tax recoverable.
- iv. Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

- v. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).
- vi. Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

### I. Segment revenues and results

		(₹ in crore)	
Particulars		For the Year Ended 31st March, 2022	For the year ended 31st March, 2021
<b>Segment revenue</b>	Steel Pipe and Strips	6,402.06	4,328.11
	Lighting and consumer durables	1,332.18	1,233.11
		<b>7,734.24</b>	<b>5,561.22</b>
Less : Inter Segment revenue		4.17	6.85
		<b>7,730.07</b>	<b>5,554.37</b>
<b>Segment profit</b> (earning before interest and taxes)	Steel Pipe and Strips	260.15	182.69
	Lighting and consumer durables	79.67	96.24
		<b>339.82</b>	<b>278.93</b>
Finance costs		63.63	69.79
<b>Profit before tax</b>		<b>276.19</b>	<b>209.14</b>
Tax expense		71.62	52.64
<b>Profit after tax</b>		<b>204.57</b>	<b>156.50</b>

### II. Segment Assets and Liabilities

		(₹ in crore)	
Particulars		As at 31st March, 2022	As at 31st March, 2021
Segment assets	Steel Pipe and Strips	2,241.25	2,097.88
	Lighting and consumer durables	859.30	829.77
	<b>Total Segment assets</b>	<b>3,100.55</b>	<b>2,927.65</b>
	Unallocated assets	11.62	11.43
		<b>3,112.17</b>	<b>2,939.08</b>
Segment liabilities	Steel Pipe and Strips	502.60	435.96
	Lighting and consumer durables	411.64	356.05
	<b>Total Segment Liabilities</b>	<b>914.24</b>	<b>792.01</b>
	Unallocated Liabilities	652.78	781.87
		<b>1,567.02</b>	<b>1,573.88</b>

#### Notes :

- I Unallocated assets comprises of income tax refundable.
- II Unallocated liabilities comprises of borrowings, provision for income tax, deferred tax etc.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### III. Other segment information

(₹ in crore)

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cost incurred on acquisition of Property, plant and equipment	Steel Pipe and Strips	48.99	40.58
	Lighting and consumer durables	20.12	19.23
		<b>69.11</b>	<b>59.81</b>
Depreciation and amortisation expense of Property, plant and equipment	Steel Pipe and Strips	82.04	73.42
	Lighting and consumer durables	19.54	23.22
		<b>101.58</b>	<b>96.64</b>

### IV. Geographical information

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

The Company's revenue from operations from customers by location of operations and information about its non-current assets by location of assets are detailed below:

#### a. Revenue from external customers

(₹ in crore)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
India		6,285.27	4,832.38
Outside India		1,444.80	721.99
<b>Total</b>		<b>7,730.07</b>	<b>5,554.37</b>

#### b. Non-current assets

(₹ in crore)

Particulars		As at 31st March, 2022	As at 31st March, 2021
Non-Current Assets	Within India	1,048.38	1,104.48
	Outside India	Nil	Nil
		<b>1,048.38</b>	<b>1,104.48</b>

### V. Information about major customers

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

### 51 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

(₹ in crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Dividend proposed for Equity shareholders @ ₹ 4.00 per share (previous year ₹ 1.50 per share)	21.76	8.16

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 52 FINANCIAL INSTRUMENTS

#### Fair value of financial assets and liabilities

The value of financial assets and liabilities by categories were as follows:

As at 31st March, 2022

(₹ in crore)

S. No.	Particulars	Measured at Amortised cost	Measured at Fair Value (Level 2)	Total carrying value
<b>Assets:</b>				
i	Cash and cash equivalents	0.19		0.19
ii	Bank Balances other than (ii) above	0.60		0.60
iii	Trade receivables	885.42		885.42
iv	Other financial assets	68.89	1.61	70.50
	<b>Total</b>	<b>955.10</b>	<b>1.61</b>	<b>956.71</b>
<b>Liabilities:</b>				
i	Non Current Borrowings	60.67	-	60.67
ii	Current Borrowings	519.35	-	519.35
iii	Trade payables	593.56	-	593.56
iv	Lease liabilities	13.07	-	13.07
v	Other financial liabilities	156.70	-	156.70
	<b>Total</b>	<b>1,343.35</b>	<b>-</b>	<b>1,343.35</b>

The financial assets measured at fair value are derivative contracts outstanding as at 31st March, 2022.

As at 31st March, 2021

(₹ in crore)

S. No.	Particulars	Measured at Amortised cost	Measured at Fair Value (Level 2)	Total carrying value
<b>Assets:</b>				
i	Cash and cash equivalents	0.25	-	0.25
ii	Bank Balances other than (ii) above	0.68	-	0.68
iii	Trade receivables	753.23	-	753.23
iv	Other financial assets	78.50	-	78.50
	<b>Total</b>	<b>832.66</b>	<b>-</b>	<b>832.66</b>
<b>Liabilities:</b>				
i	Non Current Borrowings	172.22	-	172.22
ii	Current Borrowings	544.37	-	544.37
iii	Trade payables	480.46	-	480.46
iv	Lease liabilities	15.44		15.44
v	Other financial liabilities	120.28	12.00	132.28
	<b>Total</b>	<b>1,332.77</b>	<b>12.00</b>	<b>1,344.77</b>

The financial liability measured at fair value are derivative contracts outstanding as at 31st March, 2021.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels :

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

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

Level 3: Inputs which are not based on observable market data.

### 53 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Risk Management Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Risk Management committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Risk Management Committee. The Company is exposed to financial market risk, credit risk and liquidity risk.

#### I Financial Market risk

Financial market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of change in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency trade receivables, trade payables and borrowings.

##### a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. In order to optimise the Company's position with regards to interest and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate with reset clause and floating rate financial instruments in its total portfolio. The borrowings of the Company are on floating interest rate along with periodical interest reset.

The Company is not exposed to significant interest rate risk at the respective reporting dates. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings are taken.

Interest rate sensitivity	Effect on profit before tax	
	Decrease by 50 basis point	Increase by 50 basis point
<b>For the year ended 31st March, 2022</b>	2.90	(2.90)
For the year ended 31st March, 2021	3.58	(3.58)

(₹ in crore)

##### b Foreign currency risk

The Company transacts business primarily in Indian Rupee, USD and Pound sterling (GBP). The Company has taken foreign currency loans and has trade payables as well as receivables in foreign currency. The Company evaluates foreign currency exposure time to time and follows established risk management policies by taking foreign exchange forward contracts mostly with a maturity less than one year from the reporting date. The Company do not use derivative financial instrument for trading or speculation purpose to hedge exposure of foreign currency risk.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

The particulars of forward contract taken are given below :-

Particulars	Type	No.of Contract	USD (million)	Equivalent (₹ In crore)
<b>As at 31st March, 2022</b>	Sell	14	22.93	173.82
	Buy	24	13.82	104.73
As at 31st March, 2021	Sell	11	11.05	80.79
	Buy	48	60.05	439.04

The net foreign currency exposure towards pending import /(export) orders in hand stands at (USD 14.35 million) as at 31st March, 2022 (Previous year USD 5.08 million).

### II Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents. To manage this, the Company periodically assesses the financial risk limits of the customers, taking into account the payment behaviour, aging of outstanding, credit ratings, current economic trends, and analysis of historical bad debts, Further the Company makes provision for bad and doubtful debts on trade receivables based on Expected Credit loss (ECL) method based on provision matrix.

#### Trade Receivable

The Company's exposure to credit risk is influenced by the individual characteristics of each customer, Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company has a detailed review mechanism of overdue trade receivables at various levels in the organisation to ensure proper attention and focus on realisation.

#### Expected credit loss assessment

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk

The movement in the allowances for impairment in respect of trade receivables during the year was as follows:

Particulars	(₹ in crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening Balances	7.08	6.08
Add : Impairment loss recognised	0.56	3.00
Less : Impairment Loss Reversed/Bad debts written off	0.61	2.00
<b>Closing balance</b>	<b>7.03</b>	<b>7.08</b>

#### Cash and Cash Equivalents, Deposit in Banks and other Financial instruments

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances as it has sufficient vacant cash credit limits with its bankers. For other financial assets the Company monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the Company adjust its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

### III Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department manage the liquidity through variety of sources of borrowings, by ensuring sufficient liquidity to meet its liabilities when due, under all circumstances, without incurring unacceptable losses or risk to the Company's reputation. The current committed working capital facilities are used 65% to 80% and sufficient to meet its requirement. The Company monitor rolling forecast for its liquidity requirements.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### Maturity profile of financial liabilities

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

(₹ in crore)				
As at 31st March, 2022	Less than 1 year	1 year - 5 years	Above 5 years	Total
Non Current Borrowings	-	60.67	-	60.67
Current Borrowings	519.35	-	-	519.35
Trade payables	593.56	-	-	593.56
Lease liabilities	6.05	7.02	-	13.07
Other financial liabilities	144.60	12.10	-	156.70
<b>Total</b>	<b>1,263.56</b>	<b>79.79</b>	-	<b>1,343.35</b>
As at 31st March, 2021				
Non Current Borrowings	-	172.22	-	172.22
Current Borrowings	544.37	-	-	544.37
Trade payables	480.46	-	-	480.46
Lease liabilities	1.68	13.76	-	15.44
Other financial liabilities	120.69	11.59	-	132.28
<b>Total</b>	<b>1,147.20</b>	<b>197.57</b>	-	<b>1,344.77</b>

### 54 CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The Board of Directors monitors the return on capital, dividend to shareholders, maintain balance between capital and borrowing in the light of changes in economic environment and the business requirements. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings

Further the Company monitors capital using gearing ratio, which is net debt divided by Equity and net debt. as under: -

(₹ in crore)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Debt (consist of long term and short term borrowings refer note 18 and 23)	580.02	716.59
Less: Cash and cash equivalents	0.19	0.25
Net Debt	579.83	716.34
Equity	1,545.15	1,365.20
Equity and Net Debt	2,124.98	2,081.54
Gearing ratio in %	27.29%	34.41%

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### Accounting Ratios

Particulars	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021	Variance in %
Current Ratio (In Times)	Current Assets	Current Liabilities	1.51	1.46	3.42
Debt-Equity Ratio (In times)	Total Debt (Term Loans and Working Capital Loans)	Equity	0.38	0.52	(26.92)
Debt Service Coverage Ratio (In times)	Earnings before Interest , Depreciation and Exceptional Items	Interest + Regular Repayments of long term loans	3.21	2.58	24.42
Return on Equity Ratio in %	Profit after Tax	Average Net Worth	14.06	12.02	16.97
Inventory turnover ratio (In Times )	Cost of Goods Sold	Inventories	6.27	5.00	25.40
Trade Receivable turnover ratio (In Times )	Revenue from Operation	Trade Receivable	8.73	7.37	18.45
Trade Payables turnover ratio (In Times )	Cost of Goods Sold	Trade Payable	10.43	9.03	15.50
Net Capital turnover ratio (In Times )	Turnover	Net Worth	5.00	4.07	22.85
Net Profit ratio (in %)	Profit after Tax	Turnover	2.65	2.82	(6.03)
Return on Capital employed in %	Profit before Interest and Tax	Average Capital Employed	16.16	12.65	27.75
Return on investment in %	Profit after Tax of Wholly-owned subsidiary	Time weighted average Investments	8.65	39.44	(78.07)

### Reasons for change in the ratio by more than 25% as compared to the preceding year

- Debt Equity Ratio improved due to reduction in Debt
- Inventory Turnover Ratio increased due to better inventory management
- Return on Capital employed increased due to Higher EBIDTA and lower Capital Employed
- Return on Investment is reduced due to major supply and installation part of business has already excuted in Wholly-owned Subsidiary Company and consequently Profit has been reduced

### ESOS- Loan to Employees Welfare Trust

The Company has introduced Employees Stock Option schemes for its employees and has acquired 12,36,700 equity shares ( cumulative upto 31st March, 2022) 8,00,000 equity shares (cumulative upto 31st March, 2021) by way of secondary acquisition through Surya Roshni Employees welfare Trust and for the same provided funds of ₹ 38.40 crore ( cumulative up to 31st March, 2022) ₹ 13.83 crore ( cumulative upto 31st March, 2021 ) by way of interest free loan to the Trust in compliance of Provisions of the Companies Act 2013 and SEBI( SBEB Regulations), 2014.

- 55** The Company has made an assessment of the impact of the continuing Covid-19 pandemic on its current and future operations, liquidity position and cash flow giving due consideration to the internal and external factors. The Company is continuously monitoring the situation and does not foresee any significant impact on its operations and the financial position as at 31st March, 2022.

### 56 ADDITIONAL INFORMATION

- All title deeds of Immovable properties are held in name of the Company;
- The Company has no investment property hence disclosure of fair value of investment property is not applicable;
- The Company has not revalued its Property, Plant and Equipment ( including Right-of-Use Assets), hence disclosure on the basis of its revaluation is not applicable;
- The Company has no intangible assets hence disclosure on the basis of its revaluation is not applicable;
- No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) , either severally or jointly with any other person, that are:

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

- a) Repayable on demand; or
- b) Without specifying any terms or period of repayment,
- (vi) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 ( 45 of 1988) and rules made thereunder;
- (vii) The Company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts;
- (viii) The Company is not a declared wilful defaulter by any bank or financial institutions or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India;
- (ix) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956;
- (x) No charges or satisfaction are yet to be registered with ROC beyond the statutory period;
- (xi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017;
- (xii) No Scheme of Arrangement has been approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013 during the year;
- (xii) (A) The Company has not advanced or loaned or invested funds ( either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities( Intermediaries) with the understanding ( whether recorded in writing or otherwise) that the Intermediary shall
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ( Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities( Funding Party) with the understanding ( whether recorded in writing or otherwise) that the Company shall
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party( Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (xiv) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year, hence disclosure is not required;
- (xv) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date;
- (xvi) There are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income-Tax Act, 1961, that has not been recorded in the books of account.

**57** The Company has perpetual system of balance confirmation and reconciliation of Trade receivables and Trade payables, however at year end some of the balances remain subject to confirmation and reconciliation.

**58** Previous Period figures are regrouped /reclassified wherever necessary in line with requirement of Schedule III to the Companies Act 2013.

**59** Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 19th May, 2022

As per our report of even date

For and on behalf of the Board

**For Ashok Kumar Goyal & Co.**

Chartered Accountants  
(Firm Registration No. ICAI: 02777N)

**Vinay Surya**  
Managing Director  
DIN: 00515803

**Raju Bista**  
Managing Director  
DIN: 01299297

**J P Agarwal**  
Chairman  
DIN: 00041119

**CA. Ashok Kumar**  
Partner FCA  
Membership no. 017644

**Tarun Baldua**  
Executive Director & CEO (Steel  
Operations)

**Nirupam Sahay**  
Executive Director & CEO  
(Lighting)

**B B Singal**  
Chief Financial Officer &  
Company Secretary

Place : New Delhi  
Dated : 19th May, 2022

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SURYA ROSHNI LIMITED

### REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying consolidated financial statements of SURYA ROSHNI LIMITED ("the Parent"/ "the Holding Company") and its subsidiary, (the Parent/ Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') , and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	Auditor's Response
1	<p><b>Warranty Provisions</b></p> <p>The Company offers warranties on certain products sold in lighting and consumer durable segment and accordingly Company has recorded warranty provisions which are judgemental in nature. These provisions are required to be recorded based on appropriate estimates of the cost of repair and replacements of the products. Warranty provisions of ₹ 26.25 crores as on 31st March 2022.</p> <p>Refer <b>Note 43</b> to the Consolidated Financial Statement</p>	<p><b>Principal Audit Procedures</b></p> <p>We have</p> <ul style="list-style-type: none"> <li>examined the products categories where the Company has offered warranties and also its tenure so as to determine the warranty provisions.</li> <li>reviewed the sales, volume of the respective product categories and the outstanding warranty commitments their against.</li> <li>gone through the procedures of issuance of the credit notes and replacement for warranties/repairs of the products.</li> <li>reviewed the historical trends and cost estimates considering the agreement with customers and back to back arrangement with vendors, for requirement of warranty provisions.</li> </ul> <p>Based on evidence obtained, we concluded that management's process for identifying and quantifying warranty provisions was appropriate and that the resulting provision was reasonable.</p>

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

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

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

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

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

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

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's/ Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements

that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent/ Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SURYA ROSHNI LIMITED (Contd.)

responsible for expressing our opinion on whether the Parent/ Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Parent/ Holding Company included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks included in CARO report in respect of the standalone financial statements of the Holding Company and sole subsidiary Company which are included in these Consolidated Financial Statements.
2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent/ Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Company and its subsidiary company, none of the directors of the Group companies, is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SURYA ROSHNI LIMITED (Contd.)

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. – Refer **Note No. 42** to the consolidated Financial Statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent/ Holding Company.
  - iv. (a) The management of the holding Company has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether, recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The management of the holding Company has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in the writing or otherwise, that the Company shall, whether directly, or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The dividend declared and paid during the year by the holding Company is in compliance with Section 123 of the Act.
3. The Holding Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

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

**Place: New Delhi**  
**Dated: 19<sup>th</sup> May, 2022**

**Membership No. 017644**  
**UDIN: 22017644AJGGOZ4317**



## **"ANNEXURE A"** TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SURYA ROSHNI LIMITED

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls with reference to consolidated financial statements of **SURYA ROSHNI LIMITED** ("the Parent"/ "the Holding Company") and its subsidiary as of March 31, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Board of Directors of the Company and its subsidiary are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of Company and its subsidiary based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 internal financial controls system with reference to consolidated financial statements of company and its subsidiary.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

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

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

## **“ANNEXURE A”** TO THE INDEPENDENT AUDITORS’ REPORT (Contd.)

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion, the Company and its subsidiary have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements

and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

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

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

**Place: New Delhi  
Dated: 19<sup>th</sup> May, 2022**

**Membership No. 017644  
UDIN: 22017644AJGGOZ4317**

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2022

(₹ in crore)

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, plant and equipment	5	931.83	1,015.39
b Capital work-in-progress	5	52.97	9.66
c Right of use Assets	5	11.04	13.77
d Financial assets			
i Other financial assets	6	34.80	36.34
e Other non-current assets	7	16.47	27.99
		<b>1,047.11</b>	<b>1,103.15</b>
<b>2 Current assets</b>			
a Inventories	8	987.60	868.69
b Financial assets			
i Trade receivables	9	888.16	756.14
ii Cash and cash equivalents	10	0.26	0.26
iii Bank balances other than (ii) above	11	0.60	0.68
iv Other financial assets	12	38.28	44.68
c Current tax assets (net)	13	11.67	11.57
d Other current assets	14	141.02	156.24
		<b>2,067.59</b>	<b>1,838.26</b>
<b>Total Assets</b>		<b>3,114.70</b>	<b>2,941.41</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	53.33	53.61
Other equity	16	1,494.25	1,313.67
		<b>1,547.58</b>	<b>1,367.28</b>
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
a Financial liabilities			
i Borrowings	17	60.67	172.22
ia Lease liabilities	18	7.02	13.76
ii Other financial liabilities	19	12.11	11.59
b Provisions	20	63.48	60.16
c Deferred tax liabilities (net)	21	56.80	63.85
		<b>200.08</b>	<b>321.58</b>
<b>2 Current liabilities</b>			
a Financial liabilities			
i Borrowings	22	519.35	544.37
ia Lease liabilities	23	6.05	1.68
ii Trade payables			
A) Total outstanding dues of micro enterprises and small enterprises;	24	44.01	49.35
B) Total outstanding dues of creditors other than micro enterprises and small enterprises;	24	549.55	431.12
iii Other financial liabilities	25	144.61	120.70
b Other current liabilities	26	50.90	51.11
c Provisions	27	36.61	52.80
d Current tax liabilities (net)	28	15.96	1.42
		<b>1,367.04</b>	<b>1,252.55</b>
<b>Total Equity and liabilities</b>		<b>3,114.70</b>	<b>2,941.41</b>

See accompanying notes to the consolidated financial statements

As per our report of even date

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

**CA. Ashok Kumar**  
Partner FCA  
Membership no. 017644

**Vinay Surya**  
Managing Director  
DIN: 00515803

**Tarun Baldua**  
Executive Director & CEO (Steel Operations)

For and on behalf of the Board

**Raju Bista**  
Managing Director  
DIN: 01299297

**Nirupam Sahay**  
Executive Director & CEO (Lighting)

**J P Agarwal**  
Chairman  
DIN: 00041119

**B B Singal**  
Chief Financial Officer & Company Secretary

Place : New Delhi  
Dated : 19th May, 2022

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

(₹ in crore)

Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>I REVENUE FROM OPERATIONS</b>	30	7,730.82	5,561.39
<b>II OTHER INCOME</b>	31	5.80	4.70
<b>III TOTAL INCOME (I+II)</b>		<b>7,736.62</b>	<b>5,566.09</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	32	5,889.65	4,061.99
Purchases of stock-in-trade	33	340.09	264.77
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(39.46)	15.66
Employee benefits expense	35	340.09	307.30
Finance costs	36	63.65	69.86
Depreciation and amortisation expense	37	108.38	102.70
Other expenses	38	757.57	532.34
<b>Total expenses</b>		<b>7,459.97</b>	<b>5,354.62</b>
<b>V PROFIT BEFORE TAX (III-IV)</b>		<b>276.65</b>	<b>211.47</b>
<b>VI TAX EXPENSE</b>			
Current Tax	29	78.93	50.81
Deferred Tax	21	(7.20)	2.35
		<b>71.73</b>	<b>53.16</b>
<b>VII PROFIT FOR THE YEAR (V-VI)</b>		<b>204.92</b>	<b>158.31</b>
<b>VIII OTHER COMPREHENSIVE INCOME</b>	39		
(i) Items that will not be reclassified to profit or loss		0.57	1.67
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.15)	(0.42)
<b>Total other comprehensive income</b>		<b>0.42</b>	<b>1.25</b>
<b>IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (VII + VIII)</b>		<b>205.34</b>	<b>159.56</b>
<b>Profit for the year attributable to</b>			
Equity holders of the parent Company		204.92	158.31
Non controlling interests		-	-
<b>Other Comprehensive Income/ (loss) for the year attributable to</b>			
Equity holders of the parent Company		0.42	1.25
Non controlling interests		-	-
<b>Total Comprehensive Income for the year attributable to</b>			
Equity holders of the parent Company		205.34	159.56
Non controlling interests		-	-
<b>X EARNINGS PER EQUITY SHARES ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (FACE VALUE OF ₹ 10/- EACH)</b>	40		
1) Basic (in ₹)		38.40	29.35
2) Diluted (in ₹)		37.66	29.10

See accompanying notes to the consolidated financial statements

As per our report of even date

For and on behalf of the Board

**For Ashok Kumar Goyal & Co.**

Chartered Accountants  
(Firm Registration No. ICAI: 02777N)

**Vinay Surya**  
Managing Director  
DIN: 00515803

**Raju Bista**  
Managing Director  
DIN: 01299297

**J P Agarwal**  
Chairman  
DIN: 00041119

**CA. Ashok Kumar**  
Partner FCA  
Membership no. 017644

**Tarun Baldua**  
Executive Director & CEO (Steel Operations)

**Nirupam Sahay**  
Executive Director & CEO (Lighting)

**B B Singal**  
Chief Financial Officer & Company Secretary

Place : New Delhi  
Dated : 19th May, 2022

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

Particulars	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>a. Net operating profit before tax</b>	276.65	211.47
<b>Adjustment for :</b>		
Re-measurement gain / loss on defined benefit plans routed through OCI	0.57	1.68
Depreciation and amortisation of Property, Plant and Equipment	108.38	102.70
(Profit)/Loss on Sale/Retirement of Property Plant and Equipment (Net)	3.81	0.40
Allowance for doubtful debts	0.56	3.00
ESOS Expenses	6.53	1.37
Lease Rent Paid	(7.38)	(6.58)
Finance cost	63.65	69.86
<b>b. Operating profit before Working Capital changes</b>	<b>452.77</b>	<b>383.90</b>
<b>Adjustment for :</b>		
(Increase) / Decrease in Trade receivables	(132.58)	(63.08)
(Increase) / Decrease in Other financial assets	7.94	(10.10)
(Increase) / Decrease in Other assets	15.28	23.69
(Increase)/Decrease in Inventories	(118.91)	48.83
Increase / (Decrease) in Trade payables	113.09	185.36
Increase / (Decrease) in provisions	(12.87)	(6.00)
Increase / (Decrease) in Other financial liabilities	25.02	12.33
Increase / (Decrease) in Other liabilities	(0.21)	19.02
	<b>(103.24)</b>	<b>210.05</b>
<b>c. Cash generated from Operations before tax (a+b)</b>	<b>349.53</b>	<b>593.95</b>
<b>d. Net Direct Taxes paid</b>	<b>(64.49)</b>	<b>(53.96)</b>
<b>Net cash flow from operating activities A = (c+d)</b>	<b>285.04</b>	<b>539.99</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(57.58)	(67.80)
Sale of Property, Plant and Equipment	3.96	1.92
<b>Net cash flow used in investing activities</b>	<b>(53.62)</b>	<b>(65.88)</b>
<b>Net cash from operating and investing activities (A+B)</b>	<b>231.42</b>	<b>474.11</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowing (Non Current)	(162.86)	(130.08)
Proceeds from borrowings(Non Current)	-	25.00
Short term borrowings Increase /(Decrease) during the year (net)	26.29	(268.70)
Purchase of Company's Shares for ESOS through trust	(24.56)	(13.83)
ESOS Exercise amount received	1.16	-
Payment of dividend	(8.16)	(19.04)
Finance cost	(63.29)	(68.21)
<b>Net cash used in financing activities</b>	<b>(231.42)</b>	<b>(474.86)</b>
<b>Net cash (used) in/from operating, investing and financing activities (A+B+C)</b>	<b>-</b>	<b>(0.75)</b>
<b>Net increase/(decrease) in Cash &amp; Cash equivalent</b>	<b>-</b>	<b>(0.75)</b>
Opening balance	0.26	1.01
<b>Closing balance of Cash &amp; Cash equivalent (refer note no.11)</b>	<b>0.26</b>	<b>0.26</b>

As per our report of even date

For and on behalf of the Board

**For Ashok Kumar Goyal & Co.**

Chartered Accountants  
(Firm Registration No. ICAI: 02777N)

**Vinay Surya**  
Managing Director  
DIN: 00515803

**Raju Bista**  
Managing Director  
DIN: 01299297

**J P Agarwal**  
Chairman  
DIN: 00041119

**CA. Ashok Kumar**  
Partner FCA  
Membership no. 017644

**Tarun Baldua**  
Executive Director & CEO (Steel Operations)

**Nirupam Sahay**  
Executive Director & CEO (Lighting)

**B B Singal**  
Chief Financial Officer & Company Secretary

Place : New Delhi  
Dated : 19th May, 2022

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022

### A. EQUITY SHARE CAPITAL

#### (1) Year ended 31st March, 2022

(₹ in crore)

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
53.61	-	-	(0.28)	53.33

#### (2) Year ended 31st March, 2021

(₹ in crore)

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
54.41	-	-	(0.80)	53.61

### B. OTHER EQUITY

#### (1) Year ended 31st March, 2022

(₹ in crore)

Particulars	Reserves and Surplus								Total
	Capital Reserve	Securities premium	General reserve	Retained earnings	Capital Redemption Reserve	Forfeiture Reserve	Share Option Outstanding Account	Other items of Other Comprehensive Income (specify nature)	
Balance at the beginning of the current reporting period	124.69	129.68	110.36	939.60	3.00	17.63	1.37	(12.66)	1,313.67
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	204.92	-	-	5.79	0.42	211.13
Dividends	-	-	-	(8.16)	-	-	-	-	(8.16)
Transfer to retained earnings	-	-	21.00	(21.00)	-	-	-	-	-
Impact of ESOP Trust Consolidation	-	(22.39)	-	-	-	-	-	-	(22.39)
<b>Balance at the end of the current reporting period</b>	<b>124.69</b>	<b>107.29</b>	<b>131.36</b>	<b>1,115.36</b>	<b>3.00</b>	<b>17.63</b>	<b>7.16</b>	<b>(12.24)</b>	<b>1,494.25</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

(2) Year ended 31st March, 2021

(₹ in crore)

Particulars	Reserves and Surplus						Share Option Outstanding Account	Other items of Other Comprehensive Income (specify nature)	Total
	Capital Reserve	Securities premium	General reserve	Retained earnings	Capital Redemption Reserve	Forfeiture Reserve			
Balance at the beginning of the previous reporting period	124.69	142.71	94.36	816.33	3.00	17.63	-	(13.91)	1,184.81
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the previous year	-	-	-	158.31	-	-	1.37	1.25	160.93
Dividends	-	-	-	(19.04)	-	-	-	-	(19.04)
Transfer to retained earnings	-	-	16.00	(16.00)	-	-	-	-	-
Impact of ESOP Trust Consolidation	-	(13.03)	-	-	-	-	-	-	(13.03)
Balance at the end of the previous reporting period	124.69	129.68	110.36	939.60	3.00	17.63	1.37	(12.66)	1,313.67

As per our report of even date

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

**CA. Ashok Kumar**  
Partner FCA  
Membership no. 017644

Place : New Delhi  
Dated : 19th May, 2022

For and on behalf of the Board

**Vinay Surya**  
Managing Director  
DIN: 00515803

**Tarun Baldua**  
Executive Director & CEO (Steel Operations)

**Raju Bista**  
Managing Director  
DIN: 01299297

**Nirupam Sahay**  
Executive Director & CEO (Lighting)

**J P Agarwal**  
Chairman  
DIN: 00041119

**B B Singal**  
Chief Financial Officer & Company Secretary

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2022

### 1 CORPORATE AND GENERAL INFORMATION

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

SRL is more than four decade old manufacturing conglomerate with business interest spanning Steel Pipes, colled rolled sheets and 3LPE Coated API Pipes, LED and conventional Lighting Products, Fans, electric Appliances, PVC pipes etc. Besides enjoying market presence across the length and breadth of India, it also export products to more than 50 countries globally.

SRL together with its subsidiary M/s Surya Roshni LED Lighting Project Limited is hereinafter refer to as 'the Group'

### 2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND USE OF ESTIMATES

#### 2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Assets held for sale – measured at fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- Employee share-based payments – measured at fair value

In addition, the carrying values of recognised assets and liabilities, designated as hedged items in fair value hedges that would otherwise be carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationship.

#### Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

- a) An asset is classified as current when it satisfies any of the following criteria:-
- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
  - It is held primarily for the purpose of being traded;
  - It is expected to be realised within 12 months after the reporting date; or
  - It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

- b) A liability is classified as current when it satisfies any of the following criteria:-
- It is expected to be settled in the Company's normal operating cycle;
  - It is held primarily for the purpose of being traded;
  - It is due to be settled within 12 months after the reporting date; or
  - The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

- c) Deferred tax assets and liabilities are classified as non-current only

#### 2.2.1 Basis of consolidation

The consolidated financial statements relates to Surya Roshni Limited ('the Company') and its wholly owned subsidiary Surya Roshni LED Lighting Project Limited (incorporated on 21st January, 2019). The Subsidiary operates in lighting business. Subsidiary is entity that is controlled by the Company. Control is achieved when the Company:-

- Has power over the investee;



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

- Is expected, or has right, to variable returns from its involvement with the investee;
- Has the ability to use its power to affect the returns

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### **Consolidation procedure:**

The financial statements of the Company and its subsidiary Company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances, intra-group transactions and unrealised profits on intra-group transactions.

The excess of cost to the Group of its investments in the subsidiaries over its share of equity of the subsidiaries, at the dates on which the investments in the subsidiaries were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary and such amounts are not set off between different

entities.

Non-controlling interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the non-controlling shareholders at the date on which investments in the subsidiaries were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit / loss after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

### **2.2.2 Business combination**

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the profit and loss as incurred. The acquiree's identified assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair value at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition after reassessing the fair value of the net assets and contingent liabilities, the excess is recognised as capital revenue.

The interest of non-controlling shares is initially measured either at fair value or at the non-controlled interests proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlled interest is the amount of those interests at initial recognition plus the non-controlling interests share of subsequent charges in equity of subsidiaries.

Business combinations arising from transfer of interest in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate given and the aggregate historical carrying amounts of the assets and liabilities of the acquired entity are recorded in shareholders' equity.

### **2.3 Statement of compliance**

The Group's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

### 2.4 Use of estimates

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

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

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of Measurement

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

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

### 3.2 Property, Plant and Equipment (PPE)

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

recognised in the consolidated statement of profit and loss as incurred.

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

Capital work-in-progress includes cost of property, plant and equipment under installation and not put to use as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

### 3.3 Depreciation and Amortisation

i Depreciation on the property, plant and equipment is provided over the useful life of assets which is coincide with the life specified in Schedule II to the Companies Act, 2013. The range of useful lives of the Property, Plant and Equipment are as follows:

Property, plant and equipment	Useful life in Years
Plant and equipments	08 – 15
Buildings	05-60
Office equipment's	05
Vehicles	08
Furniture and fixtures	10
Computers	03 – 06

However, in case of the following category of plant and equipments, the depreciation has been provided, based on the technical evaluation of the remaining useful life as under :-

Plant and Equipments - Pipe and cold rolling Mills and 3 LPE Plant in Steel Pipe and Strip Division.	25 years
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The useful lives of assets as mentioned above is on single shift basis, if an asset is used for any time during the year for double shift, the depreciation increased by 50% and for triple shift

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

by 100% for that period.

- ii Property, plant and equipment (PPE) which are added/ disposed- of during the year, depreciation is provided on pro-rata basis from (up- to) the date on which the PPE is available for use (disposed-off).
- iii The residual values and useful lives of PPE are reviewed in every financial year considering the physical condition, benchmarking analysis or indicators for review of residual value and useful life of the respective assets and the same is adjusted prospectively. Lease hold land is amortised over the period of lease.
- iv Free-hold land are not subject to amortisation.
- v The "Right of use Assets" arising from Leases are amortised on straightline method basis over the life of the respective leases.

### 3.4 Impairment of PPE and other non-financial assets

Property, plant and equipment and other non-financial assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset and recognised in the consolidated statement of Profit and Loss. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in consolidated Statement of Profit and Loss.

### 3.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and Cheques / drafts in hand, balances with banks, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS ) 7 statement of cash flows.

### 3.6 Inventories

Inventories are carried in the balance sheet as follows:

Raw material	At lower of cost and net realisable value
Work-in Progress	At lower of cost and net realisable value
Finished Goods / Stock in trade	At lower of cost and net realisable value
Stores, spares and consumable	At lower of cost and net realisable value

The cost of inventories comprises of cost of purchase, cost of conversion and other related costs incurred in bringing the inventories to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 3.7 Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS 19 – Employee Benefits.

#### a) Defined contribution plan

- i Provident Fund: Contribution to the provident fund with the government at pre-determined rates is a defined contribution scheme and is charged to the statement of Profit and Loss when employees have rendered services entitling them to such benefit.
- ii National pension scheme : Contribution to the national pension scheme with the at pre-determined rates is a defined contribution scheme and is charged to the statement of Profit and Loss when employees have rendered services entitling them to such benefit.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### b) Defined benefit plan

**Gratuity** : The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Group recognises the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognised in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognised in Other Comprehensive Income. The effect of any plan amendments are recognised in net profits in the consolidated Statement of Profit and Loss.

c) **Long term employee benefits**: Provisions for other long term employee benefits-compensated absences, a defined benefit scheme, is made on the basis of actuarial valuation at the end of each financial year and are charged to the consolidated statement of profit and loss. All actuarial gains or losses are recognised immediately in the consolidated statement of profit and loss.

d) **Other Short-term employee benefits**: All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

### 3.8 Foreign currency reinstatement and translation

#### a) Functional and presentation currency

The consolidated financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

#### b) Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing on

the balance sheet date and exchange gain and losses arising on settlement and restatement are recognised in statement of profit and loss. Non-monetary items are measured in terms of historical cost in foreign currencies and are therefore not retranslated.

### 3.9 Financial instruments –

**Initial recognition**: The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

#### Subsequent measurement:

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

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

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

iv) **Financial Liabilities**: Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### De-recognition

The Group de-recognises of financial assets when the contractual rights to receive cash flows from the financial asset expire or transfer the financial asset and transfer qualifies for de-recognition under IND AS 109. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished is recognised in profit or loss as other income.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### Impairment of financial assets

In accordance with IND AS 109, the Group applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure - Financial assets measured at amortised cost; - Financial assets measured at fair value through other comprehensive income (FVTOCI); ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### 3.10 Derivative financial instruments:

The Group uses derivative financial instruments, such as forward contracts to hedge its foreign currency exposure. The recognising of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### 3.11 Borrowing costs

- a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is

ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

- b) All other borrowing costs are recognised as expense in the period in which they are incurred.

### 3.12 Taxation

Income tax expense represents the sum of current tax and deferred tax. Tax is recognised in the consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

#### Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period as applicable to SRL and its subsidiary.

#### Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet approach for all taxable temporary differences to the extent that it is probable that future taxable profits will be available. Deferred tax assets and liabilities are measured at the applicable tax rates and tax laws those are enacted or substantively enacted. Deferred tax assets and deferred tax liabilities are set-off, and presented on net basis. The carrying amount of deferred tax is reviewed at each balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3.13 Revenue recognition and other income

The Group is in the business of sale of Steel Pipes and 3LPE Coated API Pipes and Colled Rolled Sheets, LED and conventional lighting Products, fans, appliances, PVC pipes and fittings etc. The Group also provide

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

extended warranties for its LED street lighting.

Revenue from contracts with customers is recognised when control of the promised goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

### a) Sale of Product/Goods

Revenue from sale of Product/Goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the Product/Goods and there is no uncertainty in receiving the same and there is reasonable assurance that the Group will comply with the conditions attached to them in recognition of revenue from sale of goods. The Group also considers the effects of sales returns, volume rebates, schemes discount, incentives, price concessions and financing components.

Extended warranty:- The extended warranties provided to the customers having separate Performance obligation are considered as separate contract and revenue from these contracts recognised accordingly.

Volume rebates and schemes discounts: The Group provides volume rebates and schemes discounts to its customers based on quantity of products sold to them during the period. To estimate for the expected future outgo for revenue recognition, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

Financing component: In case of extended trade credit agreed with the customers containing significant financing component, the transaction price for such contract are discounted, using the effective interest rate that would be considered separate financing transaction at transaction inception, to take into consideration the significant financing component.

### b) Rendering of Service

Revenue from Services is recognised as per

terms of the contract with customers based on stage of completion when the outcome of the transaction involving rendering of services can be estimated reliably.

### c) Export incentives:

Export benefits are accounted for in the year of exports based on eligibility as well as reasonable assurance that the Group will comply with the conditions attached to them and when there is no uncertainty in receiving the same.

### d) Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding, the rate applicable and reasonable certainty of receiving the same.

### 3.14 Government grants / Assistance

Government grants/Assistance recognised in consolidated statement of profit and loss account on a systematic basis where there is reasonable assurance that the same will be received and the eligibility criteria is met out. The same are periodically reviewed and adjusted for changes in policies and regulations.

### 3.15 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution, if leviable, is recognised directly in equity.

### 3.16 Fair Value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

Level 3: Inputs which are not based on observable market data.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.17 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares

outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the Net profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

### 3.18 Provisions

#### a) Provisions

Provisions (excluding employee benefits) are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

#### b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the consolidated financial statements.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, it is recognised as an asset.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### c) Warranty Provisions

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

### 3.19 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

### 3.20 Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date by discounting the lease payment by using the Company's incremental borrowing rate.

#### Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term up to 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3.21 Share based payments

Equity-settled share-based payments to employees are measured at fair value of the equity instrument as at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest to the employees. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. However, fair value of options is



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

not remeasured subsequently.

Company has created an Employee Benefit Trust for the share-based payment to its employees. The Company uses the Trust as a vehicle for distributing shares to employees under the employee Stock option schemes. The Trust buys shares of the Company from the market, for granting shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are fulfilled with treasury shares.

### 3.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker which comprises of the Board of Directors, Chairman, Executive Director and Chief financial officer which assesses the financial performance and position of the Company and makes strategic decisions. The Group primarily operates in the steel Pipe and lighting segment. The reportable segments are Steel pipes & strips and Lighting & consumer durable

### 4.1 Critical accounting estimates, assumptions and judgements

In the process of applying the Group's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the consolidated financial statement:

#### a) Property, plant and equipment - Useful lives of assets

The Group reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation expenses in future periods.

#### b) Warranties

The Group generally offers Warranties for its consumer products and the liability towards warranty-related costs are recognised in the year of sales or service provided to the customers.

Management ascertain and measure the liability for warranty claims based on historical experience and trend. The assumptions made in relation to current year are consistent of those are in prior years.

#### c) Provision

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

#### d) Contingent Liabilities and Contingent Assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the consolidated financial statements.

#### e) Exceptional Items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, associates and joint venture and impairment losses/ write down in value of investment in subsidiaries, associates and joint venture and significant disposal of Property, plant and equipment etc.

### 4.2 Recent accounting pronouncements

On 23rd March, 2022, the Ministry of Corporate Affairs ("MCA") through a notification amended inter alia Ind AS 103- Business Combinations, Ind AS 109- Financial Instruments, Ind AS 16 - Property, Plant and Equipment, Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets, which are applicable to the Company from 1st day of April, 2022.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Land-Freehold	Land-Leasehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment's	Computers	Total	Capital work in progress
<b>GROSS CARRYING VALUE</b>										
As at 1st April, 2020	27.34	10.97	215.71	1,203.57	6.65	9.63	3.63	7.53	1,485.03	14.99
Additions	5.42	-	19.14	36.38	0.17	2.27	0.83	0.93	65.14	38.45
Disposals	-	-	-	4.68	0.25	0.09	0.09	1.08	6.19	43.78
As at 31st March, 2021	32.76	10.97	234.85	1,235.27	6.57	11.81	4.37	7.38	1,543.98	9.66
Additions	-	-	0.63	21.22	0.60	1.37	1.06	0.91	25.79	52.62
Disposals	-	-	0.04	21.23	0.79	0.73	0.18	0.18	23.15	9.31
As at 31st March, 2022	32.76	10.97	235.44	1,235.26	6.38	12.43	5.25	8.11	1,546.62	52.97
<b>DEPRECIATION</b>										
As at 1st April, 2020	-	1.73	37.87	380.67	3.67	3.85	2.09	5.95	435.83	-
Depreciation for the year	-	0.34	8.33	84.98	0.63	1.02	0.93	0.41	96.64	-
Disposals	-	-	-	2.41	0.25	0.06	0.09	1.07	3.88	-
As at 31st March, 2021	-	2.07	46.20	463.24	4.05	4.81	2.93	5.29	528.59	-
Depreciation for the year	-	0.34	8.93	89.18	0.53	1.11	0.27	1.22	101.58	-
Disposals	-	-	0.01	13.68	0.72	0.64	0.16	0.17	15.38	-
As at 31st March, 2022	-	2.41	55.12	538.74	3.86	5.28	3.04	6.34	614.79	-
<b>Net carrying value</b>										
As at 31st March, 2021	32.76	8.90	188.65	772.03	2.52	7.00	1.44	2.09	1,015.39	9.66
As at 31st March, 2022	32.76	8.56	180.32	696.52	2.52	7.17	2.21	1.77	931.83	52.97

#### Explanatory Notes:

- The above property plant and equipment are under charge as security against borrowing see note no.17 & 22
- The Company has acquired exclusive used right for certain premises being used for its offices and classified them as Right to use assets.

#### As at 31st March, 2022

#### Capital-Work-in Progress (CWIP) ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital-Work-in-Progress	44.93	7.58	0.46	-	52.97
Projects in progress					

No capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

#### As at 31st March, 2021

#### Capital-Work-in Progress (CWIP) ageing schedule

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital-Work-in-Progress	9.20	0.46	-	-	9.66
Projects in progress					

No capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 6 OTHER FINANCIAL ASSETS AT AMORTISED COST (NON CURRENT)

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
<b>Unsecured, considered good</b>		
Deferred Receivable	6.54	8.01
Contract Assets	17.78	18.60
Security deposits	10.48	9.73
	<b>34.80</b>	<b>36.34</b>

### 7 OTHER NON CURRENT ASSETS

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
Capital Advances	16.47	27.99
	<b>16.47</b>	<b>27.99</b>

### 8 INVENTORIES (CURRENT)

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
Raw materials	382.05	302.50
Work-in-progress	133.45	124.87
Finished goods	452.41	421.53
Stores, spares and consumables	19.69	19.79
	<b>987.60</b>	<b>868.69</b>

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

Inventories are hypothecated as security against borrowings see note no.17 & 22

### 9 TRADE RECEIVABLES (CURRENT)

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	888.16	756.14
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables-credit impaired	7.03	7.08
Less : Allowance for doubtful debts	7.03	7.08
Net Trade receivables-credit impaired	-	-
	<b>888.16</b>	<b>756.14</b>

As at 31st March, 2022	Trade Receivables ageing schedule						Total
	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) Undisputed Trade Receivables- considered good	733.34	108.84	13.08	11.11	7.65	4.89	<b>878.91</b>
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

(₹ in crore)

As at 31st March, 2022 Particulars	Trade Receivables ageing schedule						Total
	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(iii) Undisputed Trade Receivables- credit impaired	-	-	0.01	0.56	1.56	1.23	3.36
(iv) Disputed Trade Receivables- considered good	-	0.09	0.22	0.29	1.23	7.42	9.25
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	0.07	0.49	3.11	3.67
<b>Total (A)</b>	<b>733.34</b>	<b>108.93</b>	<b>13.31</b>	<b>12.03</b>	<b>10.93</b>	<b>16.65</b>	<b>895.19</b>
<b>Allowance for credit impairment (B)</b>							<b>7.03</b>
<b>Total [(A)-(B)]</b>							<b>888.16</b>

(₹ in crore)

As at 31st March, 2021 Particulars	Trade Receivables ageing schedule						Total
	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables- considered good	507.94	190.45	24.91	17.37	4.82	2.97	748.46
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	0.02	1.67	0.83	1.03	3.55
(iv) Disputed Trade Receivables- considered good	-	-	0.04	0.63	1.41	5.60	7.68
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	0.01	0.16	0.56	2.80	3.53
<b>Total (A)</b>	<b>507.94</b>	<b>190.45</b>	<b>24.98</b>	<b>19.83</b>	<b>7.62</b>	<b>12.40</b>	<b>763.22</b>
<b>Allowance for credit impairment (B)</b>							<b>7.08</b>
<b>Total [(A)-(B)]</b>							<b>756.14</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 10 CASH AND CASH EQUIVALENTS

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
a. Balance with banks		
In Current Accounts	0.08	0.05
b. Cash on hand	0.18	0.21
<b>Cash and cash equivalents as per statement of cash flow</b>	<b>0.26</b>	<b>0.26</b>

### 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
Fixed deposits	0.17	0.23
<b>Earmarked Balances with banks</b>		
Unpaid dividend account (Earmarked against the corresponding provision refer note 25)	0.43	0.45
	<b>0.60</b>	<b>0.68</b>

### 12 OTHER FINANCIAL ASSETS (CURRENT)

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
Contract Assets	5.32	5.05
Forward Contract Receivable	1.61	-
Other recoverables	31.35	39.63
	<b>38.28</b>	<b>44.68</b>

### 13 CURRENT TAX ASSETS (NET)

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
Current Tax Asset	11.67	11.57
	<b>11.67</b>	<b>11.57</b>

### 14 OTHER CURRENT ASSETS

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
Considered good, unless otherwise stated		
Recoverable from government authorities	82.48	108.65
Balances with statutory authorities	12.99	12.27
Prepaid expenses	5.08	4.04
Advances to Supplier	40.47	31.28
	<b>141.02</b>	<b>156.24</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 15 SHARE CAPITAL

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
<b>I Equity Share Capital</b>		
<b>Authorised</b>		
26,13,00,000 (Previous year 26,13,00,000) Equity Shares of ₹ 10/- each with voting rights	261.30	261.30
<b>Issued, subscribed and fully paid up Equity share capital</b>		
5,44,08,974 (previous year 5,44,08,974) Equity Shares of ₹ 10/- each with voting rights	54.41	54.41
Less: Treasury Shares held	1.08	0.80
	<b>53.33</b>	<b>53.61</b>
<b>Movement of Equity Shares</b>		
Balance at the beginning of the reporting period	5,36,08,974	5,44,08,974
Less: Treasury Shares acquired by the Surya Roshni Employees Welfare Trust (refer note no. 47)	4,36,700	8,00,000
Add: Treasury Shares transferred to Employees by the Surya Roshni Employees Welfare Trust (refer note no. 47)	1,54,770	-
<b>Balance at the end of the reporting period</b>	<b>5,33,27,044</b>	<b>5,36,08,974</b>
<b>Treasury Shares</b>		
<b>Balance at the beginning of the reporting period</b>	<b>8,00,000</b>	-
Add: Treasury Shares acquired by the Surya Roshni Employees Welfare Trust (refer note no. 47)	4,36,700	8,00,000
Less: Treasury Shares transferred to Employees by the Surya Roshni Employees Welfare Trust (refer note no. 47)	1,54,770	-
<b>Balance at the end of the reporting period</b>	<b>10,81,930</b>	<b>8,00,000</b>
<b>II Preference share capital</b>		
<b>Authorised</b>		
6,20,000 (previous year 6,20,000) Preference shares of ₹ 100/- each (There are no issued, subscribed and paid up preference share capital)	6.20	6.20

#### Terms / rights attached to equity shares

The Company has one class of equity shares having at par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
<b>Cash dividends on equity shares declared and paid</b>		
Dividend for the year ended 31st March, 2021: ₹ 1.50 per share (Previous year ₹ 2.00 per share)	8.16	10.88
Interim Dividend Paid for the Financial Year 2021-22: NIL (Previous Year - ₹ 1.50 per share)	-	8.16
<b>Proposed dividends on equity shares</b>		
Dividend for the year ended 31st March, 2022: ₹ 4.00 per share (Previous year ₹ 1.50 per share)	21.76	8.16

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

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

Names	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Diwakar Marketing Private Limited	56,37,500	10.36	56,37,500	10.36
Cubitex Marketing Private Limited	48,61,000	8.93	48,61,000	8.93
Shreyansh Mercantile Private Limited	31,78,000	5.84	31,78,000	5.84
Sahaj Tie-Up Private Limited	31,25,087	5.74	31,25,087	5.74

### Shares held by promoters at the end of the year ended 31st March, 2022

S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Diwakar Marketing Private Limited	56,37,500	10.36%	-
2	Cubitex Marketing Private Limited	48,61,000	8.93%	-
3	Shreyansh Mercantile Private Limited	31,78,000	5.84%	-
4	Sahaj Tie-Up Private Limited	31,25,087	5.74%	-
5	Dicord Commodeal Private Limited	22,65,610	4.16%	-
6	Shirin Commodeal Private Limited	21,16,189	3.89%	-
7	S M Vyapaar Private Limited	19,83,920	3.65%	-
8	Goel Die Cast Limited	19,27,962	3.54%	-
9	Zatco Vyapaar Private Limited	14,03,455	2.58%	-
10	Sadabahr Tradecomm Private Limited	12,78,179	2.35%	-
11	Jits Courier and Finance Private Limited	10,01,499	1.84%	-
12	Pankaj Investments Limited	9,69,348	1.78%	-
13	B M Graphics Private Limited	9,61,078	1.77%	-
14	Jai Prakash Agarwal	8,36,628	1.54%	(0.50%)
15	Vinay Surya	5,32,831	0.98%	0.50%
16	Gargiya Finance and Investment Private Limited	5,22,487	0.96%	-
17	Urmil Agarwal	2,92,081	0.54%	-
18	Viksit Trading and Holding Private Limited	2,37,346	0.44%	-
19	Vasudha Surya	1,90,100	0.35%	-
20	Jaivardhan Kaartik Surya	1,81,400	0.33%	-
21	Parinistha Surya	1,81,300	0.33%	-
22	Puja Surya	1,75,250	0.32%	-
23	Padmini Agarwal	1,63,250	0.30%	-
24	Bharti Bangur	1,63,250	0.30%	-
25	Lustre Merchants Private Limited	72,394	0.13%	-
26	Basu Dev Agarwal	100	0.00%	-
	<b>Total</b>	<b>3,42,57,244</b>	<b>62.96%</b>	<b>0.00%</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

Shares held by promoters at the end of the year ended 31st March, 2021				
S. No.	Promoter name	No. of Shares	% of total shares	% Change during the year
1	Diwakar Marketing Private Limited	56,37,500	10.36%	-
2	Cubitex Marketing Private Limited	48,61,000	8.93%	-
3	Shreyansh Mercantile Private Limited	31,78,000	5.84%	-
4	Sahaj Tie-Up Private Limited	31,25,087	5.74%	-
5	Dicord Commodeal Private Limited	22,65,610	4.16%	-
6	Shirin Commodeal Private Limited	21,16,189	3.89%	-
7	S M Vyapaar Private Limited	19,83,920	3.65%	-
8	Goel Die Cast Limited	19,27,962	3.54%	-
9	Zatco Vyapaar Private Limited	14,03,455	2.58%	-
10	Sadabahr Tradecomm Private Limited	12,78,179	2.35%	-
11	Jits Courier and Finance Private Limited	10,01,499	1.84%	-
12	Pankaj Investments Limited	9,69,348	1.78%	-
13	B M Graphics Private Limited	9,61,078	1.77%	-
14	Jai Prakash Agarwal	8,36,628	1.54%	(1.20%)
15	Vinay Surya	5,32,831	0.98%	0.17%
16	Gargiya Finance and Investment Private Limited	5,22,487	0.96%	-
17	Urmil Agarwal	2,92,081	0.54%	0.15%
18	Viksit Trading and Holding Private Limited	2,37,346	0.44%	-
19	Vasudha Surya	1,90,100	0.35%	0.02%
20	Jaivardhan Kaartik Surya	1,81,400	0.33%	-
21	Parinistha Surya	1,81,300	0.33%	-
22	Puja Surya	1,75,250	0.32%	0.32%
23	Padmini Agarwal	1,63,250	0.30%	0.30%
24	Bharti Bangur	1,63,250	0.30%	0.30%
25	Lustre Merchants Private Limited	72,394	0.13%	-
	<b>Total</b>	<b>3,42,57,144</b>	<b>62.96%</b>	<b>0.06%</b>

### 16 OTHER EQUITY

			(₹ in crore)	
			As at 31st March, 2022	As at 31st March, 2021
a.	Capital redemption reserve		3.00	3.00
b.	Capital Reserve		124.69	124.69
c.	Securities premium		107.29	129.68
d.	Share Option Outstanding Account		7.16	1.37
e.	Forfeiture reserve		17.63	17.63
f.	General reserve		131.36	110.36
g.	Retained earnings		1,115.36	939.60
h.	Other comprehensive income		(12.24)	(12.66)
	<b>Balance at the end of the Financial year</b>		<b>1,494.25</b>	<b>1,313.67</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

**Notes : For movements in reserves refer statement of change in equity**

### Nature and purpose of reserves

**a. Capital Redemption Reserve**

Capital Redemption Reserve was created on redemption of preference share capital. The Company may issue fully paid-up bonus share to its members out of the capital redemption reserve

**b. Capital Reserve**

Capital reserve has been created on Business Combination on appointed date i.e.1st April, 2016 Pursuant to the Scheme of Arrangement amongst Company and its associate e-Surya Global Steel Tubes Limited as per order of NCLT dated 11th December, 2017.

**c. Securities premium**

Securities premium is used to record the premium on issue of shares. The premium should be utilised in accordance with the provisions of the Companies Act.

**d. Share Option Outstanding Account**

The Share option outstanding account relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 47.

**e. Forfeiture reserve**

Forfeiture Reserve represents the forfeiture of amount of consideration received on allotment of warrants of the cases where option to take equity shares were not exercised within the prescribed time in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

**f. General reserve**

The general reserve is created time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another equity, hence items included in general reserve will not be reclassified subsequently to profit and loss.

**g. Dividend**

During the Year 2021-22, Dividend of ₹ 21.76 crore for the Year 2021-22( Final Dividend of ₹ 8.16 crore for the Year 2020-21) is accounted in the year of approval by the shareholders

### 17 BORROWINGS (NON CURRENT)

	As at 31st March, 2022	As at 31st March, 2021
	(₹ in crore)	
<b>Secured measured at amortised cost</b>		
<b>Term loans from banks</b>		
Rupee loans	35.67	39.43
Foreign currency loans	-	98.30
<b>Term loans from financial institutions</b>		
Rupee loans	25.00	25.00
Foreign currency loans	-	60.80
	<b>60.67</b>	<b>223.53</b>
Less: Current maturities of Long term borrowings (refer note 22)	-	51.31
	<b>60.67</b>	<b>172.22</b>

**A** Term Loans of NIL (₹ 159.10 crore as at 31st March, 2021) are secured by way of first pari-passu charge on all Property, plant & equipment including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present and future and personal guarantee of the Chairman of the Company.

a Foreign Currency Term Loan from banks aggregating ₹ NIL (₹ 98.30 crore as at 31st March, 2021).

b. Foreign Currency Term Loans from financial institution aggregating ₹ NIL (₹ 60.80 crore as at 31st March, 2021) .

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

- B** Term Loans of ₹ 60.67 crore (₹ 64.43 crore as at 31st March, 2021) are secured by way of first pari-passu charge on all Property, plant and equipment including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present and future.
- a Rupee Term Loan from one bank of ₹ 35.67 crore (₹ 39.43 crore as at 31st March, 2021) is payable in 21 quarterly instalments, with last repayment date 31st May, 2028, carrying floating interest rate of 6.25% p.a. LINKED WITH REPO RATE with periodical interest reset.
- b Rupee Term Loan from one financial institution aggregating ₹ 25.00 crore (₹ 25.00 crore as at 31st March, 2021) is payable in 29 quarterly instalments, with last repayment date 1st April, 2030, carrying fixed interest rate of 6.50% p.a. with periodical interest reset.

### Change in Liability arising from financing activities

	1st April, 2021	Receipts	Payments	(₹ in crore) 31st March, 2022
Current Borrowings (Net Basis) (refer note 22)	493.06	26.29	-	519.35
Non-Current Borrowings including Loan repayment within one year	223.53	-	162.86	60.67
<b>Total</b>	<b>716.59</b>	<b>26.29</b>	<b>162.86</b>	<b>580.02</b>

	1st April, 2020	Receipts	Payments	(₹ in crore) 31st March, 2021
Current Borrowings (Net Basis) (refer note 22)	761.75	-	268.69	493.06
Non-Current Borrowings including Loan repayment within one year	328.61	25.00	130.08	223.53
<b>Total</b>	<b>1,090.36</b>	<b>25.00</b>	<b>398.77</b>	<b>716.59</b>

### 18 LEASE LIABILITIES (NON CURRENT)

	(₹ in crore) As at 31st March, 2022	As at 31st March, 2021
Lease liabilities	7.02	13.76
	<b>7.02</b>	<b>13.76</b>

The Company's lease asset primarily consist of leases for land and buildings for branch offices and warehouses having the various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

**The movement in Lease liabilities (Non-current and Current) is as follows:**

	(₹ in crore) As at 31st March, 2022	As at 31st March, 2021
<b>Balance as at beginning of the year</b>	15.44	12.94
Add: Addition	4.07	7.91
Add: Accretion of interest	0.94	1.17
Less: Payments	7.38	6.58
<b>Closing balance as at 31st March</b>	<b>13.07</b>	<b>15.44</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 19 OTHERS FINANCIAL LIABILITIES (NON CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Security deposits	12.11	11.59
	<b>12.11</b>	<b>11.59</b>

### 20 PROVISION (NON CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Gratuity (refer note 46)	49.78	47.29
Compensated absences (refer note 46)	13.70	12.87
	<b>63.48</b>	<b>60.16</b>

### 21 DEFERRED TAX LIABILITIES (NET)

(₹ in crore)

	As at 31st March, 2021	Recognised in P & L	Recognised in OCI	As at 31st March, 2022
Deferred tax liabilities / assets are attributable to the following items:				
<b>Deferred tax liabilities</b>				
Property, Plant and Equipment	88.12	(6.04)	-	82.08
<b>Sub-(a)</b>	<b>88.12</b>	<b>(6.04)</b>	<b>-</b>	<b>82.08</b>
<b>Deferred tax assets</b>				
Gratuity and Compensated absences	17.63	1.15	(0.15)	18.63
Trade Receivables	2.90	0.01	-	2.91
Others	3.74	-	-	3.74
<b>Sub-(b)</b>	<b>24.27</b>	<b>1.16</b>	<b>(0.15)</b>	<b>25.28</b>
<b>Net deferred tax liability (a-b)</b>	<b>63.85</b>	<b>(7.20)</b>	<b>0.15</b>	<b>56.80</b>

(₹ in crore)

<b>Deferred tax liabilities (Net)</b>	As at 1st April, 2020	Recognised in P & L	Recognised in OCI	As at 31st March, 2021
Deferred tax liabilities / assets are attributable to the following items:				
<b>Deferred tax liabilities</b>				
Property, Plant and Equipment	90.84	(2.72)	-	88.12
<b>Sub-(a)</b>	<b>90.84</b>	<b>(2.72)</b>	<b>-</b>	<b>88.12</b>
<b>Deferred tax assets</b>				
Gratuity and Compensated absences	22.39	(4.34)	(0.42)	17.63
Trade Receivables	2.65	0.25		2.90
Others	4.72	(0.98)		3.74
<b>Sub-(b)</b>	<b>29.76</b>	<b>(5.07)</b>	<b>(0.42)</b>	<b>24.27</b>
<b>Net deferred tax liability (a-b)</b>	<b>61.08</b>	<b>2.35</b>	<b>0.42</b>	<b>63.85</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 22 BORROWINGS (CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
<b>Secured</b>		
Loans repayable on demand		
From banks		
Rupee loans	519.35	413.06
Current maturities of Long term borrowings	-	51.31
	<b>519.35</b>	<b>464.37</b>
<b>Unsecured</b>		
Commercial paper	-	80.00
	<b>519.35</b>	<b>544.37</b>

The above working Capital borrowings of ₹ 519.35 crore are secured against current assets both present and future and further secured by way of second charge on all Property, plant and equipment including equitable mortgage of Land and Building and personal guarantee of the Chairman of the Company. The Rupee Loans of ₹ 123.78 crore (EPC) linked with T Bill carrying interest rate of 2.19% ~ 2.60% (net of 2% Interest Subvention), ₹ 370.48 crore (WCDL) linked with T Bill carrying interest rate of 4.18 ~ 4.60 and ₹ 25.09 crore (Cash Credit) linked with 1 Year / 6 Month MCLR of respective banks plus spread (spread ranging from Nil ~ 70 bps)

### 23 LEASE LIABILITIES (CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Lease liabilities	6.05	1.68
	<b>6.05</b>	<b>1.68</b>

### 24 TRADE PAYABLES

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
outstanding dues of micro enterprises and small enterprises	44.01	49.35
outstanding dues other than micro enterprises and small enterprises	549.55	431.12
	<b>593.56</b>	<b>480.47</b>
I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company as under		
I The Principal amount and the interest due thereon remaining unpaid to any supplier.		
Principal Amount :	55.03	60.08
Interest :	Nil	Nil
ii The amount of interest paid by the Company along with the amount of the payment made to the supplier beyond the appointed day for the year ending.	Nil	Nil
iii The amount of Interest due and payable for the period of delay in making payment (beyond the appointed day during the year.	Nil	Nil

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
iv The amount of interest accrued and remaining unpaid for the year ending	Nil	Nil
v The amount of further interest remaining due and payable for the earlier years.	Nil	Nil

The Information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information submitted to the Company.

As at 31st March, 2022	Trade Payables ageing schedule					
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) MSME	55.03	-	-	-	-	55.03
(ii) Others	523.91	14.33	0.27	0.01	0.01	538.53
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>578.94</b>	<b>14.33</b>	<b>0.27</b>	<b>0.01</b>	<b>0.01</b>	<b>593.56</b>

As at 31st March, 2021	Trade Payables ageing schedule					
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1- 2 years	2- 3 years	More than 3 years	
(i) MSME	60.08	-	-	-	-	60.08
(ii) Others	412.76	7.26	0.33	0.04	-	420.39
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>472.84</b>	<b>7.26</b>	<b>0.33</b>	<b>0.04</b>	-	<b>480.47</b>

### 25 OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in crore)

	As at 31st March, 2022	As at 31st March, 2021
Interest accrued but not due on borrowings	0.27	0.85
Unpaid dividends* (refer note 11)	0.44	0.45
Forward Contract payable	-	12.00
Payable to employees	41.12	34.75
Expenses Payable	102.78	72.65
	<b>144.61</b>	<b>120.70</b>

\*There are no amount due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2022

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 26 OTHER LIABILITIES (CURRENT)

	As at 31st March, 2022	As at 31st March, 2021
	(₹ in crore)	
Advances from customers	30.94	33.01
Statutory dues payables	19.96	18.10
	<b>50.90</b>	<b>51.11</b>

### 27 PROVISIONS (CURRENT)

	As at 31st March, 2022	As at 31st March, 2021
	(₹ in crore)	
Provision for employee benefits		
Gratuity (refer note 46)	7.31	6.80
Compensated Absences (refer note 46)	3.05	2.85
	<b>10.36</b>	<b>9.65</b>
Other payables		
Warranty Payable (refer note 43)	26.25	43.15
	<b>26.25</b>	<b>43.15</b>
	<b>36.61</b>	<b>52.80</b>

### 28 CURRENT TAX LIABILITY

	As at 31st March, 2022	As at 31st March, 2021
	(₹ in crore)	
Current Tax Liability(Net)	15.96	1.42
	<b>15.96</b>	<b>1.42</b>

### 29 INCOME TAX

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	(₹ in crore)	
<b>a Income tax recognised in profit or loss</b>		
Current tax expense	78.93	50.81
Deferred tax expense		
Origination and reversal of temporary differences	(7.20)	2.35
<b>Total tax expenses</b>	<b>71.73</b>	<b>53.16</b>
<b>b Reconciliation of effective tax rate</b>		
Profit before tax	276.65	211.47
Domestic tax rate	25.168%	25.168%
Tax using the Company's domestic tax rate	69.63	53.22
Increase / reduction in Taxes on account of		
Deduction / exemptions in taxable income/ Other non deductible expenses (Net)	2.10	(0.06)
<b>Income tax expenses charged to statement of profit and loss</b>	<b>71.73</b>	<b>53.16</b>
<b>Effective tax rate</b>	<b>25.93%</b>	<b>25.14%</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 30 REVENUE FROM OPERATIONS

(₹ in crore)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>a. Sale of products</b>		
i. Steel pipe and strips	6,378.19	4,308.83
ii. Lighting and consumer durables	1,317.74	1,233.31
	<b>7,695.93</b>	<b>5,542.14</b>
Less Inter Segment Sales	4.17	6.85
	<b>7,691.76</b>	<b>5,535.29</b>
<b>b. Other operating revenue;</b>		
i. Export incentives and claims	19.11	18.30
	<b>19.11</b>	<b>18.30</b>
<b>c. Sale of services</b>	19.95	7.80
	<b>19.95</b>	<b>7.80</b>
	<b>7,730.82</b>	<b>5,561.39</b>

### 31 OTHER INCOME

(₹ in crore)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Interest Income from financial assets	5.58	4.07
b. Profit on sale of property, plant and equipment	0.13	0.05
c. Miscellaneous income	0.09	0.58
	<b>5.80</b>	<b>4.70</b>

### 32 COST OF MATERIALS CONSUMED

(₹ in crore)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>i. Steel pipe and strips</b>		
a. Raw materials (Imported)	241.28	204.12
b. Raw materials (Indigenous)	5,088.35	3,415.90
<b>ii. Lighting and consumer durables</b>		
a. Raw materials (Imported)	153.90	141.54
b. Raw materials (Indigenous)	369.71	269.96
c. Packing materials consumed	40.58	37.32
	<b>5,893.82</b>	<b>4,068.84</b>
Less Inter Segment Consumption	4.17	6.85
	<b>5,889.65</b>	<b>4,061.99</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 33 PURCHASE OF STOCK-IN-TRADE

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Lighting and consumer durables (outsourced)	340.09	264.77
	<b>340.09</b>	<b>264.77</b>

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

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Inventories at the end of the year</b>		
Finished goods	452.41	421.53
Work in Progress	133.45	124.87
	<b>585.86</b>	<b>546.40</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	421.53	413.85
Work in Progress	124.87	148.21
	<b>546.40</b>	<b>562.06</b>
	<b>(39.46)</b>	<b>15.66</b>

### 35 EMPLOYEE BENEFIT EXPENSES

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Salaries, wages and bonus	313.86	286.97
b. ESOS Expenses (refer note 47)	6.53	1.37
c. Contribution to provident and other funds	13.43	12.82
d. Staff welfare expenses	6.27	6.14
	<b>340.09</b>	<b>307.30</b>

### 36 FINANCE COST

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Interest expenses	53.73	62.52
b. Interest on Lease Liability	0.94	1.17
c. Other borrowing cost	8.98	6.17
	<b>63.65</b>	<b>69.86</b>

### 37 DEPRECIATION AND AMORTISATION EXPENSES

	(₹ in crore)	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a. Depreciation (refer note 5)	101.58	96.64
b. Right of Use Assets (refer note 5)	6.80	6.06
	<b>108.38</b>	<b>102.70</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 38 OTHER EXPENSES

	(₹ in crore)	
	<b>For the year ended 31st March, 2022</b>	<b>For the year ended 31st March, 2021</b>
a. Consumption of stores and spares	45.17	35.03
b. Power, fuel and water charges	116.71	91.77
c. Repairs and maintenance :		
- plant and machinery	3.17	2.33
- buildings	1.28	0.80
- others	1.19	0.78
d. Product warranties	16.77	35.70
e. Sales promotion expenses	29.35	33.33
f. Commission on sales	16.77	12.67
g. Advertisement and publicity	18.05	12.94
h. Freight and forwarding expenses	378.78	199.54
i. Allowance for doubtful debts / bad debts W/off	0.94	3.43
j. Rent	6.51	3.35
k. Rates and taxes	0.79	0.31
l. Insurance	5.13	3.30
m. Postage, telegraph and telephone	2.31	2.38
n. Travelling and conveyance	21.95	16.61
o. Loss on discard / disposal of property, plant and equipment	3.94	0.45
p. Corporate social responsibility expenses (refer note 41)	3.53	3.17
q. Legal and professional expenses	4.25	3.59
r. Auditor's remuneration		
for audit	0.22	0.20
for tax audit	0.06	0.06
for certification work	0.07	0.03
for reimbursement of out of pocket expenses	0.01	0.01
s. Miscellaneous expenses	80.62	70.56
	<b>757.57</b>	<b>532.34</b>

### 39 OTHER COMPREHENSIVE INCOME

	(₹ in crore)	
	<b>For the year ended 31st March, 2022</b>	<b>For the year ended 31st March, 2021</b>
i. Items that will not be reclassified to profit or loss		
- Remeasurements of the defined benefit plans	0.57	1.67
ii. Income tax relating to items that will not be reclassified to profit or loss		
- Related to remeasurements of the defined benefit plans	(0.15)	(0.42)
	<b>0.42</b>	<b>1.25</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 40 EARNING PER SHARE

		For the year ended 31st March, 2022	For the year ended 31st March, 2021	
The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:				
A	Issued equity shares	No's	5,44,08,974	5,44,08,974
	Less :- Treasury Shares held by the Surya Roshni Employees welfare Trust		10,81,930	8,00,000
	Issued equity shares after taking effect of Treasury Shares		5,33,27,044	5,36,08,974
B	Weighted average equity shares outstanding - Basic	No's	5,33,64,134	5,39,47,511
C	Weighted average equity shares outstanding - Diluted	No's	5,44,08,974	5,44,08,974
D	Net profit after tax		204.92	158.31
	Basic Earning per equity share (D/B)	Per / ₹	38.40	29.35
	Diluted Earning per equity share (D/C)	Per / ₹	37.66	29.10
	Face Value per Equity Share	₹	10.00	10.00

### 41 EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 read with schedule III are as below: The said amount has been spent through Surya Foundation.

(₹ in crore)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
A	Gross amount required to be spent by the Company during the year	3.53	3.17
B	Amount spent during the year		
i	Construction/ acquisition of asset	NIL	NIL
ii	On purpose other than (i) above –		
	(a) Rural Development	3.33	2.87
	(b) Naturopathy	0.20	0.19
	(c) Other administrative expenses	-	0.11
		<b>3.53</b>	<b>3.17</b>
C	Short fall at the end of the Year	NIL	NIL
D	Total of Previous Year Shortfall	NIL	NIL
E	Reason of Shortfall	Not applicable	Not applicable
F	Nature of CSR Activities	Rural Development Project under Adarsh Gram Yojna and Promoting Health Care Including Preventive Health Care (Naturopathy)	Rural Development Project under Adarsh Gram Yojna and Promoting Health Care Including Preventive Health Care (Naturopathy)
G	Details of Related party transaction	Nil	Nil

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 42 CONTINGENT LIABILITIES

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
<b>I Guarantees</b>		
Bank Guarantees issued by banks for which counter guarantee given by the Company	281.76	385.69
<b>II Other contingent liabilities</b>		
a) Export obligation under EPCG Scheme (Duty involved on imports made by the Company)	3.35	1.83
Bonds to customs (₹ 8.64 crore (₹ 3.89 crore in previous year))		
b) Estimated amount of contract remaining to be executed on capital account and not provided for	5.91	29.30
c) Claims against the Company not acknowledged as debt	3.10	2.87

### III Entry of Goods into Local Area Act, 2008

The Haryana Government levied Local Area Development Tax by (The LADT Act) w.e.f. 5th May, 2000, The said act was declared ultra vires by the Hon'ble Punjab & Haryana High Court on 14th March, 2007. Later on, the Haryana Government has repealed the LADT Act w.e.f. 8th April, 2008 and introduced in its place, 'The Haryana Tax on Entry of Goods into local Areas Act, 2008', which was also held ultra vires by the Hon'ble High Court on 1st October, 2008 (Rules not yet notified). Both these Acts were declared unconstitutional on the ground of non-compensatory. but Subsequently, on the SLP of the Haryana Government, the Hon'ble Supreme Court Constitutional Bench vide its judgment dated 11th November, 2016 held the applicability of entry tax valid on compensatory grounds. However, directed its Divisional bench for examining the provisions on the other issues of discrimination, local area etc. The divisional bench remanded back the matters to the Hon'ble Punjab & Haryana High Court on 21st March, 2017 with a direction to file fresh writ petitions in this regard for factual backgrounds and other constitutional statutory issues. The matter is still pending in the Hon'ble Punjab & Haryana High Court, hence no provision has been made.

### IV Income Tax Act

In respect of Income-tax assessments of the Company (for the year 2009-10, 2010-11 & 2012-13) demands of ₹ 56.34 crore were raised wherein, Company had appealed and the cases were decided in favour of the Company by CIT (A). However revenue has preferred an appeal before ITAT. Based on the decision in favour of the Company, interpretations and decisions of appellate authorities and Courts in similar cases and as per the consultations made, the Company is not liable for such demand and accordingly no provision has been made.

### 43 MOVEMENT IN WARRANTY PROVISION

	As at 31st March, 2022	As at 31st March, 2021
(₹ in crore)		
<b>Movement in warranty provision during the financial year are provided below:</b>		
Opening Balance	43.15	50.72
Provision Made	16.77	35.70
Utilised during the year	33.67	43.27
Closing Balance	26.25	43.15

The Company gives warranties on certain products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of expected cost of meeting such obligation on account of repair/ replacement. It is expected that significant portion of these cost is to be incurred within a period of two years.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 44 GOVERNMENT GRANTS (INVESTMENT PROMOTION ASSISTANCE)

The Company has made investments of ₹ 362.35 crore up to 31st March, 2022 in the State of Madhya Pradesh, Andhra Pradesh and Gujarat for establishing manufacturing facilities at Malanpur, Hindupur and Anjar respectively as per provisions of the Industrial Investment Promotion Assistance Schemes/ Policy of these states. The Company has been eligible for periodical Grants during the specified period by way of assistance/ reimbursement of VAT/ CST/ SGST/ Power Cost and recognised the same in revenue on satisfying the conditions mentioned under the respective schemes/policies. These incentive claims are periodically evaluated and necessary adjustments /reversals have been made time to time for deductions made or expected in processing, verifications, clarifications or change in policies/guidelines. Accordingly, The Company has recognised grants of ₹ 105.58 crore up to 31st March, 2022 (₹ 122.33 crore up to 31st March, 2021 (Out of which ₹ 70.11 crore remained outstanding as on 31st March, 2022 ₹ 86.86 crore as on 31st March, 2021).

### 45 PROJECT FOR SUPPLY, IMPLEMENTATION, OPERATION AND MAINTENANCE OF ORISSA GREENFIELD STREET LIGHTING SYSTEM THROUGH SPV COMPANY

SRL has been awarded project by Directorate of Municipal Administration(DMA), Orissa for designing, implementing, operating, maintaining the Greenfield Pubic Street Lighting System along with other infrastructure including CCMS and automation. The project is required to be executed through Special Purpose Vehicle Company (SPV) as per terms of LOA and accordingly SRL has incorporated a wholly-owned subsidiary namely SURYA ROSHNI LED LIGHTING PROJECTS LIMITED on 21st January, 2019. Further, Company has executed Supply Installation Operation and Maintenance (SIOM) Agreement on 29th December, 2018 with the DMA and 21 Urban Local Bodies. As per terms of SIOM, the Company had executed shareholder agreement with the SPV Company on 30th August, 2019 and novation agreement with the DMA and the SPV Company. Company has committed the funding requirement of SPV for project completion including enhancement in the value of project. The Company has also committed to compensate the losses/ damages, if any. The required funding has been mandatory provided by the Company and project is being implemented efficiently.

### 46 EMPLOYEE BENEFITS

Disclosures pursuant to Ind AS -19 "Employee Benefits" (Specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 ( as amended from time to time) and other relevant provision of the Act) are given below

**Contribution to Defined Contribution Plan, recognised as expenses are as under :**

Particulars	For the Year Ended	
	31st March, 2022	31st March, 2021
Employer's Contribution to defined contribution plans	13.43	12.82

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

Particulars	Valuation as at	
	31st March, 2022	31st March, 2021
Attrition rate for various ages in %	1.00 to 5.00	1.00 to 5.00
Discount Rate in %	7.16	6.80
Expected Rate of increase in salary in %	5.35	5.35
Mortality rate - Indian Assured Lives Mortality (2006-08)	IALM (2012-14)	IALM (2012-14)
Expected Average remaining working lives of employees (years)	14.73	15.19

- Discount rate is based on the prevailing market yields of Indian Government securities as at the balances sheet date for the estimated term of obligations.
- The assumption of future salary increase takes into account the inflation, seniority, promotion, business plan, HR Policy and other relevant factors such as supply and demand in employment market.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### II Movement in Obligation

(₹ in crore)

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Gratuity (partly funded)	Compensated absences (Unfunded)	Gratuity (partly funded)	Compensated absences (Unfunded)
<b>Present value of obligation as at the beginning of the period</b>	54.11	15.72	52.70	15.55
Current Service cost	3.79	1.82	3.68	1.75
Past Service Cost including curtailment Gain/Losses	-	-	-	-
Interest cost	3.68	1.07	3.58	1.06
Benefits paid	(3.89)	(1.27)	(4.18)	(1.34)
Actuarial loss / (gain) arising from changes in Demographic assumptions	-	-	-	-
Actuarial loss / (gain) arising from changes in Financial assumptions	(1.61)	-	-	-
Actuarial loss / (gain) arising from experience adjustment	1.04	(0.59)	(1.67)	(1.30)
<b>Present value of obligation as at the end of the period</b>	<b>57.12</b>	<b>16.75</b>	<b>54.11</b>	<b>15.72</b>

### III Amount recognised in the statement of Profit and Loss:

(₹ in crore)

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current Service cost	3.79	1.82	3.68	1.75
Interest cost	3.68	1.07	3.58	1.06
Remeasurement - Actuarial loss/(gain)	-	(0.59)	-	(1.30)
<b>Expenses recognised in the statement of Profit and Loss</b>	<b>7.47</b>	<b>2.30</b>	<b>7.26</b>	<b>1.51</b>

### IV Component of defined benefit costs recognised in other comprehensive income

(₹ in crore)

Particulars	Gratuity	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Actuarial loss / (gain) arising from changes in demographic assumptions	-	-
Actuarial loss / (gain) arising from changes in Financial assumptions	(1.61)	-
Actuarial loss / (gain) arising from experience adjustment	1.04	(1.67)
Actuarial loss / (gain) arising on plan asset	-	-
<b>Component of defined benefit costs recognised in other comprehensive income</b>	<b>(0.57)</b>	<b>(1.67)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### V Current and non-current provision for Gratuity and Compensated absences

(₹ in crore)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current provision	7.32	3.05	6.80	2.85
Non-current provision	49.78	13.70	47.29	12.87
<b>Total provision</b>	<b>57.10</b>	<b>16.75</b>	<b>54.09</b>	<b>15.72</b>

### VI Maturity profile of Defined Benefit Obligation are as under :-

(₹ in crore)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Gratuity	Compensated absences	Gratuity	Compensated absences
0 to 1 Year	7.32	3.05	6.80	2.85
1 to 5 Years	12.95	2.92	11.16	2.42
5 Year Onwards	36.85	10.78	36.15	10.45

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

(₹ in crore)

Gratuity	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Opening fair value of plan assets	0.02	0.02
Interest income	-	-
Return on plan assets (excluding amounts included in net interest expenses)	-	-
Benefits paid	-	-
<b>Closing fair value of the plan assets</b>	<b>0.02</b>	<b>0.02</b>

Note: The Company has invested the plan assets in India only with Life insurance corporation of India & SBI Life and closing value of the plan assets are the fair value of plan assets

### VIII Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

(₹ in crore)

Particulars	For the year ended 31st March, 2022		For the year ended 31st March, 2021	
	Effect on Gratuity Obligation	Effect on Compensated absences Obligation	Effect on Gratuity Obligation	Effect on Compensated absences Obligation
One percentage point increase in discount rate	(4.25)	(1.37)	(4.25)	(1.35)
One percentage point decrease in discount rate	4.55	1.45	4.55	1.46
One percentage point increase in salary growth rate	4.61	1.49	4.59	1.47
One percentage point decrease in salary growth rate	(4.34)	(1.40)	(4.32)	(1.37)
One percentage point increase in attrition rate	0.45	0.19	0.43	0.17
One percentage point decrease in attrition rate	(0.47)	(0.20)	(0.45)	(0.16)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### Note :

- a) The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- b) Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.
- c) There was no change in the method and assumptions used in preparing the sensitivity analysis from prior years.

### 47 INFORMATION IN RESPECT OF OPTIONS GRANTED UNDER THE COMPANY'S EMPLOYEE STOCK OPTION SCHEME ('SCHEME'):

S. No.	Particulars (during the financial year ended 31st March, 2022)	SRL- ESOS (2018)											
1	Date of Shareholders' approval	:	28th September, 2018										
2	Total number of Options approved under the Scheme	:	8,00,000										
3	Vesting Schedule	:	The vesting period for conversion of Options is as follows: On completion of 1 year from the date of grant of the Options: 33% vests On completion of 2 years from the date of grant of the Options: 33% vests On completion of 3 years from the date of grant of the Options: 34% vests										
4	Exercise price	:	The exercise price has been fixed at ₹ 75/- per share of 6,44,000 options granted on 29th October, 2020 by Nomination and Remuneration Committee ("Compensation Committee") The exercise price has been fixed at ₹ 150/- per share of 1,63,500 options granted on 9th July, 2021 by Nomination and Remuneration Committee ("Compensation Committee")										
5	Maximum term of Options granted	:	3 years from the date of vesting										
6	Source of Shares	:	Secondary - Market purchase by Surya Roshni Employees Welfare Trust (Trust)										
7	Variation in terms of Options	:	None										
8	Method used for accounting of : share based payment plans	:	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Scheme. The employee compensation cost as per fair value method for the financial year 2021-22 is ₹ 3.50 crore ( Previous Year – 1.37 crore)										
9	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	:	Each Option entitles the holder thereof to apply for and be allotted one Equity Share of the Company of ₹ 10/- each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from the date of vesting. The above is in addition to the other terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore										
10	Weighted average exercise prices and weighted average fair values of Options whose exercise price either equals or exceeds or is less than the market price of the stock	:	<table border="1"> <thead> <tr> <th></th> <th>As at 31st March, 2022</th> <th>As at 31st March, 2021</th> </tr> </thead> <tbody> <tr> <td>Weighted average exercise price per Option in ₹</td> <td>95.48</td> <td>75.00</td> </tr> <tr> <td>Weighted average fair value per Option in ₹</td> <td>213.74</td> <td>152.61</td> </tr> </tbody> </table>			As at 31st March, 2022	As at 31st March, 2021	Weighted average exercise price per Option in ₹	95.48	75.00	Weighted average fair value per Option in ₹	213.74	152.61
	As at 31st March, 2022	As at 31st March, 2021											
Weighted average exercise price per Option in ₹	95.48	75.00											
Weighted average fair value per Option in ₹	213.74	152.61											
11	Option movements during the year		<b>ended 31st March, 2022</b>	<b>ended 31st March, 2021</b>									
	(a) Number of options outstanding at the beginning of the year	:	6,44,000	NIL									
	(b) Number of options granted during the year	:	1,63,500	6,44,000									

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

S. No.	Particulars (during the financial year ended 31st March, 2022)	SRL- ESOS (2018)					
		As at 31st March, 2022		As at 31st March, 2021			
		No. of Options	Weighted average Exercise Prices (in ₹)	No. of Options	Weighted average Exercise Prices (in ₹)		
(c)	Number of options forfeited / lapsed/ surrendered during the year	1,67,450		NIL			
(d)	Number of options vested and exercisable during the year (net of Options lapsed and exercised)	1,75,230		NIL			
(e)	Number of options exercised during the year	1,54,770		NIL			
(f)	Number of shares arising as a result of exercise of options	1,54,770		NIL			
(g)	Number of options outstanding at the end of the year	4,85,280		6,44,000			
(h)	Number of options exercisable at the end of the year	20,460		NIL			
(i)	Money realised by exercise of options (₹ In crore), if scheme is implemented directly by the Company	Not Applicable since the scheme is implemented through Trust					
12	Loan repaid by the Trust during the year from exercise price received in (₹ in crore)	1.16		NIL			
13	Summary of the status of Options						
	<b>Particulars</b>	<b>As at 31st March, 2022</b>		<b>As at 31st March, 2021</b>			
		<b>No. of Options</b>	<b>Weighted average Exercise Prices (in ₹)</b>	<b>No. of Options</b>	<b>Weighted average Exercise Prices (in ₹)</b>		
	Outstanding at the beginning of the year	6,44,000	75.00	NIL	-		
	Add: Granted during the year	1,63,500	150.00	6,44,000	75.00		
	Less: Lapsed/ surrendered during the year	1,67,450	88.88	NIL	-		
	Less: Exercised during the year	1,54,770	75.00	NIL	-		
	Outstanding at the end of the year	4,85,280	95.48	6,44,000	75.00		
	Options exercisable at the end of the year	20,460	75.00	NIL	-		
14	Weighted average share price of Shares arising upon exercise of Options	₹ 606.61		Not Applicable since Exercise of options is to be commenced on or after 29th October, 2021			
15	Summary of Options outstanding, scheme-wise:						
	<b>Particulars</b>	<b>As at 31st March, 2022</b>			<b>As at 31st March, 2021</b>		
		<b>No. of Options outstanding</b>	<b>Range of Exercise Price (₹)</b>	<b>Weighted average remaining contractual life</b>	<b>No. of Options outstanding</b>	<b>Range of Exercise Price (₹)</b>	<b>Weighted average remaining contractual life</b>
	Grant date - 29th October, 2020	3,52,780	75	3.59 Years	6,44,000	75	4.59 Years
	Grant date - 9th July, 2021	1,32,500	150	4.27 Years	-	-	-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

S. No.	Particulars (during the financial year ended 31st March, 2022)	SRL- ESOS (2018)				
16	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model Weighted average exercise price per Option : ₹ 150.00 Weighted average fair value per Option : ₹ 376.49	The fair value of each Option is estimated using the Black Scholes Option Pricing model Weighted average exercise price per Option : ₹ 75.00 Weighted average fair value per Option : ₹ 152.61		
	The significant assumptions used to ascertain the above	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:			
			<b>Particulars</b>	<b>During the Financial year 2021-22</b>	<b>During the Financial year 2020-21</b>	
			(i) Risk-free interest rate	4.83% to 5.67%	4.66% to 5.17%	
			(ii) Expected life	2.5 to 4.5 years	2.5 to 4.5 years	
			(iii) Expected volatility	49.19% to 52.63%	47.33% to 50.96%	
			(iv) Expected dividends	1.61%	1.50%	
			(v) The price of the underlying shares in market at the time of Option grant	₹ 522.65	₹ 222.90	
17	Methodology for determination of expected volatility	:	The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.			
		:	The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements and the movement due to abnormal events if any gets evened out. Estimates of expected future long term volatility should be based on historical volatility for a period that approximates the expected life of the options being valued.			
18	Options granted to : (a) Senior Management Personnel	:	<b>As provided below:</b>			
			<b>Name</b>	<b>Designation</b>	<b>During the financial year 2021-22</b>	<b>During the financial year 2020-21</b>
			1 Raju Bista	Managing Director	NIL	1,00,000
			2 Kaustubh Narsinh Karmarkar	Whole-time Director	NIL	20,000
			3 Roop Narain Maloo	EX- ED & Group CFO	NIL	35,000
			4 Tarun Baldua	ED & CEO- Steel Operations	NIL	35,000
			5 Nirupam Sahay	ED & CEO- Lighting	NIL	30,000
			6 Bharat Bhushan Singal	Sr. V.P. & Company Secretary	NIL	7,500
	The Optionees were granted Options on :		9th July, 2021 at the exercise price of ₹ 150.00 per Option	29th October, 2020 at the exercise price of ₹ 75.00 per Option		
	(b) Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year.	:	None	None		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

S. No.	Particulars (during the financial year ended 31st March, 2022)		SRL- ESOS (2018)
	(c) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	:	None
			None
S. No.	Particulars (during the financial year ended 31st March, 2022)		Surya Roshni Limited Employees Stock Option Scheme - 2021 (SRL ESOS-2021)
1	Date of Shareholders' approval	:	19th June, 2021
2	Total number of Options approved under the Scheme	:	8,00,000
3	Vesting Schedule	:	The vesting period for conversion of Options is as follows: On completion of 1 year from the date of grant of the Options: 33% vests On completion of 2 years from the date of grant of the Options: 33% vests On completion of 3 years from the date of grant of the Options: 34% vests
4	Exercise price	:	The exercise price has been fixed at ₹ 150/- per share of options granted on 9th July, 2021 by Nomination and Remuneration Committee ("Compensation Committee")
5	Maximum term of Options granted	:	3 years from the date of vesting
6	Source of Shares	:	Secondary - Market purchase by Surya Roshni Employees Welfare Trust (Trust)
7	Variation in terms of Options	:	None
8	Method used for accounting of : share based payment plans	:	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Scheme. The employee compensation cost as per fair value method for the financial year 2021-22 is ₹ 3.03 crore (Previous Year - NIL)
9	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	:	Each Option entitles the holder thereof to apply for and be allotted one Equity Share of the Company of ₹ 10/- each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of three years from the date of vesting. The above is in addition to the other terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore
10	Weighted average exercise prices and weighted average fair values of Options whose exercise price either equals or exceeds or is less than the market price of the stock	:	Weighted average exercise price per Option : ₹ 150.00 Weighted average fair value per Option : ₹ 376.49
11	Option movements during the year		
	(a) Number of options outstanding at the beginning of the year	:	NIL
	(b) Number of options granted during the year	:	7,53,420
	(c) Number of options forfeited / lapsed/surrendered during the year	:	4,20,045
	(d) Number of options vested and exercisable during the year (net of Options lapsed and exercised)	:	NIL
	(e) Number of options exercised during the year	:	NIL

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

S. No.	Particulars (during the financial year ended 31st March, 2022)	Surya Roshni Limited Employees Stock Option Scheme - 2021 (SRL ESOS-2021)						
	(f) Number of shares arising as a result of exercise of options	:	NIL					
	(g) Number of options outstanding at the end of the year	:	3,33,375					
	(h) Number of options exercisable at the end of the year	:	NIL					
	(i) Money realised by exercise of options (₹ In crore), if scheme is implemented directly by the group.	:	Not Applicable since the scheme is implemented through Trust					
12	Loan repaid by the Trust during the year from exercise price received	:	NIL					
13	Summary of the status of Options		As at 31st March, 2022		As at 31st March, 2021			
	<b>Particulars</b>		<b>No. of Options</b>	<b>Weighted average Exercise Prices (in ₹)</b>	<b>No. of Options</b>	<b>Weighted average Exercise Prices (in ₹)</b>		
	Outstanding at the beginning of the year	:	NIL	-	NIL	-		
	Add: Granted during the year	:	7,53,420	150	NIL	-		
	Less: Forfeited/ Lapsed/surrendered during the year	:	4,20,045	150	NIL	-		
	Less: Exercised during the year	:	NIL	-	NIL	-		
	Outstanding at the end of the year	:	3,33,375	150	NIL	-		
	Options exercisable at the end of the year	:	NIL	-	NIL	-		
14	Weighted average share price of Shares arising upon exercise of Options	:	Not Applicable since Exercise of options is to be commenced on or after 9th July, 2022					
15	Summary of Options outstanding, scheme-wise:		As at 31st March, 2022		As at 31st March, 2021			
	<b>Particulars</b>		<b>No. of Options outstanding</b>	<b>Range of Exercise Price (₹)</b>	<b>Weighted average remaining contractual life</b>	<b>No. of Options outstanding</b>	<b>Range of Exercise Price (₹)</b>	<b>Weighted average remaining contractual life</b>
	SRL- ESOS (2021)	:	3,33,375	150	4.27 Years	NIL	-	-
16	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model Weighted average exercise price per Option : ₹ 150.00 Weighted average fair value per Option : ₹ 376.49					
	The significant assumptions used to ascertain the above	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis: (i) Risk-free interest rate - 4.83% to 5.67% (ii) Expected life – 2.5 to 4.5 years (iii) Expected volatility -49.19% to 52.63% (iv) Expected dividends 1.61% (v) The price of the underlying shares in market at the time of Option grant – ₹ 522.65					

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

S. No.	Particulars (during the financial year ended 31st March, 2022)	Surya Roshni Limited Employees Stock Option Scheme - 2021 (SRL ESOS-2021)						
17	Methodology for determination of expected volatility	<p>The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time.</p> <p>The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements and the movement due to abnormal events if any gets evened out. Estimates of expected future long term volatility should be based on historical volatility for a period that approximates the expected life of the options being valued.</p>						
18	Options granted to : (a) Senior managerial personnel	<p>As provided below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name</th> <th style="text-align: center;">Designation</th> <th style="text-align: center;">During the financial year 2021-22 \$</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1 Bharat Bhushan Singal</td> <td style="text-align: center;">Sr. V.P. &amp; Company Secretary</td> <td style="text-align: center;">3,000</td> </tr> </tbody> </table> <p>\$ (net off of forfeited/ lapsed/ surrendered)</p> <p>The Optionees were granted Options on 9th July, 2021 at the exercise price of ₹ 150.00 per Option.</p>	Name	Designation	During the financial year 2021-22 \$	1 Bharat Bhushan Singal	Sr. V.P. & Company Secretary	3,000
Name	Designation	During the financial year 2021-22 \$						
1 Bharat Bhushan Singal	Sr. V.P. & Company Secretary	3,000						
	(b) Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year.	None						
	(c) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Group at the time of grant.	None						

#### 48 RELATED PARTY TRANSACTIONS

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

##### List of related parties

##### 1 Key Management Personnel

S.No.	Name	Designation
1	Mr. Jai Prakash Agarwal	Executive Chairman
2	Mr. Raju Bista	Managing Director
3	Mr. Vinay Surya	Managing Director w.e.f. 26th October, 2021
4	Mr. Kaustubh N Karmarkar	Whole Time Director
5	Mrs. Urmil Agarwal	Director
6	Mr. Krishan Kumar Narula	Independent Director
7	Mr. Ravinder Kumar Narang ( up to 12th January, 2022)	Independent Director
8	Mr. Tara shankar sudhir Bhattacharya	Independent Director
9	Mr. Sudhanshu Kumar Awasthi	Independent Director
10	Mr. Surendra Singh Khurana	Independent Director
11	Mr. Sunil Sikka	Independent Director
12	Mrs. Bhavna Kasturia (up to 8th December, 2021)	Independent Director

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

S.No.	Name	Designation
13	Mr. Pramod Jain ( w.e.f. 27th November, 2021)	Independent Director
14	Mrs. Suruchi Mittar (from 18th Dcember, 2021 to 13th January, 2022)	Independent Director
15	Ms. Suruchi Agarwal (w.e.f. 14th February, 2022)	Independent Director
16	Mr. R.N. Maloo ( superannuated on 23rd Dcember, 2021)	ED & Group CFO
17	Mr. Tarun Baldua	ED and CEO- Steel Operations
18	Mr. Ramanjit Singh (superannuated on 29th October,2020)	Ex CEO- Lighting Operations
19	Mr. Nirupam Sahay (w.e.f. 29th October, 2020)	ED & CEO Lighting
20	Mr. Bharat Bhushan Singal	Sr. VP & Company Secretary

### 2 Relatives of key management personnel where transactions have taken place

S.No.	Name of Relatives	Relationship
1	Mr. Rajesh Bista	Brother of Mr. Raju Bista
2	Mrs. Puja Surya	Spouse of Mr. Vinay Surya
3	Master Jaivardhan Surya	Son of Mr. Vinay Surya
4	Ms. Parinistha Surya	Daughter of Mr. Vinay Surya
5	Ms. Vasudha Surya	Daughter of Mr. Vinay Surya
6	Mrs. Bharti Bangur	Daughter of Mr. Jai Prakash Agarwal
7	Mrs. Padmini Agarwal	Daughter of Mr. Jai Prakash Agarwal

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

#### i Compensation of Key Management Personnel of the Company

(₹ in crore)

S.No.	Nature of transaction/ relationship	For the year ended 31st March, 2022	For the year ended 31st March, 2021
a)	Short Term Benefit (See notes below)	15.94	13.14
b)	Directors commission	6.90	5.23
	<b>Total Short-Term benefits</b>	<b>22.84</b>	<b>18.37</b>
c)	Director sitting Fee's	0.56	0.36

#### Notes:

- Short-term benefits comprises the expenses recorded under the head employee benefit expenses (eg. Salary and wages, contribution to provident fund, NPS, Leave encashment payments, and taxable value of perquisites etc.
- The liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.
- The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.
- The Company has granted Stock Options to eligible employees, including Executive Directors and KMPs, under its Employee Stock Option Schemes [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. However, in accordance with Ind AS -102, the Company has recorded employee benefits expense by way of share based payments to employees at ₹ 6.53 crore for the year ended 31st March, 2022 [2021 - ₹ 1.37 crore].

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

(₹ in crore)

S.No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>ii</b>	<b>Advance made to Key Management Personnel for Purchase of his Property</b>	
	Balance at the beginning of the year	-
	Transaction during the year - advance given	3.25
	Transaction during the year - advance returned back	(3.25)
	Balance at year end	-
<b>iii</b>	<b>Dividend paid to Key Management Personnel</b>	0.65
<b>iv</b>	<b>Payment of Salaries and perquisites to relatives of Key Management Personal</b>	0.48
<b>v</b>	<b>Dividend paid to relatives of Key Management Personnel</b>	0.31

### 49 SEGMENT INFORMATION

#### Description of segments and principal activities

The Chief operational decision makers (CODM) monitor the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products/ services and have been identified as per the quantitative criteria specified in the Ind AS.

Specifically, the Group's reportable segments under Ind AS are as follows:

- 1 Steel Pipe and Strips (comprises Steel pipes and cold rolled strips)
- 2 Lighting and consumer durables (comprises Lamps, fittings, street light, fans, electric appliances and allied items)

#### Identification of Segments:

For financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment after taking into consideration the similar nature of the products, production processes and other risk factors. For financial statements presentation purposes, these individual operating segment's have been aggregated into a single operating segment taking into account the following factors:

- i. These operating segments have similar long-term gross profit margins;
- ii. The nature of the products and production processes are similar; and
- iii. The methods used to distribute the products to the customer are same

The additional factors taken into consideration for aggregation into a single operating segment are as follows:

- i. Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.
- ii. Finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.
- iii. Segment assets represent assets directly managed by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude derivative financial assets, deferred tax assets and income tax recoverable.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

- iv. Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.
- v. Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).
- vi. Unallocated expenses/ results, assets and liabilities include expenses/ results, assets and liabilities (including inter-segment assets and liabilities) and other activities not allocated to the operating segments. These also include current taxes, deferred taxes and certain financial assets and liabilities not allocated to the operating segments.

### I. Segment revenues and results

		(₹ in crore)	
Particulars		For the Year Ended 31st March, 2022	For the year ended 31st March, 2021
<b>Segment revenue</b>	Steel Pipe and Strips	6,402.06	4,328.11
	Lighting and consumer durables	1,332.93	1,240.13
		<b>7,734.99</b>	<b>5,568.24</b>
Less : Inter Segment revenue		4.17	6.85
		<b>7,730.82</b>	<b>5,561.39</b>
<b>Segment profit</b> (earning before interest and taxes)	Steel Pipe and Strips	260.16	182.70
	Lighting and consumer durables	80.14	98.63
		<b>340.30</b>	<b>281.33</b>
Finance costs		63.65	69.86
<b>Profit before tax</b>		<b>276.65</b>	<b>211.47</b>
Tax expense		71.73	53.16
<b>Profit after tax</b>		<b>204.92</b>	<b>158.31</b>

### II. Segment Assets and Liabilities

		(₹ in crore)	
Particulars		As at 31st March, 2022	As at 31st March, 2021
Segment assets	Steel Pipe and Strips	2,241.26	2,097.87
	Lighting and consumer durables	861.77	831.96
	<b>Total Segment assets</b>	<b>3,103.03</b>	<b>2,929.83</b>
	Unallocated assets	11.67	11.58
		<b>3,114.70</b>	<b>2,941.41</b>
Segment liabilities	Steel Pipe and Strips	502.60	441.69
	Lighting and consumer durables	411.74	351.99
	<b>Total Segment Liabilities</b>	<b>914.34</b>	<b>793.68</b>
	Unallocated Liabilities	652.78	780.45
		<b>1,567.12</b>	<b>1,574.13</b>

#### Notes :

- I Unallocated assets comprises of income tax refundable.
- II Unallocated liabilities comprises of borrowings, provision for income tax, deferred tax etc.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### III. Other segment information

(₹ in crore)

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cost incurred on acquisition of Property, plant and equipment	Steel Pipe and Strips	48.99	40.58
	Lighting and consumer durables	20.12	19.23
		<b>69.11</b>	<b>59.81</b>
Depreciation and amortisation expense of Property, plant and equipment	Steel Pipe and Strips	82.04	73.42
	Lighting and consumer durables	19.54	23.22
		<b>101.58</b>	<b>96.64</b>

### IV. Geographical information

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

The Group's revenue from operations from customers by location of operations and information about its non-current assets by location of assets are detailed below:

#### a. Revenue from external customers

(₹ in crore)

	For the year ended 31st March, 2022	For the year ended 31st March, 2021
India	6,286.02	4,839.40
Outside India	1,444.80	721.99
<b>Total</b>	<b>7,730.82</b>	<b>5,561.39</b>

#### b. Non-current assets

(₹ in crore)

Particulars		As at 31st March, 2022	As at 31st March, 2021
Non-Current Assets	Within India	1,047.11	1,103.15
	Outside India	Nil	Nil
		<b>1,047.11</b>	<b>1,103.15</b>

### V. Information about major customers

The Group do not have single customer from whom the revenue is not less than 10 % of the revenue from external customers of the Company

### 50 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

(₹ in crore)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Dividend proposed for Equity shareholders @ ₹ 4.00 per share (previous year ₹ 1.50 per share)	21.76	8.16

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 51 FINANCIAL INSTRUMENTS

#### Fair value of financial assets and liabilities

The value of financial assets and liabilities by categories were as follows:

As at 31st March, 2022

(₹ in crore)

S. No.	Particulars	Measured at Amortised cost	Measured at Fair Value (Level 2)	Total carrying value
<b>Assets:</b>				
i	Cash and cash equivalents	0.26		0.26
ii	Bank Balances other than (ii) above	0.60		0.60
iii	Trade receivables	888.16		888.16
iv	Other financial assets	71.47	1.61	73.08
	<b>Total</b>	<b>960.49</b>	<b>1.61</b>	<b>962.10</b>
<b>Liabilities:</b>				
i	Non Current Borrowings	60.67	-	60.67
ii	Current Borrowings	519.35	-	519.35
iii	Trade payables	593.56	-	593.56
iv	Lease liabilities	13.07	-	13.07
v	Other financial liabilities	156.72	-	156.72
	<b>Total</b>	<b>1,343.37</b>	<b>-</b>	<b>1,343.37</b>

The financial assets measured at fair value are derivative contracts outstanding as at 31st March, 2022.

As at 31st March, 2021

(₹ in crore)

S. No.	Particulars	Measured at Amortised cost	Measured at Fair Value (Level 2)	Total carrying value
<b>Assets:</b>				
i	Cash and cash equivalents	0.26	-	0.26
ii	Bank Balances other than (ii) above	0.68	-	0.68
iii	Trade receivables	756.14	-	756.14
iv	Other financial assets	81.02	-	81.02
	<b>Total</b>	<b>838.10</b>	<b>-</b>	<b>838.10</b>
<b>Liabilities:</b>				
i	Non Current Borrowings	172.22	-	172.22
ii	Current Borrowings	544.37	-	544.37
iii	Trade payables	480.47	-	480.47
iv	Lease liabilities	15.44	-	15.44
v	Other financial liabilities	120.29	12.00	132.29
	<b>Total</b>	<b>1,332.79</b>	<b>12.00</b>	<b>1,344.79</b>

The financial liability measured at fair value are derivative contracts outstanding as at 31st March, 2021.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels :

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

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

Level 3: Inputs which are not based on observable market data.

### 52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Risk Management Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Risk Management committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Risk Management Committee. The Group is exposed to financial market risk, credit risk and liquidity risk.

#### I Financial Market risk

Financial market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of change in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency trade receivables, trade payables and borrowings.

##### a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. In order to optimise the Company's position with regards to interest and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate with reset clause and floating rate financial instruments in its total portfolio. The borrowings of the Group are on floating interest rate along with periodical interest reset.

The Group is not exposed to significant interest rate risk at the respective reporting dates. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings are taken.

Interest rate sensitivity	Effect on profit before tax	
	Decrease by 50 basis point	Increase by 50 basis point
<b>For the year ended 31st March, 2022</b>	2.90	(2.90)
For the year ended 31st March, 2021	3.58	(3.58)

##### b Foreign currency risk

The Group transacts business primarily in Indian Rupee, USD and Pound sterling (GBP). The Group has taken foreign currency loans and has trade payables as well as receivables in foreign currency. The Group evaluates foreign currency exposure time to time and follows established risk management policies by taking foreign exchange forward contracts mostly with a maturity less than one year from the reporting date. The Group do not use derivative financial instrument for trading or speculation purpose to hedge exposure of foreign currency risk.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

The particulars of forward contract taken are given below :-

Particulars	Type	No. of Contract	USD (million)	Equivalent (₹ In crore)
<b>As at 31st March, 2022</b>	Sell	14	22.93	173.82
	Buy	24	13.82	104.73
As at 31st March, 2021	Sell	11	11.05	80.79
	Buy	48	60.05	439.04

The net foreign currency exposure towards pending import /(export) orders in hand stands at (USD 14.35 million) as at 31st March, 2022 (Previous year USD 5.08 million).

### II Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents. To manage this, the Group periodically assesses the financial risk limits of the customers, taking into account the payment behaviour, aging of outstanding, credit ratings, current economic trends, and analysis of historical bad debts. Further the Group makes provision for bad and doubtful debts on trade receivables based on Expected Credit loss (ECL) method based on provision matrix.

#### Trade Receivable

The Company's exposure to credit risk is influenced by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company has a detailed review mechanism of overdue trade receivables at various levels in the organisation to ensure proper attention and focus on realisation.

#### Expected credit loss assessment

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk

The movement in the allowances for impairment in respect of trade receivables during the year was as follows:

Particulars	(₹ in crore)	
	As at 31st March, 2022	As at 31st March, 2021
Opening Balances	7.08	6.08
Add : Impairment loss recognised	0.56	3.00
Less : Impairment Loss Reversed/Bad debts written off	0.61	2.00
<b>Closing balance</b>	<b>7.03</b>	<b>7.08</b>

#### Cash and Cash Equivalents, Deposit in Banks and other Financial instruments

The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances as it has sufficient vacant cash credit limits with its bankers. For other financial assets the Group monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the Group adjust its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### III Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's finance department manage the liquidity through verity of sources of borrowings, by ensuring sufficient liquidity to meet its liabilities when due, under all circumstances, without incurring unacceptable losses or risk to the Group's reputation. The current committed working capital facilities are used 65% to 80% and sufficient to meet its requirement. The Group monitor rolling forecast for its liquidity requirements.

#### Maturity profile of financial liabilities

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

(₹ in crore)				
As at 31st March, 2022	Less than 1 year	1 year - 5 years	Above 5 years	Total
Non Current Borrowings	-	60.67	-	60.67
Current Borrowings	519.35	-	-	519.35
Trade payables	593.56	-	-	593.56
Lease liabilities	6.05	7.02	-	13.07
Other financial liabilities	144.61	12.11	-	156.72
<b>Total</b>	<b>1,263.57</b>	<b>79.80</b>	-	<b>1,343.37</b>
<b>As at 31st March, 2021</b>				
Non Current Borrowings	-	172.22	-	172.22
Current Borrowings	544.37	-	-	544.37
Trade payables	480.47	-	-	480.47
Lease liabilities	1.68	13.76	-	15.44
Other financial liabilities	120.70	11.59	-	132.29
<b>Total</b>	<b>1,147.22</b>	<b>197.57</b>	-	<b>1,344.79</b>

### 53 CAPITAL MANAGEMENT

For the purposes of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's Capital Management is to maximise shareholder value. The Board of Directors monitors the return on capital, dividend to shareholders, maintain balance between capital and borrowing in the light of changes in economic environment and the business requirements. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings

Further the Group monitors capital using gearing ratio, which is net debt divided by Equity and net debt. as under: -

(₹ in crore)		
Particulars	As at 31st March, 2022	As at 31st March, 2021
Debt (consist of long term and short term borrowings refer note 17 and 22 )	580.02	716.59
Less: Cash and cash equivalents	0.26	0.26
Net Debt	579.76	716.33
Equity	1,547.58	1,367.28
Equity and Net Debt	2,127.34	2,083.61
Gearing ratio in %	27.25%	34.38%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### Ratios

Particulars	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021	Variance in %
Current Ratio (In Times)	Current Assets	Current Liabilities	1.51	1.47	2.72
Debt-Equity Ratio (In times)	Total Debt (Term Loans and Working Capital Loans)	Equity	0.37	0.52	(28.85)
Debt Service Coverage Ratio (In times)	Earnings before Interest , Depreciation and Exceptional Items	Interest + Regular Repayments of long term loans	3.22	2.59	24.32
Return on Equity Ratio in %	Profit after Tax	Average Net Worth	14.06	12.15	15.72
Inventory turnover ratio (In Times)	Cost of Goods Sold	Inventories	6.27	5.00	25.40
Trade Receivable turnover ratio (In Times)	Revenue from Operation	Trade Receivable	8.70	7.35	18.37
Trade Payables turnover ratio (In Times)	Cost of Goods Sold	Trade Payable	10.43	9.04	15.38
Net Capital turnover ratio (In Times )	Turnover	Net Worth	5.00	4.07	22.85
Net Profit ratio (in %)	Profit after Tax	Turnover	2.65	2.85	(7.02)
Return on Capital employed in %	Profit before Interest and Tax	Average Capital Employed	16.16	12.75	26.75

### Reasons for change in the ratio by more than 25% as compared to the preceding year

- Debt Equity Ratio improved due to reduction in Debt
- Inventory Turnover Ratio increased due to better inventory management
- Return on Capital employed increased due to Higher EBIDTA and lower Capital Employed

### ESOS Loan to employees Welfare Trust

The Company has introduced Employees Stock Option schemes for its employees and has acquired 12,36,700 equity shares ( cumulative upto 31st March, 2022) 8,00,000 equity shares (cumulative upto 31st March, 2021) by way of secondary acquisition through Surya Roshni Employees welfare Trust and for the same provided funds of ₹ 38.40 crore ( cumulative up to 31st March, 2022) ₹ 13.83 crore ( cumulative upto 31st March, 2021 ) by way of interest free loan to the Trust in compliance of Provisions of the Companies Act 2013 and SEBI( SBEB Regulations), 2014.

- 54 The Group has made an assessment of the impact of the continuing Covid-19 pandemic on its current and future operations, liquidity position and cash flow giving due consideration to the internal and external factors. The Company is continuously monitoring the situation and does not foresee any significant impact on its operations and the financial position as at 31st March, 2022.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

### 55 ADDITIONAL INFORMATION

- (i) All title deeds of Immovable properties are held in name of the respective Companies;
- (ii) The Group has no investment property hence disclosure of fair value of investment property is not applicable;
- (iii) The Group has not revalued its Property, Plant and Equipment ( including Right-of-Use Assets), hence disclosure on the basis of its revaluation is not applicable;
- (iv) The Group has no intangible assets hence disclosure on the basis of its revaluation is not applicable;
- (v) No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties ( as defined under Companies Act, 2013) , either severally or jointly with any other person, that are:
  - a) Repayable on demand; or
  - b) Without specifying any terms or period of repayment,
- (vi) No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 ( 45 of 1988) and rules made thereunder;
- (vii) The Company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts;
- (viii) The Group is not a declared wilful defaulter by any bank or financial institutions or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India;
- (ix) The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956;
- (x) No charges or satisfaction are yet to be registered with ROC beyond the statutory period;
- (xi) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017;
- (xii) No Scheme of Arrangement has been approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013 during the year;
- (xii) (A) The Group has not advanced or loaned or invested funds ( either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities( Intermediaries) with the understanding ( whether recorded in writing or otherwise) that the Intermediary shall
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ( Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities( Funding Party) with the understanding ( whether recorded in writing or otherwise) that the Company shall
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party( Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (xiv) The Group has not traded or invested in Crypto currency or Virtual currency during the financial year, hence disclosure is not required;
- (xv) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date;
- (xvi) There are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income-Tax Act, 1961, that has not been recorded in the books of account.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022 (Contd.)

- 56** The Group has perpetual system of balance confirmation and reconciliation of Trade receivables and Trade payables, however at year end some of the balances remain subject to confirmation and reconciliation.
- 57** Previous Period figures are regrouped /reclassified wherever necessary in line with requirement of Schedule III to the Companies Act 2013.
- 58** Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

(₹ in crore)

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as % of consolidated net assets	Amount	as % of consolidated profit or loss	Amount	as % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
Surya Roshni Limited	99.84	1,545.15	99.82	204.57	100.00	0.42	99.83	204.99
<b>Indian Subsidiary</b>								
Surya Roshni LED Lighting Projects Limited	0.16	2.43	0.17	0.35	-	-	0.17	0.35
<b>Consolidated</b>	<b>100.00</b>	<b>1,547.58</b>	<b>100.00</b>	<b>204.92</b>	<b>100.00</b>	<b>0.42</b>	<b>100.00</b>	<b>205.34</b>

- 59** Approval of Consolidated financial statements

The consolidated financial statements were approved for issue by the Board of Directors on 19th May, 2022

As per our report of even date

For and on behalf of the Board

**For Ashok Kumar Goyal & Co.**

Chartered Accountants  
(Firm Registration No. ICAI: 02777N)

**Vinay Surya**  
Managing Director  
DIN: 00515803

**Raju Bista**  
Managing Director  
DIN: 01299297

**J P Agarwal**  
Chairman  
DIN: 00041119

**CA. Ashok Kumar**

Partner FCA  
Membership no. 017644

**Tarun Baldua**  
Executive Director & CEO (Steel Operations)

**Nirupam Sahay**  
Executive Director & CEO (Lighting)

**B B Singal**  
Chief Financial Officer & Company Secretary

Place : New Delhi

Dated : 19th May, 2022

# Surya ke naye smart lights

## Sabko mood mein le aaye

# SURYA

Smart Lighting

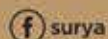


- Warm to Cool Light
- Control Light Intensity
- Remote Controlled



### SURYA ROSHNI LIMITED

E-mail: [consumercare@surya.in](mailto:consumercare@surya.in) • [www.surya.co.in](http://www.surya.co.in) • Toll Free No.: 1800 102 5657 • Tel.: 011-47108000



surya



surya\_roshni



surya.roshni



surya-roshni





# SURYA



PIPES



LIGHTING



FANS



APPLIANCES

## SURYA ROSHNI LIMITED

Head Office: Padma Tower - 1, Rajendra Place  
2<sup>nd</sup> Floor, New Delhi - 110008 (India)  
Tel: +91-11-47108000: 25810093:  
Toll Free No. (5657 102 1800)  
Fax: +91-11-25789560  
E-mail: [investorgrievances@sroshni.com](mailto:investorgrievances@sroshni.com)  
Website: [www.surya.co.in](http://www.surya.co.in),

Regd. Office: Prakash Nagar, Delhi — Rohtak Road  
Bahadurgarh — 124507 (Haryana)  
Tel: +01276-241840: 8813874800:

CIN: L31501HR1973PLC007543

# SURYA

## SURYA ROSHNI LIMITED

Regd. Office: Prakash Nagar, Sankhol, Bahadurgarh – 124507 (Haryana)  
Corporate Identity Number (CIN) – L31501HR1973PLC007543  
Phone: +91-1276- 241540 Fax No. +91-1276-241886  
Website: [www.surya.co.in](http://www.surya.co.in), Email id: [investorgrievances@sroshni.com](mailto:investorgrievances@sroshni.com)

## NOTICE

Notice is hereby given that the Forty Ninth (49<sup>th</sup>) Annual General Meeting of the members of **SURYA ROSHNI LIMITED** ("the Company") will be held on **Wednesday, the 21<sup>st</sup> September, 2022 at 12.00 Noon**, through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM"), to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the audited standalone financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the reports of the Board of Directors and Auditors thereon and the audited consolidated financial statement of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the report of Auditors thereon.
2. To declare dividend of ₹ 4.00/- per equity share for the financial year ended 31<sup>st</sup> March, 2022.
3. To appoint Mr. Kaustubh Narsinh Karmarkar (Director Identification No. – 00288642) who retires by rotation as a Director and, being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
  
"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Kaustubh Narsinh Karmarkar (DIN: 00288642), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."
4. To re-appoint the Statutory Auditors for the second term of five years and to fix their remuneration and in this regard, to pass the following resolution as an **Ordinary Resolution**:  
  
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s Ashok Kumar Goyal & Company, Chartered Accountants, being eligible, having registration number 002777N be and are hereby reappointed as Statutory Auditors of the Company for the second term of 5 consecutive years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 54<sup>th</sup> Annual General Meeting of the Company on such remuneration as provided in the explanatory statement."

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company or a Committee of Directors authorised by the Board in this behalf for creating such mortgage and / or charge of all the immovable and movable properties of the Company where so ever situated, present and future and the whole of the undertaking of the Company in favour of IDBI Bank Limited and / or Punjab National Bank, acting for itself and as an agent of Banks to secure:

The Working Capital Limits including CEL Limits for forward cover of ₹ 2,16,432 lakhs, secured on Second Charge basis, lent and advanced / agreed to be lent and advanced by State Bank of India, Punjab National Bank, IDBI Bank Limited, Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited and Union Bank of India to the Company, together with interest thereon at the respective agreed rates, interest tax, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to State Bank of India, Punjab National Bank, IDBI Bank Limited, Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited and Union Bank of India under Loan Agreements entered into/to be entered into by the Company in respect of the aforesaid loans.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or a Committee of Directors authorised by the Board in this behalf be and is hereby authorised to finalise all agreement(s) for creating mortgage and/or charge as aforesaid and to do all such acts, deeds and matter as may be necessary or expedient for giving effect to the above resolution."

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
  
"RESOLVED THAT pursuant to the provisions of Section 148 and such other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force, the Cost Auditor M/s R J Goel & Co. (a Cost Audit firm FRN:000026), who was appointed by the Board of Directors of the Company to conduct the audit of its cost records for the financial year ending 31<sup>st</sup> March, 2023, at a remuneration of ₹ 5,50,000 (Rupees Five lakhs fifty thousand only) be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters, things and take all such steps as may be necessary desirable or expedient to give effect to this resolution.”

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 196, 197, 198, 200, 201, 203 and Schedule V and such other applicable provisions, if any, of the Companies Act, 2013, (the Act) including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force read with provisions of regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) or re-enactment thereof, for the time being in force) and the Articles of Associations of the Company, Mr. Vinay Surya, who was appointed on 28th December, 2021, as the Managing Director of the Company by the Shareholders of the Company through Postal Ballot and now subsequently subject to such other approval, consents of any other authority(ies) as may be required, as recommended by Nomination and Remuneration Committee (NRC), approval of the members of the Company be and is hereby accorded to increase the remuneration payable to Mr. Vinay Surya having Director Identification No. (DIN – 00515803) as the Managing Director of the Company by paying in addition to Salary, 1% commission of the Profit Before Tax (PBT) of the financial year derived on the basis of Audited Financial Statements of the Company for the concerned financial year 2022-23 and onwards for the rest of his tenure, as set out in the Supplementary Agreement executed on 23rd May, 2022 between the Company and Mr. Vinay Surya, and as set out in the explanatory statement, with authority to the Board of Directors of the Company to alter and /or vary the remuneration within the limits, if any, prescribed in the Act and / or a schedules thereto.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Vinay Surya as such remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013, as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Vinay Surya in the light of the further progress of

the Company which revision should be in conformity with any amendments to the relevant provisions of the Act and /or the rules and regulations made thereunder and/ or such guidelines as may be announced by the Central Government from time to time.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution.”

8. To consider and approve an increase in remuneration payable to Ms. Puja Surya for holding an office of place of profit in the Company over the threshold limits as specified under the Companies Act, 2013.

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

“**RESOLVED THAT** pursuant to the provisions of Section 188(1)(f) and all other applicable provisions of the Companies Act, 2013 read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), as per the recommendation and approval of the Nomination and Remuneration Committee and Audit Committee, approval of the shareholders be and is hereby accorded to enhance remuneration payable to Mrs. Puja Surya, CGM (PVC) of the Company, a related party over the threshold limit of ₹ 2,50,000/- per month to ₹ 5,00,000/- per month and such other perquisites in accordance with the Company Rules, for holding an office or place of profit in the Company.

**RESOLVED FURTHER THAT** the Board of Directors Committees of the Company be and are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mrs. Puja Surya in the light of the further progress of the Company which revision should be in conformity with the Company's HR policy and in line with any amendments to the relevant provisions of the Act and /or the rules and regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorised to do, all such acts, matters, deeds and things, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company.”

**By order of the Board**

**Registered Office:**

**Prakash Nagar, Sankhol,  
Bahadurgarh – 124 507 (Haryana)**

**Dated: 13th August, 2022**

**B. B. SINGAL  
CFO & COMPANY SECRETARY  
Membership No. ACS 10781**

## NOTES

1. In view of the ongoing Covid-19 pandemic, social distancing is a norm to be followed and pursuant to it the Ministry of Corporate Affairs ("MCA") has vide its General circular Nos, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated 5th May, 2020, 13th January, 2021, 8th December, 2021, 14th December, 2021 and 5th May, 2022 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM"/"Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In compliance with the MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories at the close of the business hours on Friday, 19<sup>th</sup> August, 2022. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.surya.co.in and also on the websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
6. **In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the Rules), as amended and Regulation 44 of SEBI ( Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing its members facility to exercise their right to vote on the Items of Business given in the AGM Notice dated 13th August, 2022 proposed to be passed in the Annual General Meeting ("meeting") of the Company scheduled to be held on Wednesday, 21st September, 2022 through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM"), The members may cast their votes using an electronic voting system from a place other than the venue of the meeting (remote e-voting). The Company has engaged National Securities Depository Limited (NSDL) to provide e-voting platform to members. The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL. The process of remote e-voting shall be as follows:**  
**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -**  
**The remote e-voting period begins on Saturday, 17th day of September, 2022 at 9:00 A.M. (IST) and ends on Tuesday, 20th day of September, 2022 at 5:00 P.M. (IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. 14th September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 14th September, 2022.**  
**Process to vote electronically using NSDL e-Voting system**  
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

## I. Access to Depositories e-voting system in case of Individual Members holding shares in demat mode

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If members are already registered for <b>NSDL IDEAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>"Beneficial Owner"</b> icon under "Login" which is available under <b>"IDEAS"</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against Company name on <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>"Register Online for IDEAS"</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against Company name on e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants.	Members can also login using the login credentials of its demat account through their Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against Company name on e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Securities held with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

## II. Access to NSDL e-voting system in case of members holding shares in physical and non-individual members in demat mode.

### Step 1:

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

##### How to Log-in to NSDL e-Voting website

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Click on **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button
9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically on NSDL e-Voting system.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Instructions:

- a) The remote e-voting period begins on Saturday, 17th September, 2022 at 9.00 a.m (IST) and ends on Tuesday, 20th September, 2022 at 5.00 p.m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of 14th September, 2022, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- b) A person, whose name appears in the register of Members / Beneficial owners as on cut-off date i.e. 14th September, 2022, only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting.
- c) Any person who becomes members of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 14th September, 2022, will follow the above stated procedure or obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company Registrar - MAS Services Limited at [investor@masserv.com](mailto:investor@masserv.com).
- d) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send a scanned copy (PDF /JPG Format) of the Board Resolution /Authority Letter / Power of Attorney (POA) etc. together with attested specimen signature of the authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail to [info@piassociates.co.in](mailto:info@piassociates.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- e) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password
- f) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download

section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Pallavi Mhatre, Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, at the designated email address: [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) / [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at telephone no. +91 22 2499 4545.

- g) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 14th September, 2022.
- h) Members can also download the notice of the meeting at [www.surya.co.in](http://www.surya.co.in) for exercising their e-voting rights.
- i) Members who have cast their vote through remote e-voting prior to the meeting may attend the meeting but shall not be allowed to cast their vote again.
- j) Mr. Ankit Singhi, (FCS No. 11685, C.P. No. 16274 ) Partner, M/s PI & Associates, Practising Company Secretary (PR No. 1498/2021) failing which Mr. Nitesh Latwal, (ACS No.32109, C.P. No. 16274 ) Partner, M/s PI & Associates, shall act as the Scrutiniser by the Board for conducting the entire voting process in a fair and transparent manner in accordance with the applicable provisions of the Act & Rules.
- k) At the end of the Annual General Meeting voting exercise, Scrutiniser will download the entire voting data using its scrutiniser login.
- l) The Scrutiniser will submit his final report after the conclusion of the Annual General Meeting but not later than closing of the business hours on 22nd September, 2022 to the Chairman of the meeting or to the Company Secretary of the Company.
- m) The Chairman of the meeting or the Company Secretary of the Company shall announce the result of voting on the resolutions taken up at the 49th Annual General Meeting on or after submission of final report by the Scrutiniser.
- n) The results along with the Scrutiniser's Report, will be placed on the Company's website at [www.surya.co.in](http://www.surya.co.in) and on the website of NSDL immediately after the result is declared. The results shall simultaneously be communicated to the Stock Exchanges where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

### The Instructions for Members for E-Voting on the day of the AGM are as under:

- i) The procedure for e-Voting on the day of the AGM is as per the instructions mentioned overleaf.
- ii) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**Instructions for Members for Attending the AGM through VC / OAVM are as under:**

- a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, members can see link of "VC/OAVM link" placed under "**Join Annual General meeting**" menu against Company name. Members are requested to click on VC/OAVM link placed under Join Annual General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their Name, DP ID and Client ID/ Folio Number, PAN, Mobile Number at [investorgrievances@sroshni.com](mailto:investorgrievances@sroshni.com) atleast 48 hours before the start of the AGM. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS OF SHAREHOLDERS AND GETTING COPY OF NOTICE OF ANNUAL GENERAL MEETING AND ANNUAL REPORT 2021-22**

- (i) Members, who are holding shares in physical/electronic form and their e-mail addresses are not registered with the Company/their respective Depository Participants, are requested to register their e-mail addresses at the earliest. Members holding shares in physical mode will submit Form ISR-1 and sending the scanned copy of the Form mentioning their name, complete address, folio number, number of shares held with the Company along with self-attested scanned copy of the PAN Card and self-attested scanned copy of any one of the following documents viz., Aadhaar Card, Driving Licence, Election Card, Passport, utility bill or any other Govt. document in support of the address proof of the Member as registered with the Company for receiving the Annual Report 2021-22 along with AGM Notice by email to [investor@masserv.com](mailto:investor@masserv.com). Members holding shares in demat form can update their email address with their Depository Participants and

send scan copy of client master to [investor@masserv.com](mailto:investor@masserv.com).

- (ii) If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
  - (iii) Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
  - (iv) In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
  - (v) A member can also register his email address and contact details with us, by writing to us addressed to the Secretarial Department at Company's Corporate Office, or at its E-mail ID: [investorgeivances@sroshni.com](mailto:investorgeivances@sroshni.com). This will help in prompt sending of notices, annual reports and other shareholder communications in electronic form.
7. A statement pursuant to Section 102(1) of the Companies Act, 2013, are annexed hereto.
  8. The recorded transcript of the forthcoming AGM on 21st September, 2022, shall also be made available on the website of the Company [www.surya.co.in](http://www.surya.co.in).
  9. The Record date for taking into account the list of shareholders for dividend entitlement is **2nd September, 2022**.
  10. The Dividend on Company's Equity Shares for the year ended 31st March, 2022, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be made as under:
    - (i) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on **Friday, 2nd September, 2022**.
    - (ii) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on **Friday, 2nd September, 2022**.
  11. Pursuant to Finance Act, 2020, dividend income will be taxable at the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to members at prescribed rates. For the prescribed rates for various categories the members are requested to refer to the Finance Act, 2020 and amendments thereto. However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received during 2022-23 does not exceed ₹5,000/-.



A resident individual shareholder with PAN who is not liable to pay income tax submit a yearly declaration in Form 15G/15H, to avail the benefit of non-deduction of tax at Company's RTA at investor@masserv.com. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

All relevant documents referred to in the Notice or in the accompanying Statement can be obtained for inspection by writing to the Company at its email ID investorgrievances@sroshni.com on all working days till the date of AGM.

Year	Total No. of Shareholders at the beginning of the year	Outstanding Shares in IEPF demat suspense account at the beginning of the year	Total No. of Shareholders whose shares are transferred to IEPF demat suspense account during the year	Total No. of Shares transferred to IEPF suspense account during the year	Total No. of Shareholders who approached the Company for transfer of shares from IEPF suspense account during the year	No. of Shares Transferred from IEPF Suspense Account during the year	Outstanding Shares in demat suspense account lying at the end of the year.	Voting Rights Frozen
2013-14	1,850	2,13,399	143	14,615	4	1,112	2,26,902	Yes

Further, pursuant to the provisions of Section 124(6) of the Act read with the relevant Rules made thereunder, shares on which dividend has not been paid or claimed for seven (7) consecutive years or more i.e. for 2014-15 to 2021-22 shall be transferred to the IEPF as notified by the Ministry of Corporate Affairs.

In accordance with the IEPF Rules, the Company has sent notices to all the Shareholders whose shares are due for transfer to the IEPF and has also published the details thereof in notices published in newspapers. The list of the shareholders whose shares are due for transfer during the year is also be available on the website of the Company [www.surya.co.in](http://www.surya.co.in) under Investor.

The Members whose dividend/shares are transferred to the IEPF may claim the dividend/shares by making an application to the IEPF by following the procedure as detailed in the IEPF Rules and as enumerated on the website of IEPF at <http://www.iepf.gov.in/IEPF/refund.html>.

14. The Securities and Exchange Board of India ('SEBI') vide its circular dated 3rd November, 2021 read with circular dated 14th December, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company as effective from 1st January 2022. Registrar will not process, any service requests or complaints received from the member until unless above KYC and nomination will not be completed by shareholder and such shareholders holding will be

13. Pursuant to the provisions of Section 124(5) and (6) of the Companies Act, 2013, Ministry of Corporate Affairs (MCA) vide notification dated 28th February, 2017 and 16th October, 2017 has notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2017 ('IEPF Rules') and inter-alia specified the manner for transfer of Unclaimed Dividend along with the shares, in respect of which dividend is unpaid or unclaimed for a period of seven years, to Investor Education and Protection Fund (IEPF) established by the Central Government. During the year, the Company has transferred 14,615 equity shares to IEPF Account as tabulated below in respect of which dividend stands unclaimed for a continuous period of seven years starting from 2013-14 onwards. Disclosure with respect to transfer of shares to IEPF account as per the provisions of section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

frozen by RTA on or after 1st April 2023.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after 1st April, 2023 by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- PAN; (using ISR-1)
- Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- Bank Account details including Bank name and branch, Bank account number, IFS code;
- Specimen signature. (using ISR-2)

Any cancellation or change in nomination shall be provided in Form No.SH-14

All of above required documents/details to be sent at the address of registered office of the RTA. The shareholders can download the forms mentioned in SEBI circular from the website of the Company [www.surya.co.in](http://www.surya.co.in) or from RTA website i.e [www.masserv.com](http://www.masserv.com). For any queries in this regard send an e-mail request at [investor@masserv.com](mailto:investor@masserv.com).

**(A separate communication has already been sent to the respective shareholders.)**

15. The SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/ Real Time Gross Settlement (RTGS)/ Direct Credit/NEFT etc. In the absence of ECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend.

In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank accounts along with the original cancelled cheque bearing the name of the Member to the RTA, MAS Services Limited/Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s).

Members holding shares in physical form may communicate these details to the RTA viz. MAS Services Limited having address at RTA i.e. MAS Services Limited, having address at T-34 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020, by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their Permanent Account Number ('PAN') card.

This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc.

The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

16. In compliance with SEBI vide its circular SEBI/HO/ MIRSD/ MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company / Company RTA in physical form will be processed and the shares will be issued in dematerialisation form only:-
- i. Issue of duplicate share certificate
  - ii. Claim from unclaimed suspense account
  - iii. Renewal/Exchange of securities certificate
  - iv. Endorsement
  - v. Sub-division / Splitting of securities certificate / Consolidation of securities certificates/folios
  - vi. Transmission
  - vii. Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the Company as well as on the website of MAS Services Ltd, Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form.

17. **Information provided as per Secretarial Standards on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 referred to as the "Listing Regulations".**

Mr. Kaustubh Narsinh Karmarkar, aged about 43 years, is a commerce graduate from Delhi University, MBA(HR), is the Whole-time Director of the Company (having DIN – 00288642) with an overall experience of over 24 years in the field of Management, Human Resources and Planning. Besides holding directorship and CSR Committee membership in the Company, he is holding Directorship in Surya LED Limited, the wholly-owned subsidiary Company of Surya Roshni Limited. Further, he has not having any inter-relationship between other Directors /KMPs of the Company or their relatives. Further he is not holding any equity shares of the Company

18. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")**

**ITEM NO. 4**

To re-appoint M/s Ashok Kumar Goyal & Company, Chartered Accountants, as Statutory Auditors of the Company for the second term of 5 consecutive years and to fix their remuneration.

M/s. Ashok Kumar Goyal & Company, Chartered Accountants, who were appointed as Statutory Auditors of the Company at the 44th Annual General Meeting ('AGM') held on 29th December, 2017 for a period of 5 years, up to the conclusion of 49th AGM offers themselves for re-appointment for the second term. M/s. Ashok Kumar Goyal & Company are eligible for re-appointment for a further period of 5 years. M/s. Ashok Kumar Goyal & Company have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder.

M/s. Ashok Kumar Goyal & Company have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit.

The Audit Committee has recommended the reappointment of the Statutory Auditor based on the vast experience, sound prudential knowledge and formidable services provided during the first term of their tenure to the Board of Directors and accordingly the Board based on the recommendation hereby proposed to re-appoint M/s. Ashok Kumar Goyal & Company, Chartered Accountants, having registration No. 002777N, as the Statutory Auditors of the Company for the second and final term of five consecutive years, who shall hold office from the conclusion of this 49th AGM till the conclusion of the 54th AGM of the Company.

The Board of Directors has approved a remuneration of ₹ 26.00 lakhs for conducting the audit for the financial year



2022-23, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The remuneration for his remaining tenure shall be decided by the Board of Directors of the Company.

The remuneration proposed to be paid to the Statutory Auditors during their second and final term would be in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the shareholders by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or relatives of Directors or Key Managerial personnel (to the extent of their shareholding in the Company, if any) have any interest financial or otherwise in the said resolution.

#### ITEM NO. 5

The Company has been sanctioned the revised working capital limits from consortium Banks i.e. State Bank of India, Punjab National Bank, IDBI Bank Limited, Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited and Union Bank of India for its Steel Pipes & Strips and Lighting & Consumer Durables Segments. The details are as under:

The Working Capital Limits including CEL Limits for forward cover of ₹ 2,16,432/- lakhs secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank, IDBI Bank Limited, Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited and Union Bank of India to the Company.

The financial assistance together with interest thereon at the respective agreed rates, interest tax, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to State Bank of India, Punjab National Bank, IDBI Bank Ltd, Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited and Union Bank of India under Loan Agreements entered into/ to be entered into by the Company in respect of the aforesaid loans have to be secured by a joint mortgage of all the immovable and movable properties of the Company, present and future.

Section 180(1)(a) of the Companies Act, 2013 provides inter alia that the Board of Directors of a Public Company shall not, without the consent of shareholders of such Public Company in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking/unit, of the whole or substantially the whole of any such undertaking. Since the mortgage by the Company of its immovable and movable properties as aforesaid in favour of the Lenders may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a Special Resolution under Section 180(1)(a) of the Companies Act, 2013, before creation of the said fresh/ modification of the mortgage/charge.

The Board of Directors recommends the resolution(s) as set out in Item No.5 for the approval of the shareholders as a **Special Resolution**.

None of the Directors, Key Managerial Personnel or relatives of Directors or Key Managerial personnel (to the extent of their shareholding in the Company, if any) have any interest financial or otherwise in the said resolution.

#### ITEM NO. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee in their meeting held on 19th May, 2022 approved the appointment of M/s R J Goel & Company (a Cost auditor firm having registration No.000026) as Cost Auditors to conduct the Audit of the cost records of the Company for the financial year ending 31st March, 2023 at a remuneration of ₹ 5,50,000/-.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought via Ordinary Resolution as set out in Item No. 6 of the Notice for ratification of the remuneration payable to M/s R J Goel & Company (a Cost auditor firm) for the financial year ending 31st March, 2023.

The Board of Directors recommends the resolution set out in Item No.6 for the approval of the shareholders as an **Ordinary Resolution**.

None of the Directors, Key Managerial Personnel or relatives of Directors or Key Managerial personnel (to the extent of their shareholding in the Company, if any) have any interest financial or otherwise in the said resolution.

#### ITEM NO. 7

The Shareholders of the Company had approved the appointment of Mr. Vinay Surya as Managing Director of the Company for a period of five years from 26th October, 2021 to 25th October, 2026 through Postal Ballot resolution passed on 28th December, 2021.

Furthermore, seeing the vast duties and responsibilities to be performed by Managing Director, and after taking into account the Industry Standard's remuneration paid to Managing Director(s) and on the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on 19th May, 2022 increase the remuneration paid to Mr. Vinay Surya having DIN -00515803 as Managing Director of the Company by paying in addition to Salary and perquisites, 1% commission of the Profit Before Tax (PBT) of the financial year derived on the basis of Audited Financial Statements of the Company for the concerned financial year 2022-23 and onwards for the rest of his tenure of services, as set out in the Supplementary Agreement executed on 23rd May, 2022 between the Company and Mr. Vinay Surya subject to the approval of the Members, and other concerned authority(ies), if necessary on the following terms:

**SALARY:** Salary of ₹ 20.00 lakhs per month w.e.f. 26th October, 2021 with an annual increment of ₹ 1.00 lakh per month on 1st April of every year.

**COMMISSION:** 1% of the Profit Before Tax (PBT) of the financial year derived on the basis of Audited Financial Statements of the Company and will be paid on or after the approval of Audited Financial Statements by the Board of Directors of the Company for the concerned financial year per annum basis for the period served under the agreement

**PERQUISITES:** Perquisites will be allowed in addition to Salary. For this purpose, unless the context otherwise requires, perquisites are classified into three categories Parts A, B and C and the ceiling shall apply only to Part-A.

#### PART-A

1) Medical Reimbursement:	Expenses incurred for self and family subject to a ceiling of one month's salary per year or three month's salary in a period of three years
2) Leave Travel Concession:	For self and family once in a year incurred with the rules specified by the Company.
3) Club Fees:	Fees of clubs subject to a maximum of two clubs. Admission and life membership fees shall not be allowed.
4) Personal Accident Insurance:	Premium not to exceed ₹ 4,000/- per month.

#### PART-B

The following perquisites shall not be included in the computation of the ceiling on remuneration specified in Paragraph I of Section IV of part II of Schedule V of the Companies Act, 2013.

- 1) Contribution to provident fund to the extent this is not taxable under the Income Tax Act, 1961
- 2) Gratuity payable shall not exceed a half months's salary for each completed year of service.
- 3) Encashment of leave at the end of the tenure.

#### PART-C

1. The Company shall provide a car with driver and telephone facility at the residence of the Managing Director. Provision of car with driver for use of Company's business and telephone facility at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company on the Managing Director

2. The aforesaid remuneration shall be subject to the limit of 5% of the net profits as laid down under sub-section (1) of section 197 of the Companies Act, 2013
3. If the Company has no profits or the profits are inadequate in any financial year during the terms of his office as the Managing Director, Sh. Vinay Surya will be entitled to receive the above remuneration and perquisites as minimum remuneration, provided that the total remuneration, of salary, perquisites and any other allowances shall not exceed the ceiling as provided in section II of the Part II of Schedule V of the Companies Act, 2013 or such other amount and perquisites as/ is may be provided in the said schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

Apart from the aforesaid remuneration, Mr. Vinay Surya will be entitled to reimbursement of expenses incurred in connection with the business of the Company.

No sitting fees will be paid to him for attending the meetings of the Board of Directors of the Company or Committees thereof.

Considering the fact that in terms of Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the aggregate remuneration/compensation payable to promoter directors may exceed 5% of the net profit of the Company, the resolution is being proposed as a Special Resolution.

The Board of Directors recommends the resolution set out in item No.7 for the approval of the shareholders as a **Special Resolution**.

Copy of the Supplementary Agreement dated 23rd May, 2022 executed between the Company and Mr. Vinay Surya along with other relevant documents related to his appointment as Managing Director are open for inspection at the Registered Office of the Company during business hours on any working day prior to the date of meeting.

None of the Directors except Sh. Jai Prakash Agarwal, Ms. Urmil Agarwal and Mr. Vinay Surya (whose interest is only to the extent of their respective shareholding), or relatives of Directors or Key Managerial personnel have any interest financial or otherwise in the said resolution.

**DETAILS PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTOR IS FURNISHED BELOW:**

Name of Director (DIN)	Date of Birth, Age and No. of Equity Shares held, either directly or indirectly in form of beneficial interest for any other person	Qualification and Relationship with other Directors	Brief Resume, experience, nature of expertise in specific functional areas	Name of Companies in which he holds Directorship	The number of meetings of the Board attended during the year	Name of Committees of the Companies of which he holds Membership/ Chairmanship	Date of first appointment on the Board	Terms and conditions of appointment	Details of remuneration sought to be paid and last drawn remuneration
Vinay Surya (DIN-00515803)	20th February, 1973; 49 years. No. of Shares held in the Company – 5,32,831	MBA from Swinburn University, Australia. No Inter-se relations with other Directors except Mr. Jai Prakash Agarwal (being father) and Mrs. Urmil Agarwal (being Mother)	Possess Experience of 23 years in the field of exports, domestic marketing, commercial and Operations. His effective leadership creates mass-improvement in operational efficiencies of the Company.	Besides holding Directorship in Surya Roshni Limited, he is also holding Directorship in - Apple Agro Products Private Limited - J. J. Buildcon Private Limited - Galaxy Pipes Private. Limited and - Pankaj Investments Limited	5 meetings of the Company Board attended during the FY-2021-22 and 2 meetings in the 2022-23	He is not holding any Committee membership / chairmanship in any Company except of Audit Committee, Risk Management Committee and Committee of Directors in Surya Roshni Limited	18th May, 2018	N.A	Remuneration sought to be paid is specified in the Explanatory Statement overleaf and the last drawn salary is 21,00,000 p.m. as per terms of agreement approved by shareholders through postal ballot on 28th December, 2021

## ITEM NO. 8

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with related parties of the Company. The provisions of Section 188 (1) (f) of the Companies Act, 2013 that govern the related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company.

Mrs. Puja Surya wife of Mr. Vinay Surya (Managing Director of the Company) was appointed as officer and holding a place of profit under Section 188(1)(f) and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force), at a monthly remuneration of ₹ 2.50 lakh per month (within the threshold limit of ₹2.50 lakhs p.m.) and further required, the Company to seek fresh approval of the members of the Company in the event of increase in salary in excess of the aforesaid threshold limit.

The resolution is set forth for shareholders' approval by way of an Ordinary Resolution in terms of Sections 188(1) (f) of the Companies Act, 2013 read with applicable rules and as per the recommendation and approval of Nomination and Remuneration Committee and Audit Committee, for enhancement in salary over the threshold limit of ₹ 2,50,000/- to

₹ 5,00,000/- and such other perquisites in accordance with the Company rules payable to Mrs. Puja Surya, CGM (PVC) of the Company, holding an office or place of profit in the Company.

Mrs. Puja Surya, aged around 46 years, having a strong industrialist background with knowledge and expertise to run a PVC Unit, has been closely associated with the business of the Company as CGM from past some years and meanwhile gave her best for its immense growth in PVC pipes business. She possesses an experience in Commercial, Marketing, Financial and Operational aspects. Her unshakable determination along with experience will help the Company in long run. Mrs. Puja Surya associated with the Company from last few years.

Her present role is crucial to provide impetus to the expanding National Business in the emerging market business of the Company in PVC pipes business. She is focusing on tapping the potential markets. Considering her qualification, experience and present role prescribed limit of Companies Act is not commensurate, hence requires approval of the shareholders.

The Board of Directors recommends the resolution set out in item No.8 for the approval of the shareholders as an **Ordinary Resolution**.

None of the Directors except Sh. Jai Prakash Agarwal, Ms. Urmil Agarwal and Mr. Vinay Surya (whose interest is only to the extent of their respective shareholding), or relatives of Directors or Key Managerial personnel have any interest financial or otherwise in the said resolution.

**By order of the Board**

### Registered Office:

Prakash Nagar, Sankhol,  
Bahadurgarh – 124 507 (Haryana)

Dated: **13<sup>th</sup> August, 2022**

**B. B. SINGAL**  
**CFO & SECRETARY COMPANY**  
Membership No. ACS 10781